

**MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY  
MEETING MINUTES**

**April 11, 2006  
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 6:05 p.m.

**2. ROLL CALL.**

Duffy introduced new EDA youth representative Elizabeth Bayer.

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

EDA Commissioners absent: Peter St. Peter.

Staff present: Ron Rankin and Elise Souders.

**3. APPROVE MINUTES OF MARCH 6, 2006 EDA MEETING.**

Larson moved, Robinson seconded a motion to approve the March 6, 2006 EDA meeting minutes as amended. All voted yes. Motion passed.

**BUSINESS ITEMS**

**GLEN LAKE REDEVELOPMENT/EMINENT DOMAIN DISCUSSION FOLLOW-UP  
(Not on the Agenda)**

Thomas requested discussion on this issue. He said he has heard concerns from businesses, which may be relocating to the new retail space, about the increase in rents in the new space. Thomas said the city should be proactive and step-in now to help the businesses. He said the businesses have let him know that they may not make it with higher rents. Thomas asked if it is possible to subdivide the old Glen Lake Market space to move some of the smaller businesses to that space.

Walker asked what the rates will be. Wagner said that Mr. Wartman testified that year one rents were going to be the same. Thomas said that if it is not in the conditions of approval then the city cannot hold the developer to what he said.

Rankin said one of the conditions of approval is that the Gold Nugget needs to relocate in Glen Lake. He said Mr. Wartman is looking at moving it to the old Glen Lake Liquors store; however, parking is an issue. Rankin said that Wartman said if the relocation of the Gold Nugget to the Glen Lake Liquors site is not possible, then they will relocate them in the new building. Wagner asked how many parking stalls they are short. Rankin replied they are short 40 stalls. Larson said he heard that Kraemer's Hardware is not interested in a shared parking arrangement either. Duffy said to look at the big picture and is it possible to move the post office. Rankin replied the post office just signed a 10-year lease.

Rankin said staff can look into what the rents will be. Thomas replied that this needs to be done soon. He said he believes it is part of the EDA's role to work with businesses, and that the EDA should not solely concentrate on affordable housing.

Walker asked why there was not something included in the conditions of approval about the amount of the rents. Wagner said that Peter St. Peter had mentioned the same thing when the development was going through the review process.

Thomas suggested not only looking into this development, but also the larger area of Glen Lake. Rankin said staff would do this. Duffy also suggested talking to all of the property owners and see where they stand with their property and if they have any plans in the future.

Walker suggested finding out what Wartman's thoughts on rents are and then talk to the tenants and find out what they are thinking. Rankin said Ken Helvey, who is the relocation consultant working on the project, will know some of this information. Duffy said by doing this there may be other business owners throughout Glen Lake who are looking for smaller or larger spaces.

#### **4. DISCUSSION ON PROPOSED MET COUNCIL 2011-2020 AFFORDABLE HOUSING GOALS.**

Rankin said the main purpose of this item is to update the EDA on the next round of affordable housing goals. He said the Metropolitan Council and cities are getting ready now to update their Comprehensive Plans, which is required every 10 years. He said the next updates are due by the end of 2008.

Rankin said the city was notified of the new affordable housing goals recently, and Minnetonka's goal for 2011-2020 is 421 new affordable units. He said this goal is to be included in housing plan, which is included in the Comprehensive Plan. Rankin reviewed the 1995-2010 goals and explained where the city is at in accomplishing these goals.

Rankin said the new affordable housing goals are set for every city in the metropolitan area and the numbers were formulated by an advisory panel. Rankin went over the criteria the advisory panel used to come up with the new goals.

Rankin said the issues staff have identified are: is the forecasted growth reasonable, the transit service rating that Minnetonka has been given, and the EDA will want to look at all of the factors as there have also been cuts in tools and ways to finance affordable housing that may have been used by the city or developers in the past.

Walker inquired about what the city gets from the Metropolitan Council. Rankin said the city and Homes Within Reach can submit applications for affordable housing funding, and that the Metropolitan Council sets priorities for transit.

Walker asked what happens if not all of the affordable units for the 2010 goals are built, and if they are incorporated into the 2020 goals. Rankin said any unaccomplished goals are not carried over.

Wagner recommended that the city talk to the Metropolitan Council about the level 2 transit rating. He said this is a disincentive to increase affordable housing. Rankin said this is one reason why it is important to address these issues now.

Walker said that Minnetonka housing is not in a regeneration stage, and he asked if that is taken into account for the number of new units. Rankin said it is supposed to be, but he said it can be an issue though because if redevelopment will happen and the amount of redevelopment is unsure.

Walker commented that it will be hard to get 421 new affordable units when the city has been pushing to get 20 percent affordable, and the 421 new affordable units will be half of the anticipated number of new households built from 2011 to 2020. He also questioned if developers will even continue to develop new housing stock when the trend of the housing market is decompressing.

Robinson said she does not understand the idea of filtering and is it that more units will become affordable because homes depreciate over time. She said she wonders how much filtering will really happen. Rankin said the idea of filter really applies to areas where there are older homes, such as first-ring suburbs like St. Louis Park. He said the theory of filtering does not always work in practice.

Duffy said Minnetonka does have some older housing stock and wondered if there is a creative way for people to buy some of this older housing stock and renovate it without being taxed out of the market. He also said that the city needs to make the Metropolitan Council aware that the city has learned there is a cost to doing affordable housing, like with Crown Ridge. Robinson said the activity of adding affordable housing is an investment in social services, but not all affordable housing needs to have social service programs available though. Duffy said Crown Ridge was not initially set-up to have social service programs available on-site, but it has turned out that way.

Thomas said there is more going against affordable housing now with the transit cuts and the proposed eminent domain legislation. He said it seems that the Metropolitan Council is pushing to get higher density and to ultimately change the housing landscape.

Wagner asked what the projected total housing numbers were when the 2010 housing goals were set. Rankin said staff will look up the information and find out.

Walker asked why the Metropolitan Council is needed. Rankin said the Metropolitan Council was originally set up for regional planning and for the metro area sewer system. He said the Metropolitan Council now deals with sewer and transit and is promoting more density so less money is spent on sprawl.

Bayer asked who appoints the Metropolitan Council. Wagner responded it is the governor.

Rankin said the Metropolitan Council seems to be sending mixed signals. He said they will not fund any project that uses eminent domain, yet they are setting new housing goals. Rankin said another challenge is the demographic changes and the decreases in the average household size and what may happen to larger, existing homes, such as those with four or more bedrooms.

Thomas said there needs to be affordability in order to draw back the people who grew up in Minnetonka, and if the city does not hit its goal, what can the Metropolitan Council really do. Rankin said the Metropolitan Council is more concerned about cities working towards their goal.

Walker said there needs to be wealth retention, life-cycle housing and the ability to retain the population.

Wagner suggested looking at past discussions the EDA has had on affordable housing and looking at ways to reclaim those units that were once affordable.

Larson inquired about the Gateway project. Rankin said there are no new plans right now. Wagner said there are a lot of affordable units already in the area.

Rankin suggested the EDA may want to do another tour of the city to look at different places to add affordable units.

Thomas requested seeing population estimates according to the age of population in order to compare the changing numbers in seniors and those under age 18. Rankin said more demographic data will be needed to help with the Comprehensive Plan update.

Robinson said there is a trend nationwide that more children are moving back in with their parents.

Rankin mentioned that Opus will be keeping their headquarters in Minnetonka and actually expanding their campus. He also said Homes Within Reach was awarded \$325,000 in federal HOME funds from Hennepin County in order to continue their work.

Duffy said the EDA needs to continue to work with developers to include 20 percent affordable units in their developments and the EDA also needs to look at ways to retain the existing affordable units.

## **5. AFFORDABLE HOUSING DEVELOPMENTS UPDATE.**

Souders said the purpose of including this item on the agenda is to give Commissioners a more detailed update on those developments with affordable units. She provided updates on The Sanctuary, Meadowwoods, Lakeside Estates, 34<sup>th</sup> Circle West, Cloud 9, Wyldewood Condominiums, Deephaven Cove, Chasewood Gates and Cedar Hills Townhouses.

Duffy requested demographic information on who the homebuyers of these affordable units are.

Thomas requested that the EDA be invited to tour some of the units, so Commissioners can see what the affordable units look like when they are built. Wagner requested touring PORTICO since the Accessory Dwelling Unit concept is new.

Wagner asked if the Metropolitan Council counts preservation of affordable units, such as Homes Within Reach, or conversion to affordable units, such as Chasewood Gates, towards the city's affordable housing goals. Souders replied they do not. He suggested that this be discussed with the Metropolitan Council.

## **6. STAFF REPORT.**

Souders reviewed the staff report items including the Alano relocation, Minnetonka Boulevard/County Road 101, Crown Ridge, and upcoming meetings.

## **7. OTHER BUSINESS.**

It was announced that the next regular EDA meeting is Tuesday, May 9; however, staff may cancel the meeting if there are no agenda items. There will be a special training session with the City Council and other city boards and commissions on Monday, May 15.

## **8. ADJOURN.**

Thomas moved, Robinson seconded a motion to adjourn the meeting. All voted yes. Motion passed. The meeting adjourned at 7:35 p.m.