

**Minnetonka Economic Development Authority
Meeting Minutes**

**Tuesday, October 12, 2004
6:00 p.m.**

**Boards and Commissions Room
Minnetonka City Hall, Lower Level**

1. CALL TO ORDER.

EDA Vice President Dan Duffy called the meeting to order at 6:06 p.m.

2. ROLL CALL.

EDA Commissioners present: Dan Duffy, Dave Larson, Bunny Robinson, Al Thomas, and Tony Wagner.

EDA Commissioners absent: Paula Chatterjee, Peter St. Peter, and Bob Walker.

Staff present: Ron Rankin and Elise Souders.

Others present: Mike Suess and Dan Kelly.

3. APPROVE MINUTES.

Larson moved, Wagner seconded a motion to approve the minutes of the September 21, 2004 EDA meeting. All voted yes. Motion passed.

BUSINESS ITEMS

**4. DEVELOPMENT REVIEW OF 77-UNIT SENIOR RENTAL HOUSING
DEVELOPMENT AT 5431/5439 WILLISTON ROAD.**

Rankin reviewed the report for the senior housing proposal. He said the developer, just prior to the meeting, clarified the floor plan for the assisted living units will be a studio with a kitchenette and the independent units will be either one- or two-bedroom units with full kitchens; however, no floor plan drawings were available to review. This information had not previously been given to the EDA. He also summarized the site plan and neighborhood comments the Planning Department had received, saying 13 are in support, nine are neutral, and 11 are opposed to the project. Rankin said staff did not recommend approval of the affordable housing component, because while 20 percent of the independent units were affordable, there was still little distinction between the independent and assisted living units, and therefore, 20 percent of the entire building, 15 of the 77 units total, should be affordable.

Duffy asked if this would still be going to Planning Commission even if the EDA had no decision this evening. Rankin said the Planning Commission would be reviewing the project on October 21, but they would want at least an update on the EDA discussion.

Duffy opened up the comment period.

Mike Suess, the developer, introduced himself and his attorney, Dan Kelly, who could answer any questions regarding the restrictive covenants. Suess clarified the floor plans were only conceptual, so no drawings had been completed. Currently he thought the assisted living units will be studio units with a kitchenette and handicap accessible bathroom. He said the independent units will be a combination of 40 one-bedroom units and 10 two-bedroom units, with 20 percent having affordable rents. Suess said a precedent was set with Sunrise Assisted Living, where no affordable units are included, so no affordable units are included in the assisted living component in this project. He said this project is unique in that the two types of living are coming together in a campus environment and thus will attract people.

Robinson inquired about the cost of supportive services and whether they will be included in the cost of the rent. Suess responded the services are not included in the rent, and the actual cost will depend on the level of service needed.

Larson inquired if there will be age restrictions. Suess said there will not be age restrictions, but he said the average age they are expecting is 83 years old.

Larson commented the affordable units seemed expensive. There was additional discussion on how income requirements and rents are determined for the affordable units. Wagner clarified there are no specific income and rent standards established just for seniors.

Rankin reviewed Peter St. Peter's e-mailed comments since he was not available to be at the meeting. These comments are: 1) he agrees with staff's recommendation based on the information given in the report, 2) the affordable units should be a mix of different bedroom sizes, and 3) an enforcement mechanism needs to be included in the restrictive covenants. Rankin said after talking with Kelly previously that the developer is okay with having an enforcement mechanism devised by the City Attorney included in the covenants.

Wagner commented that the Sunrise project did not have affordable units in the assisted living facility, but there was also consensus by the council to begin to look into affordable assisted living.

Rankin said in the past the city has been able to make a distinction between independent and assisted living units in separate buildings, but until this evening there were no differences in the floor plans of the units in the Williston Road

project. Rankin asked if, in the future, the building would have vacancies in the studio units if they would be rented out as independent units rather than assisted living units. Sues responded it might be possible that an assisted living unit may be rented as an independent unit since it is typical they might have four to six vacant units at any one time.

Thomas commented that other senior rental projects in Minnetonka have required 40 percent of units to be affordable if financial support by the city was given. He thinks 20 percent is appropriate in this project because even though the city is not giving financial support, they are contributing to the project with land use approvals.

Duffy asked Sues to explain what services will be offered. Sues commented vans, owned by the building, will be available for use so residents can go to appointments and entertainment. He also said there will be different meal plan options available to buy, and care for the residents will be available; however, not at a level of a nursing home.

Duffy commented in his experience the larger units have been the most popular. Sues said two-bedroom units will be more expensive and mostly for couples, but 80 percent of their clients are expected to be single. Rankin also said in another senior housing development in Minnetonka the demand has been for larger units. Sues responded the demand for larger units depends on the market. He said this project would market to an older age bracket.

Rankin asked if the employees will be hired or contracted out. Sues said International Management Care will be the management company and the employees will be part of their staff.

Robinson asked for clarification on how the studio units could be rented as independent units, and if the unit type (assisted living or independent) is determined when the resident first moves into the building. Sues replied any unit could be independent living or assisted living. Wagner inquired if all of the units could be independent or assisted living at some point in time. Kelly responded a minimum of 27 units will be licensed assisted living units and those living in the independent units will be required to be in the one- or two-bedroom units.

Rankin said one of the concerns is if there is an overabundance of assisted living units, then it may be possible to rent out the studios as independent units in order to fill the building. Kelly responded the studio units will be assisted living units only.

Wagner asked if the assisted living units are typically all inclusive in the price of the rents or do they buy services separately. Rankin said typically there is a

base rent with a minimum level of services included and residents can buy more services if needed.

Larson asked since there are no age requirements if a personal care attendant or a child/grandchild wanted to live next door they could. Suess said that was unlikely to happen.

Wagner said there are two fundamental questions: 1) Should the EDA be looking at an affordable component with assisted living, and 2) based on the answer to the first, does the EDA need to look at 50 units or 77 units when determining the number of affordable units.

Robinson commented the developer is proposing something different tonight than what was in the staff report. She asked staff if this new proposal is satisfactory. Rankin said there is now a distinction between the types of units; however, the whole process still seems confusing. He said the developer wants a recommendation either way this evening, but there are several loose ends, such as an enforcement mechanism in the covenants and more specific floor plans that still need to be resolved. Additionally, he said that if Commissioners wished for staff to take a look at affordable assisted living then more information would need to be gathered. Rankin said the reason the Planning Commission needs a recommendation is because affordable housing is one of the criteria to be considered for a guide plan change.

Kelly said the EDA could approve the affordable housing component contingent on the enforcement provision in the covenants and recommend 20 percent of the independent units be affordable.

Larson said he would like the affordable component to be 20 percent of the total units, not just the independent units. Suess responded he feels like the rules are being changed on him regarding including an affordable component with the assisted living. He said he is okay with 20 percent of the independent units as affordable, but a precedent was set with Sunrise by not including affordable units, so he should not be required to do affordable assisted living in this project.

Duffy said it is hard to come to a decision when there are no floor plans to review. He said typically the EDA has more detailed information in order to make an informed decision. Suess said if the EDA is concerned about him changing the number of affordable units that the covenants address the number of units.

Kelly said the affordable units will not be distinguishable from the other independent units and the only difference in the building will be between the independent units and the affordable units. He said a minimum of 20 percent affordable independent units will be maintained.

Larson said a lot of the prospective renters will not be able to afford a market-rate unit, and he still thinks that 20 percent of the total project should be affordable.

Thomas said he agrees with Larson that a minimum of 20 percent should be affordable and there are a lot of loose ends to figure out first before a decision is made.

Wagner said more information is needed and that at a minimum 20 percent of the independent units need to be affordable and to at least let the Planning Commission know this. He also said the EDA should look at affordable assisted living units because it will need to be addressed either now or in the future.

Robinson agreed the EDA needs to look at affordable assisted living units in the future, and the EDA should take a proactive approach in this project and look at a percentage of the total units.

Kelly said they are not prepared to address the affordable assisted living because the EDA has not looked at this previously and this is the first time it has been addressed. He said the EDA should tell the Planning Commission there will be a minimum of 20 percent of the independent units as affordable and then in the future the EDA can look at affordable assisted living.

Duffy said the project is unique, but the EDA should not rush into making a decision if all of the information is not available. He said a decision can be made and a precedent can be set once all of the information is in place.

Suess said he was okay if this went to the Planning Commission without a vote and he can get more information to the EDA. He said there are not a lot of differences between the Sunrise Assisted Living building and this assisted living and it would not be fair to set a precedent with this project.

Thomas reiterated there was not enough information to make a decision at this time.

Robinson moved, Wagner seconded a motion to table the affordable housing recommendation associated with the senior housing proposal at 5431/5439 Williston Road to the November 9, 2004 EDA meeting. All voted yes. Motion passed.

5. STAFF REPORT.

Souders reviewed the staff report items, including: Minnetonka Heights, Dial-a-Ride, The Duplication Factory, the annual MOU with Metro Transit, and upcoming events.

Thomas inquired about the possibility of the city sending a letter to churches to get sporting equipment donations for those that cannot afford the equipment, such as children at Minnetonka Heights. Staff responded they would check with the recreation department to see what outreach they do. Thomas also recommended something could go in the Minnetonka Memo.

Wagner asked if it was appropriate if the EDA could support or help push the League of Minnesota Cities policies on such issues as transportation. Thomas said the EDA could recommend to the council to push the efforts.

Commissioners also asked to keep track of commercial space available for lease for several months. This would help to see how much space is vacant and if there is one particular area/property that has a tendency to be vacant.

Commissioners requested that economic development topics and other questions associated with issues the EDA covers be included on next year's resident survey.

6. OTHER BUSINESS.

The next regular EDA meeting was announced as Tuesday, November 9.

7. ADJOURN.

Thomas moved, Robinson seconded a motion to adjourn the meeting. All voted yes. Motion passed. The meeting adjourned at 8:04 p.m.