

**Unapproved  
MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY  
MEETING MINUTES**

**Tuesday, September 19, 2006  
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 6:03 p.m.

**2. ROLL CALL.**

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

EDA Commissioners absent: Bob Walker.

Staff present: Ron Rankin and Elise Durbin.

Others present: Mark Kogler, Kersten Elverum, and approximately 10 residents.

**3. APPROVE MINUTES OF AUGUST 8, 2006 EDA MEETING.**

Thomas moved, St. Peter seconded a motion to approve the August 8, 2006 EDA meeting minutes. Thomas and St. Peter voted yes. Larson, Robinson, and Wagner abstained. Motion passed.

**BUSINESS ITEMS**

**4. SHADY OAK ROAD UPDATE.**

Rankin introduced Mark Kogler of HKGi, the consulting firm working on the redevelopment study, and Kersten Eleverum of the City of Hopkins.

Durbin gave the staff report and reviewed the latest preliminary roadway layout. She said the Hopkins and Minnetonka City Councils will hold a joint meeting on September 20 to approve this layout. Durbin said Kogler is attending this meeting at Commissioners' request to discuss the redevelopment study and to listen to the EDA's comments on the vision for this area.

Koegler said this process started in 2005 during the concept layout and land use analysis. He reviewed the corridor area, emphasizing the area from Excelsior Boulevard to Mainstreet. Koegler said the majority of the properties in this segment are in Hopkins; however, both cities are committed to working together. He reviewed the primary and secondary study areas that have been developed.

Koegler said the purpose of the redevelopment study is to have detailed perspectives on how the area can evolve from what it is now. He said Hopkins has an interest in local businesses staying in the area and also interest in having a mixed-use building. Elverum said the Hopkins City Council is excited about the project. She said the council has felt mixed-use buildings are a good use and have worked well in Hopkins. Elverum mentioned that Hopkins housing stock is 65 percent rental, so they would be looking for owner-occupied housing units, and likely would not require an affordable component.

Koegler said that as part of the redevelopment study general design guidelines will also be explored in order to make the area unique. He also pointed out the drainage features to the west of the commercial area and said he is working with WSB, the roadway engineering firm, to make these an amenity for the new uses.

Rankin said this project is important to Minnetonka, and despite the meandering city boundary the properties should be tied together. He shared that a few of the resident properties close to this area are concerned about the potential impacts of new development.

Thomas said in the primary study area it is important to have a consistent look throughout. He said he envisions this area having mixed-use buildings with housing over retail, but is concerned about how to make sure present buildings that may not get redeveloped get incorporated into the plans and look consistent. Thomas said to look at the primary study area and other areas to make sure it all flows together and does not look piecemealed. He wants to make sure there is low impact on the houses to the west of the project. Thomas said the primary study area will be the vision for the secondary study area. He also added that while each city has different ordinances, the cities may have to work together to keep a consistent look.

Duffy said the Mainstreet/Shady Oak Road intersection is key. He said this corridor is an area the EDA has identified for mixed-use. Duffy also said he wants to make sure this is cohesive to what is developed in Hopkins.

Elverum said the Hopkins City Council has not had a lot of discussion on what their vision for the area is. She said they are concerned about what goes in because it is an entrance point. Elverum said there is a desire to do better than what is there now and they are not afraid of density.

Thomas asked what the timeline for the roadway construction is. Rankin said the plan is for the roadway construction to begin in 2009. Thomas then asked what will happen to the businesses during construction. Koegler said that is unknown right now and will be investigated as part of the study. He said some buildings though may be acquired as early as next year. Koegler said a goal of the study is to identify strategies and create a timeline. Elverum said it will be market driven to a point and Hopkins is not interested in big-box, car dealerships or drive-thrus.

Thomas inquired about who will work with businesses on relocation. Koegler said Hennepin County must follow federal regulations. He added there will be a relocation specialist as part of the redevelopment study as well. Thomas said he wants to make sure businesses that want to stay in the community can.

Wagner asked if Hennepin County acquires a building if it can be leased back to current tenants until it needs to be demolished. He said he does not want the area looking too vacant if all of the buildings are demolished. Koeger said Hennepin County is willing to lease back.

Wagner said the draw to the area need to be figured out. He cited Nelson's as an example. Wagner said he would also like to look at the city boundaries; although he knows this is politically sensitive.

Elverum said the City of Hopkins has put a moratorium in place. Rankin said Minnetonka will also be working on this.

Wagner said he sees the northwest corner of Mainstreet and Shady Oak Road as a transitional area between the commercial and the residential.

Bayer asked if businesses will need to close during the roadway construction. Koegler said the county has a phasing plan to preserve access so the businesses can stay open.

Robinson said the theme of the area should segway into what Hopkins has already done on Mainstreet, and should match the existing buildings. She said when she thinks of Hopkins she does not think tall buildings, so the height of the mixed-use buildings should not be tall.

Koegler said pedestrian movements will be improved with the addition of trails and sidewalks.

Larson said the Suburban Square building looks like it needs redevelopment and if the intersection of Mainstreet and Shady Oak Road is critical, then it will be important to blend the old and new together. He said the area should be unified and there should be greenery.

St. Peter said he agrees with Wagner about looking at the city boundary, but would like to see what the entire city council thinks. Thomas suggested the boundary remains as is, except the parcel on the northeast corner of Excelsior Boulevard and Shady Oak Road (Subway). He said this is currently in Minnetonka, but wonders why it is not in Hopkins. Rankin said that piece is probably less of an issue, but further north is more sensitive. Thomas said he would like staff to look into whether Minnetonka should keep this parcel or if it should be given to Hopkins.

St. Peter said the Conoco station and Subway parcel were redeveloped as part of the Excelsior Boulevard/Shady Oak Road intersection improvements, and will likely not redevelop since it has been done already. He said while it is nice that all of the buildings that need to be demolished do not come down at once, some may need to come down sooner in order to do roadway staging and equipment storage for the roadway improvements.

St. Peter encouraged that as redevelopment occurs and some buildings stay, but have vacancies, then businesses may be temporarily relocated to those vacancies. He said though at some point in time it may be necessary for those businesses to temporarily shut down. St. Peter also mentioned that with new buildings, the rents may increase and therefore be too costly for the local businesses to stay.

St. Peter said the property located in Minnetonka on the northwest corner of Mainstreet and Shady Oak Road may be best suited for rentals with some affordable units because there is good transit service. He said there should be reasonable density on that site.

Wagner asked if Hennepin County takes an entire parcel for the roadway improvements, but the entire parcel is not needed, then who do they sell the remaining land to. Rankin said it varies, and in the case of the parcel at the northwest corner of the Mainstreet/Shady Oak Road intersection, the current property owner has expressed interest in redeveloping it.

St. Peter said the city should adopt a moratorium and also create an overlay district for this area. He said he envisions a mixed-use building on the property located at the northwest corner of Mainstreet and Shady Oak Road, with ma and pa shops for the retail component. St. Peter said with smaller businesses they may need a subsidy to move into such a building depending on the rent. He said the businesses should be surveyed to see which ones plan to leave and which plan to stay.

Rankin said the process is just starting and the EDA will be kept up to date on what is going on as well as the meeting schedule.

## 5. GLEN LAKE UPDATE.

Rankin reviewed the staff report and gave a brief recap of what was discussed at the August 29 Glen Lake neighborhood meeting. He also reviewed the status of the two grant proposals, business relocations—including his latest meeting with the owners of Dragon Jade, and the newsletter to be distributed the week of October 2. Rankin said an agreement with Xcel Energy will be going to the Planning Commission shortly for the demolition of the buildings they own directly west of the substation. He briefly reviewed the revised Alano plans and said they are now proposing a single-level building, rather than their original proposal of adding onto the current house. Rankin also gave an update on the Gold Nugget relocation. He said the City Council will need to review the relocation since it was a condition of approval. In addition, the City Council wants to expedite the time for the Gold Nugget relocation and staff is working with the developer on this.

Wagner said originally the developer was looking at relocating the Gold Nugget next to the post office in the old Glen Lake Liquors/Market building. He asked how much parking the restaurant would be off in this space. Rankin said it is not close. He said if the developer had been able to obtain a cross-parking agreement with the post office, he still would have been 20 stalls, or about one-third the required number, short. Rankin said without any cross-parking agreements, the restaurant would have been 40 stalls short. St. Peter asked if even a temporary variance would be suitable so that the Gold Nugget would not have to close. Rankin replied because it would be such a great variance it would likely not work. He said neither the city nor the developer was keen on this idea.

Rankin said the city has followed up with the developer and his attorney about the trees. He said the city is continuing to pursue criminal charges, and to also put a penalty on the developer to reforest the site. He said the reforestation plan includes \$100,000 total in new plantings--\$50,000 in new plantings to Site C, \$25,000 in new plantings to Kinsel Park and \$25,000 in new plantings to Glen Lake Park. Robinson asked why the trees were removed. Rankin said that is the question everyone is wondering about. He said the city issued demolition permits for the buildings only, but the developer said he made an error and thought the demolition permits included the trees too. Thomas asked if the reforestation plan will be reviewed by the city council and if the city has some say to what plantings go in. Rankin replied it will be a mix of trees and the plans for all three sites where the reforestation will occur will be done by Jo Colleran in the Natural Resources division. Thomas asked if there is a provision for trees that may die. Rankin said yes and it will be same as what is expected from other developers.

St. Peter asked if changes are made to the Redevelopment Agreement will the EDA get to review the changes. Rankin replied yes.

Rankin also said staff is working on making sure the Glen Lake project page on the city's website is up to date.

## **6. STAFF REPORT.**

Durbin reviewed the staff report items including the affordable housing needs number, dial-a-ride, Homes Within Reach, and upcoming events. Rankin reviewed the latest information on the Southwest Rail Study.

## **7. OTHER BUSINESS.**

The joint study session with the City Council and Planning Commission to discuss the Opus Redevelopment was announced as Monday, October 16.

The next regular EDA meeting is scheduled for Tuesday, October 17; however, depending on the amount of material on the agenda, the meeting may be moved to another day when the EDA already has to meet.

There were several residents in the audience that asked to speak on the Glen Lake update.

Grace Sheely, 14325 Grenier Road, said the trees that were cut down affects the development agreement and asked why the EDA was not taking this up. St. Peter responded City Attorney, Desyl Peterson, said the developer may be in default with the development agreement; however, until Peterson gives an okay to bring it forward, the EDA will not be discussing this.

Ivan Fox, 6038 Pinewood Lane, asked if the budget dated January 30, 2006 will be updated. St. Peter said this will not be addressed at this time. Fox said in his packet there was not development budget included and wanted to get make sure he received this information.

Sheely asked to make sure residents are notified of meetings and happenings.

Fox asked how to get an item on the EDA agenda. St. Peter responded it must be brought through staff.

## **8. ADJOURN.**

Duffy moved, Larson seconded a motion to adjourn the meeting. All voted yes. Motion passed. The meeting adjourned at 7:45 p.m.