

**MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

**August 8, 2006
6:00 p.m.**

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

1. CALL TO ORDER.

EDA Vice President Dan Duffy called the meeting to order at 6:10 p.m.

2. ROLL CALL.

EDA Commissioners present: Liz Bayer, Dan Duffy, Peter St. Peter (arrived at 6:25 p.m.), Al Thomas, and Bob Walker.

EDA Commissioners absent: Dave Larson, Bunny Robinson, and Tony Wagner.

Staff present: Ron Rankin and Elise Durbin

BUSINESS ITEMS

4. SHADY OAK ROAD UPDATE (this item taken up out of sequence).

Durbin said the purpose of this item is to give those Commissioners who were unable to attend the July 11 Joint Study Session with the Minnetonka and Hopkins City Councils an update on the Shady Oak Road project. She said this project started in 2005 when a series of meetings with the two city councils were held, and ultimately in August 2005, a preferred concept for the roadway was approved by the city councils. Durbin said a preliminary roadway design layout has been put together, and she reviewed the key aspects of the design. She said the city councils will be holding a joint public hearing to approve the preliminary roadway design—most likely in September.

Durbin said a second component of the Shady Oak Road project, besides the reconstruction of the roadway is a redevelopment study. She said this came out of the 2005 land-use analysis. Durbin reviewed what will be happening with the study and the timeline associated with it.

Walker asked what will happen if condemnation is needed for the roadway project. Rankin replied Hennepin County will be responsible for any condemnation needed due to the roadway improvements. He discussed the properties that will be total takings. Walker asked if any of these properties are businesses. Rankin said all of the businesses on the west side of Shady Oak

Road, except Suburban Square, will need total takings because of the roadway improvements.

Duffy said the EDA identified this area for mixed-use development, and asked if mixed-use will be looked at in the redevelopment study. Durbin replied the consultant will be looking at this type of land-use and others in their study.

Thomas said he was not impressed with the consultant's response about creating a vision for this area, and asked when the EDA can get involved. He suggested taking a portion of an EDA meeting to create a vision for the area. Walker asked if it would be appropriate for the consultant then to come to the EDA meeting. Rankin said the consultant heard Thomas' comments at the July 11 meeting, and contacted him to set-up a meeting where the vision can be discussed. Thomas said he would like to have the Minnetonka EDA and Hopkins HRA meet rather than the City Councils. He said the EDA's role is to make recommendations to the Minnetonka City Council.

Walker asked if the city border will be cleaned up as part of this project. Thomas suggested the EDA could take it up, and now is the time to do it. St. Peter said Hopkins should be a part of the discussion. Rankin said the border issue has been talked about at a staff level, and is a more sensitive issue for Hopkins.

Thomas said the cities can work on a joint vision, but once the study is complete the cities can still do something different than the recommendation as part of the study. Duffy said the EDA needs to be proactive and he would hate to see this opportunity slip away.

Thomas asked if Hopkins has a vision for this area. Rankin said Hopkins has seen success with Marketplace Lofts in their downtown. Walker replied this area is probably important to Hopkins because it is at the end of Mainstreet.

St. Peter said he would like information on economics and tax base issues. He said he does not want to adversely impact it, but is wondering if there is a more logical way to provide services.

Duffy commented he does not want Hennepin County to go one way on the roadway plans, and the consultant to go another. He said they need to work together.

Walker asked if the consultant is doing a highest and best use land analysis. Rankin commented they are.

5. DECERTIFICATION OF SOILS TAX INCREMENT FINANCING DISTRICT NO. 1 (HEDBERG PROJECT—CEDAR POINT AND CEDAR PASS)

Rankin provided the background information and said this is a city TIF district, rather than an EDA TIF district, which was set-up to help settle a lawsuit over a former dump site. He said the district was set-up in 1994, with a 12-year term. Rankin said the EDA's recommendation is part of the document wrap-up to be completed with the project. He also said the budget needs to be adjusted. Rankin said \$600,000 will be retained in order to continue monitoring the groundwater at the site. He said staff requests the EDA recommend the city council adopt the resolution approving a modification to the TIF plan and decertifying the district.

St. Peter clarified the district is not generating any more TIF dollars and starting with the second half payment this year the money will go back to the county, school district, and city.

Walker asked how \$500,000 was budgeted, but actually \$800,000 was spent. Rankin replied that money is taken out for administrative costs, but cities can also take up to 10 percent for operation and maintenance of the development. He said the \$500,000 was based on original costs. St. Peter added the \$800,000 is actually lower than what it should have been originally.

Duffy clarified the ongoing monitoring costs will be about \$14,000 a year in today's dollars. He asked if there are any indications of problems. Rankin said no and there are monitoring wells on-site.

Walker asked if the monitoring will continue on forever. Rankin said technically yes, and monitoring will continue even if the smallest amounts of pollution appear. St. Peter added the original report did not find real bad types of pollution, but items such as batteries. He also commented as science improves, more pollutants may be found.

Walker asked what the total area of the TIF district is. Rankin replied it is about 24 acres in size. He also added the TIF district has accomplished what it was intended to do.

There was discussion on the original lawsuit.

Thomas moved, Duffy seconded a motion that the EDA recommend the city council adopt a resolution approving a modification to the Soils Tax Increment Financing District No. 1 plan and decertifying the district. All voted yes. Motion passed.

6. STAFF REPORT.

Durbin reviewed the staff report items, including a Glen Lake update, the annual MOU with Metro Transit, transit service ratings, Homes Within Reach, the city-wide open house, September EDA meeting, and upcoming events.

Commissioners indicated they would like a booth at the city-wide open house. They suggested the booth focus on redevelopment areas around the city and have the opportunity for the public to provide input.

7. OTHER BUSINESS.

The next regular EDA meeting was announced as Tuesday, September 19. It was also mentioned there will be a joint study session with the City Council and Planning Commission on Monday, October 16 regarding Opus. More details will be sent out on this at a later date.

3. APPROVE MINUTES FROM JUNE 13, 2006 EDA MEETING (This item taken up out of sequence).

Walker moved, Thomas seconded a motion to approve the minutes of the June 13, 2006 EDA meeting. All voted yes. Motion passed.

8. ADJOURN.

Thomas moved, Walker seconded a motion to adjourn the meeting. All voted yes. Motion passed. The meeting adjourned at 7:25 p.m.