

AGENDA
MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, September 20, 2005
6:00 p.m.

Boards and Commissions Room
Minnetonka City Hall, Lower Level

1. Call to Order.

2. Roll Call: Dan Duffy Al Thomas
 Dave Larson Tony Wagner
 Bunny Robinson Bob Walker
 Peter St. Peter

3. Approve Minutes of July 12, 2005 EDA Meeting.

BUSINESS ITEMS

4. Review of Williston Road Senior Housing Restrictive Covenants.

Action recommended is to recommend approval of the restrictive covenants.

5. Update on Shady Oak Road reconstruction project.

Action recommended is to receive the update.

6. Update on Glen Lake redevelopment plans.

Action recommended is to receive the update.

7. Staff Report.

8. Other Business.

The next regular EDA meeting is Tuesday, October 18 at 6:00 p.m.

9. Adjourn.

****The mission of the Economic Development Authority is to advise the City Council on matters related to affordable housing, redevelopment and economic development.****

**MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

**Tuesday, July 12, 2005
6:00 p.m.**

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

1. CALL TO ORDER.

EDA President Peter St. Peter called the meeting to order at 6:06 p.m.

2. ROLL CALL.

EDA Commissioners present: Dan Duffy, Dave Larson, Bunny Robinson, Peter St. Peter, Al Thomas, and Bob Walker.

EDA Commissioners absent: Tony Wagner.

Staff present: Ron Rankin and Elise Souders.

Others present: Patrick Connoy.

3. APPROVE MINUTES OF MAY 10, 2005 EDA MEETING.

Larson moved, Duffy seconded a motion to approve the May 10, 2005 EDA meeting minutes. All voted yes. Motion passed.

4. ELECTION OF OFFICERS.

Robinson moved, Walker seconded a motion to nominate Peter St. Peter for EDA President and Dan Duffy for EDA Vice President. All voted yes. Motion passed.

BUSINESS ITEMS

**5. PRESENTATION BY PATRICK CONNOY ON THE HENNEPIN COUNTY
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS).**

Rankin introduced Patrick Connoy and explained his role as a staff member of Hennepin County, and how Connoy has been involved in Minnetonka projects.

Connoy began by giving background information on prior documents to the CEDS. He said the Federal EDA requires a CEDS to be in place in order to receive planning grants, infrastructure funds, and revolving loan funds. An initial draft of the CEDS was done in 2004 and sent to the Federal EDA for review; however, their response was that

Hennepin County is too wealthy. Connoy said Hennepin County reviewed the CEDS and focused on target areas, areas which are distressed, and these were added to the 2005 version of the document. He said the document looks at coordinating economic development with environmental protection, a corridor assessment program, community works projects, transit oriented development program, and revolving loan fund.

St. Peter asked if the Glen Lake project is eligible for any funds. Connoy said there may be an opportunity for some transit oriented development funds, but will need to see how the project develops. He commented the county is not making significant investments in Excelsior Boulevard at this location.

Rankin said there is discussion about getting the county involved with projects related to Minnetonka Boulevard in both Minnetonka and St. Louis Park.

Connoy said the CEDS also looks at planning efforts, bioscience, and business finance. He reviewed the Hennepin County Land Use map and there was discussion on industrial areas in the county.

Connoy mentioned the Department of Employment and Economic Development (DEED) is talking to businesses to find out what their needs are.

Connoy discussed the opportunity metropolitan counties now have to set up an EDA. He said counties in the past have been able to set up HRAs, but not EDAs. The EDA authority allows the county to join with municipalities on projects or do projects in unincorporated areas. He said he is unsure whether Hennepin County will set-up an EDA. Connoy said if Commissioners have thoughts on what the county should do to let him know.

Rankin asked Connoy to review the demographic and job statistics information from the report. He said a large number of higher paying jobs have been lost; however, the overall job rate is good. Connoy said the trend is changing, and the manufacturing sector is not doing much; however, there is still a significant number of people employed in manufacturing. He said other job sectors are growing, but manufacturing is key.

Rankin said the city is seeing the immigrant influx in the housing sector. He asked what kind of job training there is available. Connoy said there is training in Brooklyn Park and many of the immigrants are using light rail to get from Minneapolis to the airport for jobs. He said language and clan issues are problems. Connoy said the Hispanic population is taking off, and the county is also working with American Indian groups. He mentioned many Somali immigrants are working at HCMC. Rankin asked if unemployment is higher in these populations. Connoy responded they are taking advantage of training and many run their own businesses; however general ESL is a need for employers.

St. Peter commented the business community side is finding it easier to hire Somali immigrants as they are more likely to be in the country legally, as compared to Hispanic immigrants. He said there needs to be training for supervisors on these issues.

Connoy said a goal of Hennepin County is to support municipalities. St. Peter asked Connoy when the appropriate time is to involve him. Connoy said he is involved on the Glen Lake and Shady Oak Road projects. He said in the Glen Lake project the developer is setting the pace.

Robinson said the demographic information is revealing and there is a need for a mechanism to deal with the language barriers. She said she is also concerned about the loss of jobs. Robinson said the job training seems like a basic program and wondered what types of jobs these people are going to get and how it will really impact the income levels. She said it seems like the county or government is not doing much for higher level jobs and it does not show how people are to move from low to moderate to high income. Robinson said this is a band-aid fix.

Connoy said the county is conservative and to get them to take this first step of preparing the CEDS was a challenge. He said the CEDS will need to be redone for the upcoming year. Connoy said the county is now putting in a lot of money for social services because they see the issues and are trying to deal with these people rather than send them elsewhere. He also mentioned some of the programs in the CEDS are in response to the funding stream.

Duffy inquired about what the EDA can do to work with the Glen Lake developer in order to be eligible for TOD funding. Connoy said the developer is proposing to have more parking than the county would like to see for TOD funds, additionally, safety and a reason to take the bus are ways to receive funds. Rankin said it is suggested to put a bus stop on the south side of Excelsior Boulevard, which may also help to get a light at Woodhill. Duffy asked if there needs to be a designated park and ride facility. Connoy said that is what they are doing in Mound, but the county looks at this as a 50-year investment and want to be responsive to the municipalities' needs.

St. Peter asked, when looking at the big picture, how does the city get the most bang for its buck, and if it does not have a project that fits exactly into a program should the city look at another project to have the county help with. Connoy said it works both ways, and the city needs to ask the county to become involved. He said the county board is interested in working in the suburban areas.

St. Peter asked what the pros and cons are of establishing a county EDA. Connoy said the county HRA can do a lot of what the EDA authority would give them to do, but an EDA may set up another expectation level. He said some pros are it would allow the county to establish business loans with county funds, and help in unincorporated areas or in multi-jurisdictional projects. He said a county EDA may also be able to take on more job training programs.

St. Peter asked where things are at with the Twin Cities Community Capital Fund. Rankin responded they have made their goal and are set to begin.

Commissioners thanked Connoy for coming in and meeting with them.

6. REVIEW OF WILLISTON ROAD SENIOR HOUSING RESTRICTIVE COVENANTS.

Rankin reviewed the report and said this is an intermediate step and there are still some details to work out. He distributed a floor plan for Sunrise Assisted Living in order to compare unit sizes. Rankin said at the May EDA meeting there was discussion on flexibility of unit sizes; however, the developer is saying the 1 bedroom units are worth three studios, and because they are similar size to the studios, staff feels that 15 studio units are better.

Duffy asked what the mix of unit sizes are at Sunrise. Rankin said there is more of a mix of unit sizes than compared to the Williston Road project.

St. Peter recommended, if it is not too late for this project and for the future, to look at the square footage of affordable units and compare it to the market-rate units.

Rankin reviewed the main points from the covenants, and said details are being worked out concerning enforcement and provisions to rent affordable units that may be vacant. St. Peter said there is a similar mechanism for the affordable units at Cedar Pointe and if there is no demand for the affordable unit then they can rent it market rate and the next available unit is an affordable unit.

Duffy said the 140 percent median income for recertification seems high. Rankin said it is 140 percent of the original 60 percent median income. Souders added the same figure is used in the documents for Beacon Hill.

There was discussion on the Glen Lake redevelopment project.

7. STAFF REPORT.

Souders reviewed the staff report items, including: Shady Oak Road, Minnetonka Boulevard/County Road 101, Minnetonka Heights, Homes Within Reach, Deephaven Cove, the community survey, and bus service cuts.

8. OTHER BUSINESS.

Rankin said there is a Shady Oak Road joint study session with the Hopkins and Minnetonka City Councils on July 25 at 5:00 p.m., an EDA/Planning Commission/City Council joint study session on the Glen Lake redevelopment project on August 1 at 6:30 p.m., and the next regular EDA meeting is Tuesday, August 9.

9. ADJOURN.

Thomas moved, Robinson seconded a motion to adjourn the meeting. All voted yes. Motion passed. The meeting adjourned at 7:53 p.m.



TO: EDA Commissioners

THROUGH: Ron Rankin, Community Development Director

FROM: Elise Souders, Community Development Coordinator

DATE: September 13, 2005

SUBJECT: Review of Williston Road Senior Housing Restrictive Covenants

Background

At the May 10 EDA meeting, the EDA reviewed the affordable housing component for the Williston Road Senior Housing proposal. The affordable housing component of the proposal made the rents for 15 of the units affordable to those at 60 percent of area median income. EDA Commissioners recommended approval of the affordable housing component subject to the EDA review of the restrictive covenants.

A draft of the covenants was brought to the EDA at the July 12 meeting as an informational item. Since that meeting the City Attorney and the developer's attorney, Dan Kelly, have finished working out the details.

Restrictive Covenants

A copy of the restrictive covenants is attached. It was drafted by Steve Bubul of Kennedy & Graven and reviewed by both the City Attorney and Mr. Kelly. Main points from the restrictive covenants include:

- The restrictive covenants begin on the date the certificate of occupancy is issued and are in effect for 30 years.
- A minimum of 15 units, at least the size of studio units, will be rented to those at 60 percent of median income or less. In 2005, for one person the maximum income is \$32,340 and for two persons it is \$36,960. The tenant must initially and annually complete a Certification of Tenant Eligibility. The initial certification verifies the tenant's income, but there is no asset limit (most affordable senior housing does not impose an asset limit due to the prevalence of retirement accounts now held by many

- senior households). The annual recertification ensures that the tenant's income is no more than 140 percent of the original maximum of 60 percent median income. In 2005, this is \$45,276 for one person and \$51,744 for two persons.
- The building owner must provide the city with an annual report identifying the number of affordable units rented, any changes in the past year in affordable units rented, income of the tenant renting the affordable unit, and rent charged.
 - The rents for the affordable units will not exceed rents affordable to those at 60 percent of area median income as determined by the Minnesota Housing Finance Agency. The fees for the personal services are not included in the rent, and are charged separately. The personal services fees for the affordable units will not exceed the fees charged to tenants in the market-rate units.
 - An exception to the occupancy requirement section is provided so if the owner, after reasonable efforts during a six month time frame, cannot find a renter(s) for the affordable unit(s), the owner can reduce the number of affordable units held vacant to two, after review by the City Manager. However, if there is a waiting list of those who qualify for the affordable unit(s) and there are not 15 units that are being rented at affordable rates, then the next unit(s) that becomes available must be made affordable—up to 15 units. This is similar to what is done with the affordable units at Cedar Pointe.
 - An exception to the vacancy requirement is provided so if after an additional six months of holding two affordable units vacant the owner cannot still fill them, the number of affordable units held vacant may be reduced to zero after review by the City Manager. If a waiting list begins of qualifying tenants, then the next unit(s) available will be affordable—up to 15 units.

Next Steps

The developer, Mike Suess, continues to work with the Planning Department on the site planning issues including setback variances; however, he has not formally proposed any changes to his site plan. Mr. Suess is expected to proceed with either this original plan, or with one of the alternatives he has developed that minimize the setback variances. However, any plan is expected to require variances of some extent.

Recommendation

Staff recommends the EDA recommend approval of the restrictive covenants for the Williston Road Senior Housing project.



TO: EDA Commissioners

THROUGH: Ron Rankin, Community Development Director

FROM: Elise Souders, Community Development Coordinator

DATE: September 14, 2005

SUBJECT: Update on Shady Oak Road reconstruction project

Background

As Commissioners are aware, the cities of Minnetonka and Hopkins as well as Hennepin County have been involved in a joint study of the Shady Oak Road corridor from County Road 3 (Excelsior Boulevard) to Highway 7 since late 2004. Hennepin County has plans to reconstruct this portion of Shady Oak Road beginning in 2009, and because of the many impacts the reconstruction will have on land use along the corridor depending on the alignment of the roadway, both cities and Hennepin County agreed that this is more than just a roadway project. They agreed a land-use analysis should be completed to identify areas for potential redevelopment or renovation based on a number of alignment alternatives.

Hennepin County hired Hoisington Koegler Group (HKGi) to complete a land-use analysis and conduct a public input process. Using six, four-lane alignment alternatives (two south half and four north half), HKGi completed the land-use analysis. Throughout the process, the Minnetonka and Hopkins City Councils met jointly four times, there were three public input meetings, and a final joint public hearing by the city councils to adopt a resolution identifying a preferred concept to move forward into preliminary design.

Preferred Concept

The preferred concept that was identified at the end of the land-use analysis process, and brought forth to the city councils at a joint study session in July, was for concept 1 on the south end from Excelsior Boulevard to the Duck Pond and

concept 6 on the north end from the Duck Pond to Highway 7 (maps are enclosed).

Concept 1 centers the alignment on the existing roadway from Excelsior Boulevard to the Mainstreet Oaks Townhouses, at which point it holds the easterly line of the existing roadway and shifts the widening to the west. A common left turn lane is provided to access businesses, but Bradford Road becomes a right-in, right-out, as the existing median at the Excelsior Boulevard intersection is lengthened. A westerly driveway leg is provided at the Mainstreet/Shady Oak Road intersection to provide access to potential future redevelopment areas; however, it will not connect to Oak Drive Lane or Bradford Road.

Concept 6, for the segment of Shady Oak Road from the Duck Pond to Highway 7, will shift the roadway to the east, and will create a 90-degree intersection at Highway 7. Lake Street Extension and 2nd Street in Hopkins will be aligned by pushing 2nd Street to the north. The Oak Drive Lane intersections will become right-in, right-out, and the 3rd Street connection will be eliminated. Additionally, a cul-de-sac frontage road will be provided for Minnetonka residents residing between Lake Street Extension and Highway 7 on the west side of Shady Oak Road. Currently, a realigned roadway and intersection is shown for the frontage road north of Highway 7 and west of Shady Oak Road.

Issues and Concerns

Residents and businesses have raised some concerns regarding the preferred concept, including:

- Access to businesses along Shady Oak Road
- Buffering and landscaping
- Traffic circulation/school bus routes
- Potential acquisition of two homes for a realigned frontage road north of Highway 7
- Drainage
- Specific intersection designs

The issues and concerns raised are ones that will be addressed during preliminary roadway design, by working individually with neighborhoods affected by the roadway design.

Next Steps

On August 23, the Minnetonka and Hopkins City Councils held a joint public hearing, giving the public the opportunity to comment on the preferred concept. The majority of comments centered around the issues and concerns identified above. Both councils adopted their own resolutions regarding the layout preparation for the Shady Oak Road reconstruction.

Next, Hennepin County will begin work on the preliminary roadway design, which will include elements such as: elevations, sidewalks, trails, and aesthetics. The issues and concerns raised during the study process will be brought forth and will try to be incorporated into the design. Additionally, meetings with individual neighborhoods will be held to work on issues and designs specific to their neighborhood. The city councils will have to approve a preliminary roadway design prior to a final layout drawing is prepared.

As part of the study process, areas were identified where potential redevelopment or re-use could take place, and ideas of what could possibly occur on these sites. Hennepin County staff have requested funds in their 2006 budget to begin working on a redevelopment plan in association with the roadway project. Staff will keep the EDA informed as future meetings are scheduled during this process.



TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director

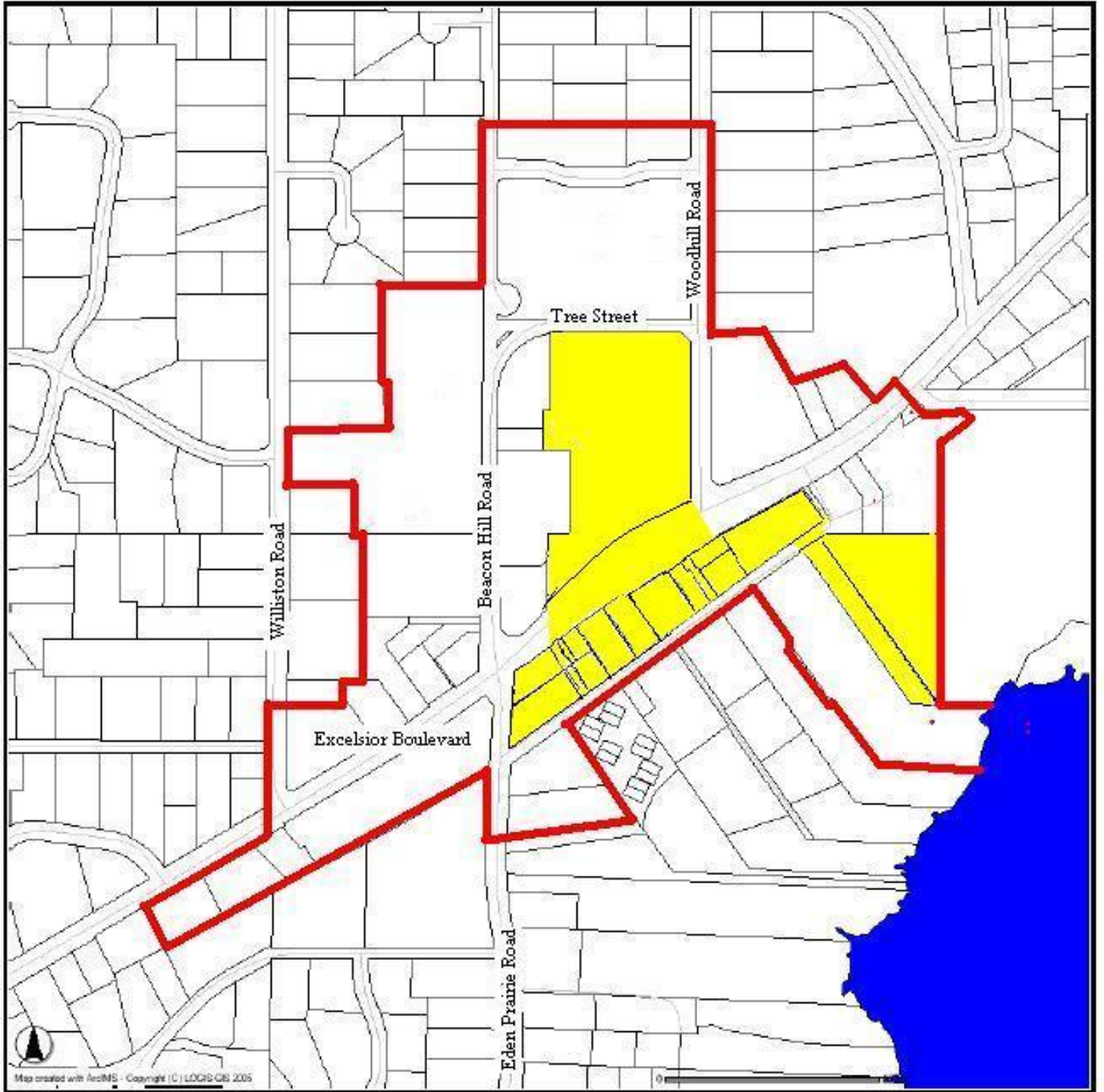
DATE: September 16, 2005

SUBJECT: Update on Glen Lake Redevelopment Plans

Since the August 1 Study Session meeting, there has been substantial progress on the Glen Lake redevelopment plans, including:

- The former Kowalski's grocery store space is being remodeled for a new grocery store, Fresh Seasons Market. This new grocery concept is being implemented by Tom Wartman and grocery veterans Dale Riley and Tim Meyerson. The store is expected to open on November 1, 2005.
- City approvals have been received for a 6,000 square foot addition to the south side of the grocery store building for a café, liquor store, and one additional retail space of 1,200 square feet.
- Tom Wartman has agreements to purchase four of the seven properties (in addition to the Glen Haven Shopping Center property) necessary for the project. These include the print shop, body shop, Luloff, and Steeno properties. Remaining are the Alano, Gold Nugget, and Zachman properties. The Renneke property is no longer being included in the project, but is still expected to be part of the TIF district that will need to be set up.
- Negotiations are continuing on the remaining three properties, including the Gold Nugget restaurant, which may be relocated to another building in Glen Lake.
- All properties to be included in the TIF district are now being inspected to make sure the condition of the land and buildings meet at least the minimum legal requirements necessary to establish the district.
- Staff and the developer are negotiating the framework for a redevelopment agreement, including financial commitments and timeline for completion.

Copies of the August 1 Study Session staff report, project maps, and meeting minutes are enclosed for reference. Staff would like to take a few minutes at the EDA meeting to review this update.



Existing Glen Lake Redevelopment Project Area



Proposed Glen Lake TIF District



TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director
Elise Souders, Community Development Coordinator

DATE: September 13, 2005

SUBJECT: Staff report for September 20 EDA meeting

1. Annual Transit Memorandum of Understanding with Metro Transit and the Metropolitan Council

Each year a Memorandum of Understanding is prepared by Metro Transit, the Metropolitan Council, and city staff as part of the Transit Cooperation Agreement the city entered into with the Metropolitan Council in 2002. The annual MOU outlines the prior year's transit activities and changes, and sets forth a work plan for the next five years. The 2005 MOU is attached and highlights the recent service reductions, Dial-a-Ride, and current/projected funding and service levels. Metro Transit and Metropolitan Council staff attended the August 22 Council meeting and presented the MOU to the City Council.

2. I-394/County Road 73 Park and Ride Ramp

Also at the August 22 Council meeting, the City Council approved the conditional use permit and site and building plan review for the park and ride ramp at the southwest corner of I-394 and County Road 73. This is part of a plan by the Metropolitan Council and Metro Transit to add nearly 2,000 more park and ride stalls along the I-394 corridor by 2020. This ramp will add approximately 500 additional stalls, for a total of 1,000 stalls between both the north and south side park and ride lots at that interchange.

3. The Sanctuary and Lakeside Estates update

Two of the four affordable units at The Sanctuary have been built and have been occupied by Homes Within Reach homeowners since February. The other two affordable units have not yet been started. The developer has been unable to sell at least one of the market-rate units in the buildings where the remaining affordable units will be built in order to start the construction of the entire building. The TOD grant the city received to write-down the affordable units expires December 31, 2005; however, the city has asked for a one-year extension since it is unlikely the two remaining affordable units will be completed by that time. Staff will be continuing to work with the developer to ensure that the remaining two affordable units are completed by December 31, 2006.

The affordable unit at Lakeside Estates is currently under construction. Homes Within Reach has accepted the unit to add to its program, and is currently looking for a homeowner. This unit is expected to be completed sometime in October.

Upcoming Events

Friday, September 23—CURA Housing Forum
“Federal Housing Policy Shift and Local Challenges”
University of Minnesota—Carlson School of
Management Room 1-123
12:00 p.m.—1:30 p.m.
If you are interested in attending, please let Elise know by September 20

Wednesday, September 28—Sensible Land Use Coalition program
“Not just a stadium”
DoubleTree Park Place Hotel (St. Louis Park)
11:30 a.m.—1:30 p.m.
If you are interested in attending, please let Elise know by September 20

Tuesday, October 18—EDA Meeting
Boards and Commission Room
6:00 p.m.

Attachments

- EDA Project Update
- Annual Transit Memorandum of Understanding
- CURA Housing Forum information
- Sensible Land Use Coalition program information
- From Peter St. Peter—*Enrichments* Summer 2005
- April 2005 *Livable Places*
- “Not your grandmother’s granny flat” *Planning* March 2005
- “Massive housing development gets go-ahead” *Lakeshore Weekly News*
- “Industry vet opening new grocery in Minnetonka” *Star Tribune* Sept. 8

Upcoming EDA Meetings
Updated September 13, 2005

Meeting Date Meetings at 6:00pm unless otherwise noted	Item Description	Room/Special Notes
Tuesday, September 20 <i>(Please note the date)</i>	Regular EDA Meeting	Boards and Commissions <ul style="list-style-type: none"> • Williston Road Senior Housing Restrictive Covenants • Update on Glen Lake and Shady Oak Road
Tuesday, October 18 <i>(Please note the date)</i>	Regular EDA Meeting	Boards and Commissions
Tuesday, November 15 <i>(Please note the date)</i>	Regular EDA Meeting	Boards and Commissions
Tuesday, December 13	Regular EDA Meeting	Boards and Commissions
2006		
Tuesday, January 10	Regular EDA Meeting	Boards and Commissions
Tuesday, February 21 <i>(Please note the date)</i>	Regular EDA Meeting	Mezzanine Conference Room
Tuesday, March 21 <i>(Please note the date)</i>	Regular EDA Meeting	Boards and Commissions
Tuesday, April 11	Regular EDA Meeting	Boards and Commissions
Tuesday, May 9	Regular EDA Meeting	Boards and Commissions
Tuesday, June 13	Regular EDA Meeting	Boards and Commissions
Tuesday, July 11	Regular EDA Meeting	Boards and Commissions
Tuesday, August 8	Regular EDA Meeting	Boards and Commissions
Tuesday, September 19 <i>(Please note the date)</i>	Regular EDA Meeting	Boards and Commissions
Tuesday, October 17 <i>(Please note the date)</i>	Regular EDA Meeting	Boards and Commissions
Tuesday, November 14	Regular EDA Meeting	Boards and Commissions
Tuesday, December 12	Regular EDA Meeting	Boards and Commissions