Agenda

Minnetonka City Council

Regular Meeting, Monday, March 6, 2017

6:30 P.M.
Council Chambers

1. Call to Order
2. Pledge of Allegiance
3. Roll Call: Acomb-Wiersum-Bergstedt-Wagner-Ellingson-Allendorf-Schneider
4. Approval of Agenda
5. Approval of Minutes: None
6. Special Matters:
   A. Retirement recognition for Recreation Services Administrative Services
      Manager Lorry Mendez-Burns
   B. Presentation of 2017 Reflections Award
   C. Strategic Planning - Imagine Minnetonka summary and recommendations
      report
7. Reports from City Manager & Council Members
8. Citizens Wishing to Discuss Matters Not on the Agenda
9. Bids and Purchases: None
10. Consent Agenda - Items Requiring a Majority Vote:
    A. Resolution approving preliminary and final plats for a two-lot subdivision at
       3900 Cottage Lane
    B. Resolution approving a conditional use permit for the expansion of a medical
       clinic at 10653 Wayzata Boulevard
    C. Resolution amending the city’s Water Resource Management Plan for a
       wetland generally located at 1555 Linner Road

Minnetonka City Council meetings are broadcast live on channel 16.
Replays of this meeting can be seen during the following days and times: Mondays, 6:30 p.m., Wednesdays, 6:30 p.m.,
Fridays, 12 p.m., Saturdays, 12 p.m. The city’s website also offers video streaming of the council meeting.
For more information, please call 952.939.8200 or visit eminnetonka.com
D. Labor agreement between the city of Minnetonka and Law Enforcement Labor Services, Inc. – Dispatchers

11. Consent Agenda - Items Requiring Five Votes:
   A. Resolution approving a conditional use permit for accessory structures exceeding 1,000 square feet and 12 feet in height, and a variance to add a second curb cut, at 4142 Avondale Street

       Recommendation: Adopt the resolution approving the conditional use permit and variance

12. Introduction of Ordinances: None

13. Public Hearings:
   A. Resolution vacating a sump easement and drainage and utility easements located at 1555 Linner Road

       Recommendation: Hold the public hearing and adopt the resolution approving the vacations (5 votes)

   B. Temporary on-sale liquor license for Bet Shalom Congregation, 13613 Orchard Road

       Recommendation: Hold the public hearing and grant the license (5 votes)

   C. Temporary on-sale liquor license for The Mills Church, 13215 Minnetonka Drive

       Recommendation: Hold the public hearing and grant the license (5 votes)

   D. On-sale wine and on-sale 3.2% malt beverage liquor licenses for Greenfield Natural Kitchen, LLC, at 1700 Plymouth Road

       Recommendation: Continue the public hearing and grant the licenses (5 votes)

   E. Off-sale liquor licenses for Minnesota Fine Wine & Spirits, LLC, (DBA Total Wine) 14200 Wayzata Blvd.

       Recommendation: Open the public hearing and continue to May 1, 2017 (4 votes)

14. Other Business:
   A. Preliminary and final plats for a five lot subdivision at 5325 County Road 101, 5311 Tracy Lynn Terrace, and 5320 Spring Lane
Recommendation: Adopt the resolution approving the request (4 votes)

B. Concept plan review for Newport Midwest at 10400, 10500 and 10550 Bren Road East

Recommendation: Discuss concept plan with the applicant. No formal action required.

C. 2017 Assessment Report

Recommendation: Receive the report

15. Appointments and Reappointments: None

16. Closed Session

A. Closed session regarding sale of properties at 4292 Oak Drive Lane and 4312 – 4342 Shady Oak Road, pursuant to Minn. Stat. § 13D.05, subd. 3(c)

17. Adjournment
City Council Agenda Item #6A
Meeting of March 6, 2017

**Brief Description**
Retirement recognition for Recreation Services
Administrative Services Manager Lorry Mendez-Burns

**Recommendation**
Recognize Lorry Mendez-Burns

It is the practice of the city council to recognize the contributions of retiring city of Minnetonka employees.

**Lorry Mendez-Burns**

Lorry became an employee of the city in September of 1990 as a recreation secretary. Four years later, she was promoted to the administrative services division manager, a position she has successfully held for the past 22 years of her career.

Throughout the years, Lorry has been instrumental in many important projects, most notably the department’s conversion from a manual registration system to an electronic version; conversion to point of sale transactions, preparation of park board meeting packets and overseeing the in-house development of nearly 60 seasonal program brochures.

Above all else, Lorry has consistently placed her highest priority on delivering quality customer service to the residents and patrons of the Recreation Services Department. Whether through her publications, phone contacts, email exchanges, or in person, Lorry always made her customers feel valued and appreciated.

Among her other strengths, Lorry has been dependable, organized, a self-learner and extremely dedicated. Lorry seldom misses a department or city sponsored special event, taking on any assignment given including registration, customer service, driving a shuttle bus, or even wearing the Minnetonka Mike mascot outfit in the Holidazzle Parade. During brochure publication deadlines, Lorry can be found working in her office for days on end – including many overnights.

We thank Lorry for her dedication and many contributions to the city of Minnetonka.

Submitted through:
   Perry Vetter, Assistant City Manager

Originated by:
   Dave Johnson, Recreation Services Director
City Council Agenda Item #6B
Meeting of March 6, 2017

Brief Description: Presentation of 2017 Reflections Award

Recommended Action: Recognize award winner

Background

In 1997 the city of Minnetonka began its Reflections Award program, designed to recognize individuals, business and programs whose outstanding contributions reflect positively on Minnetonka. The award is presented every other year.

This year’s winner is Ron Kamps, ICA Food Shelf board member and volunteer.

Ron was nominated by Peg Keenan, ICA Food Shelf executive director with supporting endorsements from Barb Westmoreland, Hopkins Schools volunteer coordinator; Dennis Peterson, Ph.D., Minnetonka Schools superintendent; and Tim Litfin, executive director of community education for Minnetonka Schools.

The nomination materials list the many community activities to which Ron contributes, including ICA Food Shelf, Hopkins Empty Bowls, Tour De Tonka, several Minnetonka Schools programs and more. In addition to serving on ICA Food Shelf’s Executive Board of Directors, Ron is also a board member of several other community organizations.

Peg wrote, “Not only has Ron served on the ICA board for 8 years, but he also puts on his day-to-day “volunteer hat” collecting extra food for the food shelf at local farmers markets…volunteers like Ron are essential to ICA being able to help serve everyone in need.”

Dennis Peterson, wrote, “I have worked closely with him in many projects and I have observed his work in other ways. I cannot imagine anyone being more deserving of this recognition than Ron.”

Tim Litfin wrote, “If every community had a Ron Kamps as a volunteer, there would be plenty of food on every food-shelf, there would be volunteers waiting in line for community service, and there would be happy committees throughout Minnesota.”

Barb Westmoreland wrote, “Ron inspires us all to connect with the great people and institutions in Minnetonka, to continually work together to make our community a great place for all. Ron is truly Minnetonka’s Mr. Community Spirit!”

Congratulations to Ron Kamps. We appreciate all you do to make Minnetonka a quality community.
Also nominated for this year’s award was **John Kraemer**, former owner of Kraemer’s Hardware in Minnetonka. In his nomination, Ben Johnson wrote, “For decades, John Kraemer has been an extremely important member of the Minnetonka community. He has developed the Kraemer’s hardware business into a successful firm with a large local consumer following, and has worked not only to supply his customers with the best possible hardware experience, but to better the Glen Lake area.”

**Julie Sjordal**, executive director of St. David’s Center for Child and Family Development, was also nominated for the year’s award. Maureen Walsh, a colleague at St. David’s, noted in the nomination that Julie has, “dedicated her career to giving back to those in need within the Minnetonka community and beyond. She continues to inspire her family, staff and community through her accomplishments. With the philosophy of walking alongside families to help each child reach his or her full potential, Julie’s leadership is making the difference in the lives of thousands of children every year.”

**Recommendation**

Recognize 2017 Reflections Award winner

Submitted through:
   Geralyn Barone, City Manager
   Perry Vetter, Assistant City Manager

Originated by:
   Kari Spreeman, Communications and Marketing Manager
City Council Agenda Item #6C
Meeting of March 6, 2017

Brief Description
Strategic Planning – Imagine Minnetonka summary and recommendations report

Recommendation
Hear the report presentation

Background

In May 2011, the city council adopted an update of the city’s mission, vision and goals. Shortly thereafter, in June 2011, staff developed specific action steps for making the updated goals a reality. Since that adoption, an annual update on the strategic profile report is presented for the council’s review in order to provide a progress report on the action steps and highlight emerging trends for consideration as new goals are developed.

In July, the city embarked on a community-wide visioning process entitled, Imagine Minnetonka. The process was intended to gather information to assist with an update of the city’s mission, vision and goals with a robust community engagement component facilitated by Rebecca Ryan of Next Generation Consulting. Ms. Ryan, along with her talented team and city staff, set off collecting resident feedback in a variety of approaches. From the traditional town hall style meetings to the non-traditional use of social media platforms and “One Wish” chalkboards at various community beehive locations, feedback was collected. For the first time, emerging technology was used to engage participants by conducting a town hall style meeting via Facebook Live.

The city council also appointed an Imagine Minnetonka Citizens Steering Committee, which reviewed The Next Big Things: The Next 20 Years in Local Government, a national report published by the Alliance for Innovation. The committee provided feedback and their own personal experience in the study of trends that will likely impact Minnetonka in the future. In addition, a team of futurists led by Ms. Ryan conducted an independent study of Minnetonka and also provided an analysis of factors that will affect our city. At the September 19, 2016 study session, council was joined by members of the Imagine Minnetonka steering committee as Ms. Ryan recapped the progress and provided an overview of the top trends gathered to date.

On October 13, Next Generation Consulting conducted a “Strategic Doing” session with city leadership, supervisory and a few front line staff to generate achievable ideas on what can continue to make Minnetonka a vibrant community. Those ideas continue to be refined and will emerge as action steps in future updates to the annual strategic profile report.

Imagine Minnetonka Findings
The report titled, “Imagine Minnetonka Summary and Recommendations” is a comprehensive collection of (a) key findings of what residents want and shared throughout the process, (b) what trends will impact Minnetonka, and (c) recommendations on how Minnetonka can navigate the future.

Resident Feedback
Community engagement lasted just over 12 weeks and reached an estimated 23,575 views generating over 576 ideas. Three strong themes emerged:

- **Character**: Participants stressed the importance of maintaining and preserving the features that give Minnetonka its unique character, including wetlands, parks and open spaces.

- **Connection**: Residents expressed an interest in the creation of more trails and sidewalks to safely connect the city, as well as more opportunities to connect with others and build relationships in the community.

- **Citizens**: The city received lots of feedback about the importance of protecting and preserving the outstanding quality of life currently enjoyed in Minnetonka, and the desire to ensure the same quality of life is available for all citizens in the years to come.

Trends
The steering committee identified certain “High Certainty/Major Impact” trends within the categories of Resources, Technology, Demographics and Governance that they believe will affect the future of Minnetonka. Specific trends discussed included Climate Change, Digital Citizenship, Education Reform, Infrastructure Overhaul, Tribalism and Identity Politics, Urbanization, Trust in Government, City-to-City Collaboration and Citizen Engagement.

Ms. Ryan and her team predicted the following trends will also have an impact on Minnetonka: Changes to the Commercial Office Space environment, Autonomous Transit, Home Health Care Delivery, Infrastructure Overhaul (in agreement with the steering committee), Aging in place, Increasing Diversity, Population Growth and the Rising Demand for Self-Governance.

Recommendations
Rebecca Ryan and staff from Next Generation formulated recommendations on how Minnetonka can best navigate the future. These recommendations include five signals to monitor in the form of metrics that can be used to inform decision making. In addition to the signals, Ryan sets forth a number of recommendations to compliment the city’s current strategic profile work. Her recommendations outline suggestions for incorporating the anticipated trends and “One Wish” resident comments as we strive to continue making Minnetonka a community of choice.
Next Steps

Staff will continue to work with Next Generation Consulting to further refine the additional deliverables the council requested in the forms of a presentation deck, a scaled down list of the project summary for handing out to residents, as well as a small reminder card for council members to keep with them as they ponder decisions impacting the future of Minnetonka.

These recommendations will be incorporated into the council’s Strategic Profile Report and turned into action steps to keep Minnetonka a vibrant and successful city. The work will be used to inform the comprehensive guide plan process beginning later this year, and be used as key measures as departments establish annual goals. The next version of the Strategic Profile Report will be reviewed at the council’s May 15 study session and will include methods for turning the community input, trends and recommendations into actionable items.

Summary

The Imagine Minnetonka process and update of the city’s mission, vision and goals will serve as a guide for each department to establish work plans for the future. By incorporating the feedback obtained throughout this community-wide visioning process, a mutual understanding will be ensured as future policy priorities are established and implemented.

Recommendation

Hear the presentation on the Imagine Minnetonka summary and recommendations report by Ms. Ryan of Next Generation Consulting.

Originated by:
    Perry Vetter, Assistant City Manager
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25  Recommendations — How to Navigate Minnetonka’s Future

27   1. Monitor five signals for Minnetonka’s future.


31   3. Create a visionary goal to connect all residents to Minnetonka’s woods and wetlands.

32   4. Be proactive about Minnetonka’s changing demographics.

33   5. Develop a multimodal transportation plan that will safely connect major pedestrian areas and all bike and hike trails by 2025.

36   6. Increase housing stock (including retrofitting vacant commercial space) that appeals to young professionals, working families, and the elderly.

38   7. Proactively engage and communicate with residents using best practices across multiple platforms.

41   8. Use best practices in suburban redevelopment to strengthen the City’s village centers and develop the new Shady Oak Road/light rail transit area.

42   9. Update the Minnetonka Citizens Academy.

44  Methodology — Who Participated, and How?

46  Thank Yous
Dear City of Minnetonka Councilors,

When we launched this project together in spring 2016 you encouraged me to “make you uncomfortable.” What you’re about to read is a summary of what your residents are asking for, the trends Minnetonka is facing, and recommendations for moving forward. The following table shows you where to look, for each section:

**IMAGINE MINNETONKA AT A GLANCE**

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Most of the resident feedback won’t make you uncomfortable. With a few notable exceptions, residents like things as they are. That makes your job easy, right? Just keep doing what you’ve always done and things will work out.

Unfortunately—and this is where you may get uncomfortable—keeping things the same isn’t really an option. If present trends continue, Minnetonka will become older, more diverse, and more dense. The challenge of leading Minnetonka into the future is balancing residents’ nostalgia with a clear and compelling vision for Minnetonka’s future. As one of our steering committee members noted,

“People are afraid of change because they fear that they’re losing something. But if you help them understand what they’re getting in exchange, they’ll be more open to it.”

This is your leadership challenge—to embrace the future that is coming, you must help people loosen their grip on the past. This document will help you understand the voices in your community, and what’s at stake.

To your leadership,

Rebecca Ryan
NEXT Generation Consulting, Inc.
Minnetonka has a reputation as a vibrant and successful “great place to live”. As the community continues to evolve, how do residents want the city to look and feel? And what trends must the city be ready to address to ensure that Minnetonka can continue to fulfill its vision:

TO BE THE COMMUNITY OF CHOICE WHERE PEOPLE LIVE, WORK, PLAY AND CONDUCT BUSINESS IN A NATURALLY BEAUTIFUL ENVIRONMENT.¹

To answer that question, the City of Minnetonka undertook a community visioning process — Imagine Minnetonka. The following graphic shows the broad level of resident engagement through various Imagine Minnetonka platforms.

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With assistance from NEXT Generation Consulting, Inc. (Madison, WI), hundreds of residents contributed their dreams, fears, and hopes for Minnetonka’s 20-year future. In person and online they responded to questions like:

“What one wish do you have for Minnetonka?”

“What should the city start doing, to be a great place for the next generation? What should the city stop doing?”

“What do you want the next generation to say about living, working, and playing in Minnetonka?”

The document you’re reading compiles residents’ feedback and includes trends that are likely to impact Minnetonka’s future. Taken together, city leaders have a set of recommendations that will help them build a community that current and future residents will love.
This is not a singular, prescriptive set of recommendations. Conditions change, and Minnetonkans must be resilient. If the goodwill and good ideas offered by residents are any indication, Minnetonka has what it takes to preserve the community’s best characteristics while being proactive to manage coming changes.

**WHAT IS THE CITY GOING TO DO WITH THE RESULTS?**

With the support of city staff, the City Council will determine how to include the findings and recommendations from Imagine Minnetonka into the day-to-day workings of the city. It will also be used to guide city leaders during long-term strategic planning.
KEY FINDINGS

PART ONE: WHAT DO RESIDENTS WANT?
THE THREE C’S

Residents submitted 576 ideas for the future they want in Minnetonka. Over fifteen thousand people saw those ideas and/or responded to them, e.g. by “liking” them or commenting on them on Facebook or MinnetonkaMatters.com. The diversity of ideas – and methods to participate – was unprecedented for Minnetonka. Three clear themes (Fig. 1) emerged: Connection, concern for current and future Citizens, and the community’s Character.

![Diagram showing percentage of submitted ideas that fell into Connection, Character, or Citizens.](image)

**Figure 1:** Percentage of submitted ideas that fell into Connection, Character, or Citizens.
Faraway the most popular request from residents related to finishing the city’s trail system and making sidewalks and streets more safe for pedestrians (Fig. 2). This request came from the young and their elders, and from active mountain bikers and retirees who want more transportation options.

**Figure 2:** Word cloud of ideas generated from MinnetonkaMatters.com. The larger a word appears, the more it was mentioned.
“Safe sidewalks” and “more bike trails and lanes” were very popular themes.

A representative sample of residents’ comments about why these factors are important include:

“[I]t would be great to see the city support the safety of our kids and the walk-ability of our neighborhood by creating safe paths for anyone who lives northwest of the intersection of Hwy 101 and Hwy 7 (Sparrow Rd area) to walk to the high school on the other side of Hwy 7. We continually see high school students jump the Hwy 7 median barrier across from the school and balance there waiting for traffic to clear on the oncoming, eastbound lane.”

- via MinnetonkaMatters.com

“I see many comments supporting the addition of off-road trails system. What I would like to see are more paved joining pathways to neighborhoods, parks and adjoining neighborhoods. The neighborhood I live in has no access to any of these without walking through the woods, cutting through yards, or along a very limited should of a high traffic roadway system. Right now I have to rack my bikes to the family van to get to a trail system in our community.”

- via MinnetonkaMatters.com

“There are many trails that just come to a stop in random places. Trying to cross Hwy 7 is extremely dangerous. There are many athletes at Minnetonka High School who run/bike around the school with little to no trail system to support their safety. Additionally, many students who could be riding or walking to school are unable to due to the lack of safe conditions. This includes kids who live within a mile or so of the school. [...] Improving trail systems are a priority in so many communities and it’s frustrating that Minnetonka seems behind in these efforts.”

- via MinnetonkaMatters.com
Sidewalks and bike lanes aren’t just for kids and young families. When asked about “Aging in Place” and making the community more accessible to aging seniors, sidewalks came up again and again as this resident expressed:

“More transportation for seniors and everyone. More sidewalks and bike lanes for safety, like along Excelsior Blvd.” - via Facebook

Specific ideas for safe walkways included:

- The main streets such as Excelsior Blvd. Making that road walkable will bring the community together
- Continue the existing sidewalk on Williston Road at Hwy 7 all the way to Minnetonka Blvd
- Williston Road at Hwy 7 all the way to Minnetonka Blvd
- Bren Road in-between Shady Oak and Baker and then joining Rowland
- All the way along Minnetonka Blvd from 101 to the Civic Center

Hundreds of votes were cast for ideas that related to the expansion of mountain bike trails. This comment earned 37 up-votes, which made it the most popular comment on MinnetonkaMatters.com:

“It would be fantastic if Minnetonka had sustainable, designated mountain bike trails. Many of us residents are avid off-road bikers and there are no designated trails in close proximity. Minnetonka High School has a mountain bike team and there is no place locally for them to train. There are several potential wooded areas within the city where a network of trails could be built. Let’s start the conversation, find a solution, and build some trails!”
Another resident suggested investing in biking as a means of economic development, and cementing Minnetonka’s reputation as a biking destination:

“Take a look at the popularity and growth of Tour-de-Tonka...We are a cycling community. This is a chance to build something to highlight all the best of what Minnetonka has to offer. Taking away trails and legal safe off-road cycling opportunities isn’t fixing a problem; it’s only encouraging local cyclists to spend them time and money in other communities.”

One resident suggested a different kind of connection — internet connection:

“Fiber optic internet[...] is scarcely available in Minnesota, but it offers much faster speeds, is more secure, and can be easily upgraded (compared to what’s currently available) over time to increase rate of transfer without having to rebuild the existing infrastructure.”

And some residents called for a more concentrated “downtown” district, which creates opportunities for residents to connect with each other, and keep their dollars local:

“I’d like to see an area purposely turned into such a destination in Minnetonka. It should include interesting restaurants that aren’t part of big chains, a theatre and art space, a cozy venue for live music (maybe like Jazz Central which is a non-profit), free parking outside a pedestrian walkable area, and small stores.” - via MinnetonkaMatters.com

“I live near Minnetonka Middle School East and am surprised by how few restaurants there are in Minnetonka proper. We typically go to Excelsior, Hopkins, Wayzata, and Chanhassen when we eat out.” - via MinnetonkaMatters.com
CONCERN FOR CURRENT AND FUTURE CITIZENS

One third of residents’ ideas and suggestions were about specific amenities or concerns for current and future residents.

FIGURE 3: WORD CLOUD OF IDEAS GENERATED ABOUT CONCERNS FOR CURRENT AND FUTURE CITIZENS. THE LARGER A WORD APPEARS, THE MORE IT WAS MENTIONED.
Understandably, many residents submitted ideas that were related to their own family or life situation as the following list of ideas suggests:

- Maintain the quality of our schools
- More resources for seniors
- Community Pool (splash pad), parks, and dog parks

Some residents reflected on others and wondered aloud how Minnetonka will face increasing ethnic diversity, the needs of Millennials, and how the community can be great for people at all life stages as the following quotes suggest:

“We need to figure out the real barriers to attracting Millennials to our community, and solve those.” – Town Hall Meeting

“Millennials! What will a new generation expect from our city? We need to find them and ask them.” – Town Hall Meeting
**CHARACTER**

“Character” refers to Minnetonka’s look and feel — most popularly its woods and wetlands, and large single-family lots that give the community a suburban feel and help preserve tree canopy. These are the character traits current residents most want to preserve for future generations (Fig 4).

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**FIGURE 4: WORD CLOUD OF IDEAS GENERATED FROM IMAGINE MINNETONKA.**

The larger a word appears, the more it was mentioned.
Minnetonka has a long history of taking care of its natural environment. The name Minnetonka comes from the Dakota Indian “mni tanka,” meaning “great water”. In 1967, some of Minnetonka’s leaders had the foresight to start the Minnehaha Creek Corridor Plan, which enabled the city to purchase over 80% of the riparian edge along the Minnehaha Creek and protect it for current and future generations.

Asked, “What do you love about living in Minnetonka?” one resident talked about Minnetonka’s character:

“The things I love about living in Minnetonka are the large trees, green space, and parks. I also enjoy living in an area that is accessible to highways, but you still feel like you are in nature with the large yards and houses that are appropriate to the size of lot.”

Another resident, commenting on Facebook, said,

“Keep trees a big priority, it’s one of the things (along with the immersion programs in the schools) that attracted us to Minnetonka. We love how there are big trees lining almost every street, giving it a forested feel, as opposed to other suburbs where there are huge swaths of pavement from large streets, intersections, and sidewalks, making it feel like a concrete jungle.”

In addition, residents voiced concerns or ideas about:

- Invasive plants – buckthorn, garlic mustard
- The future water quality of the area’s shallow lakes, e.g. Holiday, Wing and Rose
- Maintaining open space, even with new development and increasing density
- Balancing developers’ interests with citizen interests
PART TWO: 16 TRENDS WILL IMPACT MINNETONKA’S FUTURE

In addition to resident input, Imagine Minnetonka engaged a team of futurists who facilitated a Steering Committee analysis of 44 trends and conducted an independent study of trends that will have an impact on Minnetonka’s future.

UNDERSTANDING TRENDS – THE FOUR FORCES

To help organize and prioritize the trends impacting Minnetonka in the next twenty years, we use Minnesota based Cecily Sommers’ Four Forces model. In priority order, they are: Resources, Technology, Demographics, and Governance. The top trends that will impact Minnetonka are outlined on the following pages.
## The Four Forces

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<th>Resources</th>
<th>Technology</th>
<th>Demographics</th>
<th>Governance</th>
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<td>The availability of resources is most closely tied to survival, so it is the most important force. Resources include the food, water, air, habitat, and other material nature offers. Especially important are the resources that enable energy production. Trends and resource drivers related to this force include: climate, ocean, space, energy, minerals, water, land, food, animals and forest.</td>
<td>Technology includes the tools and knowledge we use to extract and transform resources into new products and capacities that make our lives more comfortable and convenient, or to develop capabilities beyond our physical bodies that allow us to go places and discover new realities. Trends and drivers related to this force include: genetics, robotics, information, nanotechnology, health care, education, collaboration, virtual reality, games, telephony, manufacturing, infrastructure, and capital formation.</td>
<td>Demographics are the “who” behind society’s changes. People are producers. We produce through our physical and intellectual labor, so “who” is producing matters, e.g. does your community have enough working people to support your very young and very old; do you have the right ratio of women to men; is there enough social cohesion among groups to ensure the good of the community? Trends and resource drivers related to this force include: population growth, the developing world, industrialization, immigration, multiculturalism, multilingualism, nationalism, and conflict.</td>
<td>Distribution and management of society’s assets—resources, technology and people—are administered through the rule of law and the rule of markets. Of all the forces, governance is the most reactive, i.e. changes in resources, technology and people often run ahead of government’s capability to deal with them. Trends and drivers related to this force include: tribalism, market drivers, values, interests, beliefs, online communities, personalization, polarization, and identity politics.</td>
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The Imagine Minnetonka futurists predict:

1. **Excess commercial office space** — It is not a lack of resources that will create public policy issues for Minnetonka in the next decade, but an excess capacity of commercial office space. Minnetonka is the location of several high-end corporate offices (i.e. United Health, Cargill and Emerson). Several trends are combining to empty out this type of space:
   
   › Decline in upper end employment. By some estimates, even traditionally “safe” white collar jobs are requiring twenty percent fewer employees.
   
   › Decrease in office sizes. The average square feet/person required by companies had decreased due to increased efficiencies, remote work, and work-from-home options for employees.
   
   › Corporate consolidations, e.g. 3G Capital and General Mills, are making office space redundant.
   
   › Some employers are choosing to leave the suburbs and move back downtown, closer to the amenities that young professionals value.

   Back-of-envelope calculations show that these trends will place between 300,000 and 600,000 square feet of office space on the Minnetonka market with low demand for similar use in-fill.

The Imagine Minnetonka Steering Committee advises:

2. **Climate change** — especially heavier rain and storms and longer and dryer periods between them — will impact Minnetonka’s woods and wetlands. As the climate changes, Minnetonka needs to be vigilant about mitigation, adaptation, and proactive resource management. For example, the Minnehaha Creek Watershed has experienced multiple floods due to extreme rain events. In 2014, the cost was $1.2M.

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2 By 2017, North American offices will average 151 square feet per worker, according to real estate data provider CoreNet Global. That’s down from 176 square feet in 2012 and 225 square feet in 2010. The rule of thumb for creative open space that startup and small technology companies seek has been decreasing from 200 to 250 square feet to as low as 100 to 150 square feet of “usable” office space per person. Source: The Mehigan Company, [http://mehiganco.com/wordpress/?p=684](http://mehiganco.com/wordpress/?p=684)

3 [http://www.minnehahacreek.org/project/weather-extreme-trends](http://www.minnehahacreek.org/project/weather-extreme-trends)
TECHNOLOGY TRENDS

The Imagine Minnetonka futurists predict:

3. **Autonomous transit** will impact more suburban, affluent areas like Minnetonka first. This coupled with the development of Minnetonka’s light rail station link could dramatically impact Minnetonka’s appeal and its transportation patterns. It could also keep seniors living independently in their homes longer, delaying housing turnover and putting more pressure on Minnetonka’s single family housing demand.

4. **Home health care delivery** – Technology capabilities, aging populations, and a shortage of skilled medical professionals combine to push toward more home care delivery options. Minnetonka’s demographics and affluence make it a prime candidate for beta tests of these new systems. This could create additional demand for emergency medical response services. [Caveat: the high level of uncertainty at the time of this project about the future of our national health care policy fogs our prediction of when this will occur. That said, it is safe to assume that major shifts in delivery systems, care levels, and financial support will occur in the near term, i.e. five years, because the current health care system is not economically sustainable.]
The Imagine Minnetonka Steering Committee advises the following technology trends will have a great impact on Minnetonka:

5. **Digital citizenship** – How can the City adapt to the next generation’s use of technology?

A powerful example of digital citizenship occurred during the Imagine Minnetonka project. For the first time ever, the City of Minnetonka hosted a town hall meeting via video feed on Facebook Live. From his or her homes, anyone with Facebook who followed the city could participate. Thirty-five people attended the online meeting (a higher turnout than similar Town Hall Meetings at the Community Center) and over 1,800 people were exposed to the live feed. All together, Facebook generated 68 ideas and over 14,000 views.

6. **School quality** – Minnetonka’s three school districts, Minnetonka, Hopkins and Wayzata, have traditionally been a strong attraction for families relocating to Minnetonka. Now and in the future those districts are facing a series of challenges; from an increase in the percentage of students who receive free and reduced price lunch to the number of languages spoken in the schools. For Minnetonka to maintain its reputation as a great place for families to raise and educate their children, the districts and their partners must be ready and able to adapt to these changes.

The Imagine Minnetonka futurists and the Steering Committee concur on the following trend:

7. **Infrastructure overhaul** – Minnetonka’s aging infrastructure, coupled with more freeze-and-thaw cycles due to climate change, will have a large impact on road and infrastructure conditions. Replacing this infrastructure is only one part of the cost; ongoing maintenance can be up to 60% of the initial capital costs. The city currently has a sound re-investment plan and vision to support infrastructure improvements, and this will need regular review, as recent research indicates that wealthier suburbs may have a harder time paying for needed infrastructure upgrades.4

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4 “Is the Infrastructure ‘Time Bomb’ Beginning to Blow? Study Finds Low-Density Housing Can’t Pay the Bills” by Mary Glindinning, October 26, 2016, Sustainable City Network
The Imagine Minnetonka futurists predict the following demographic trends will impact Minnetonka’s 20-year future:

8. **Aging in place** – The largest demographic wave impacting Minnetonka is that its residents are getting older. If we assume that Figure 5 is true, the widest age bands are those aged 50 and above.

   In the future, those residents will continue to age and we can assume that Minnetonka will follow other affluent suburban areas that will increase in the 60-74-year-old cohort by 40% in the next 10 years.

   Older residents require more services, especially healthcare. A plausible future scenario for Minnetonka is one in which young professionals and young, well-off families leave Minnetonka—or overlook it—and gravitate to younger, more “hip” metros, exurbs, and suburbs. This would leave Minnetonka with a decreasing tax base and an older, nonworking, and less able population. This would increase the strain on provision of local social services and healthcare.

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9. Increasing diversity

“Demographic shifts in the coming decades will result in a different Twin Cities region than we know today and have known in years past. Our region will grow, age and become more racially and ethnically diverse. These shifts are not just in our future, however; recent data from the U.S. Census Bureau show these changes are well underway, especially when it comes to diversity in the region.”

- “Growing Racial and Ethnic Diversity in the Twin Cities Region Today”, Met Council, October 2014

Between 2000 and 2013, Minnetonka attracted 2,300 residents of color. In the three major Minnetonka school districts, there are between 40 and 42 languages spoken. Approximately 29% of East Africans in the US are located in the greater Minneapolis metro area. This is on par with the Twin Cities metro region where 92% of population growth is from people of color.

5 As of the publication date of this document, several national policy changes could impact the region’s diversity.
10. Population growth — The Met Council projects that Minnetonka will add 10,000 residents and 5,500 households by 2040.

**5,500 NEW HOUSEHOLDS BY 2040**

Even if only half of the projections are true, this is still an additional 5,000 people and 2,750 households, an almost 15% increase in Minnetonka’s population. To make room for new residents, Minnetonka can consider more urban villages and more dense residential housing.

**FIGURE 6: ESTIMATED POPULATION AND HOUSEHOLD GROWTH THROUGH 2040. SOURCE: MET COUNCIL.**
A resident shared her concerns about not making room for new families:

“I agree that the best part of Minnetonka is the green space, park land, trails, etc. If we want to maintain and expand those things, we have to be very careful NOW about how and what we build, and what is re-built on a parcel when a lot is sold and an existing house is torn down. We need BALANCE. Will there be reasonably affordable housing for young couples and families, or will there be only mega-mansions and senior-living condos? A possible consequence of that scenario could be a large population of Minnetonka citizens who are uninterested in the things we are all listing here; people who may vote against using funds to maintain parks, trails, even schools, etc. I’m very concerned when I (over)hear our dedicated teachers and public servants complaining of the difficulty of affording a home here where they serve.”

The Imagine Minnetonka Steering Committee suggests the following demographic trends will have a large impact on Minnetonka’s future:

11. **Tribalism and identity politics** – Due to demographic changes and a more partisan political atmosphere, many communities, regions and states have a growing number of factions or “tribes”. This has a tendency to divide (versus unite) communities. If ignored, tribalism and identity politics could impact Minnetonka, dividing the community among age, class, racial or other “tribal” lines. One example: throughout the Imagine Minnetonka process, several residents pulled consultants and staff aside to share their concerns privately (v in front of their peers) about “those people” in the community. The implied message was that “those people” are the source of crime and are deflating Minnetonka’s housing values and reputation as a great place to live. Data does not support their claims, but tribalism is often built on not on facts, but on fears. This is one small example of how identity politics can take root in a community.

12. **Urbanization** – Minneapolis–St. Paul will continue to grow, bringing growth pressure to all communities in the MSA. Minnetonka will face choices about whether it wants to evolve into a more vibrant suburb (which usually brings more population, more young professionals and young families, more diverse housing stock, and greater diversity) or whether it wants to maintain its traditional character.
GOVERNANCE TRENDS

The Imagine Minnetonka futurists predict the following governance trends:

13. Rising demand for self-governance — Right now Minnetonka is a progressive community embedded in a larger conservative Congressional district. Assuming current demographic and technology trends continue for the next decade, i.e. Minnetonka becomes older and citizens become more digitally engaged in government, it can be assumed that Minnetonka will become more separated in socio-economic terms from its neighboring communities. This sets the stage for a rising demand in self-governance. Viewed in a positive light, Minnetonka could become an excellent test bed for such systems such as direct voting, remote participation in council meetings and inclusion in advisory meetings through WebEx and such technologies.

The Imagine Minnetonka Steering Committee adds these high impact governance trends:

14. Trust in government — Surveys show that trust in national government is at an all time low, while trust in local government has rebounded to the same levels as before the Great Recession. In Minnetonka, the majority of surveyed residents are very satisfied with Minnetonka’s levels of service and performance. To maintain resident satisfaction and trust will require new levels of citizen engagement, reporting and accountability.

15. City-to-city collaboration — Partisan politics at the state and national level make relying on them for funding and directives spotty at best. Instead, cities are turning towards each other. National coalitions like the Bloomberg 40 and the Living Cities Collaborative are forming peer-to-peer networks among cities that are committed to testing innovations and sharing knowledge. The City of Minnetonka already belongs to formal and informal networks of peer cities, and this peer-to-peer collaboration is expected to increase in importance in the next 20 years.

16. Citizen engagement — Regardless of their age or generation, citizens increasingly expect to be engaged in the process of local government. Coupled with Digital Citizenship (Trend #5 in this document), Minnetonka is entering a new era of government and citizen collaboration.
RECOMMENDATIONS - HOW TO NAVIGATE MINNETONKA’S FUTURE

RECOMMENDATIONS AT A GLANCE

<table>
<thead>
<tr>
<th>RECOMMENDATION</th>
<th>RESIDENT INPUT ADDRESSED</th>
<th>FORCES AND TRENDS ADDRESSED</th>
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</thead>
</table>
| 1. Monitor five signals for Minnetonka’s future (page 27)                      | Connection, Citizens     | Resources  • Excess commercial office space  
Demographics  • Increasing diversity  
• Urbanization  
• Population growth  
• Tribalism and identity politics  
Governance  • Trust in government  |
| 2. Expand best practices for green infrastructure (page 28)                   | Character                | Resources  • Climate change  
Technology  • Infrastructure overhaul  |
| 3. Create a visionary goal to connect all residents to woods and wetlands (page 31) | Character                | Resources  • Climate change  
Demographics  • Increasing population  |
| 4. Proactively collaborate with school leaders and other partners to address Minnetonka’s changing demographics (page 32) | Citizens                | Technology  • Digital Citizenship  
Demographics  • Population growth  
• Increasing diversity  
• Tribalism and identity politics  
Governance  • Citizen engagement  |
| 5. Develop a multimodal transportation plan that will safely connect major pedestrian areas and all bike + hike trails (page 33) | Citizens                | Technology  • Infrastructure overhaul  
Demographics  • Aging in place  
• Urbanization  
Governance  • Citizen engagement  |
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<tr>
<th>RECOMMENDATION</th>
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</table>
| 6. Diversify and improve housing stock (including retrofitting vacant commercial space) that appeals to young professionals, working families, and the elderly (page 36) | Citizens Character | Resources  
- Excess commercial office space  
Technology  
- Infrastructure overhaul  
Demographics  
- Aging in place  
- Increasing diversity  
- Population growth  
Urbanization |
| 7. Proactively engage and communicate with residents using best practices across multiple platforms (page 38) | Connection | Technology  
- Digital citizenship  
Demographics  
- Aging in place  
- Increasing diversity  
- Population growth  
- Tribalism and identity politics  
Governance  
- Rising demand for self-government  
- Trust in government  
- Citizen engagement |
| 8. Use best practices in suburban redevelopment to strengthen the City’s village centers and develop the new Shady Oak Road and Opus light rail transit area (page 41) | Connection | Resources  
- Excess commercial office space  
Technology  
- Autonomous transit  
- Home health care delivery  
- Infrastructure overhaul  
Demographics  
- Aging in place  
- Increasing diversity  
- Population growth  
- Urbanization  
Governance  
- Trust in government  
- City-to-city collaboration  
- Citizen engagement |
| 9. Update the Minnetonka Citizen Academy (page 42) | Citizens Connection Character | Technology  
- Education reform  
Demographics  
- Population growth  
Governance  
- Trust in government  
- Citizen engagement |
1. **Monitor Five Signals for Minnetonka’s Future.**

*Rationale: We can’t know exactly what the future will bring to Minnetonka, but the following five leading indicators will dictate what Minnetonka’s future will likely be, and city leaders should monitor them to be prepared.*

<table>
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<tr>
<th>SIGNAL</th>
<th>EXPLANATION/IMPLICATION</th>
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<tr>
<td>1. Ratio of incoming-to-departing 25-40-year-olds.</td>
<td>When the ratio of incoming younger residents goes negative it presages an economic downturn and a decrease in stability. Minnetonka’s median age is currently 45. If more under-40s leave Minnetonka than move in, it will impact future growth and opportunity.</td>
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<td>2. Commercial real estate price fluctuations and vacancy rates.</td>
<td>There is an estimated 300,000–600,000 square feet of corporate office space that could become vacant in the next 5–10 years. This could have an impact on overall tax revenues and could create an additional burden for the city or residents. It could also create an opportunity for more residential and retail infill.</td>
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<td>3. Increased diversity.</td>
<td>The United States is undergoing one of the most dramatic demographic shifts since the late 1800s. A community’s preparation for increasing diversity can have a large impact on how residents respond and how smoothly newcomers are integrated into the community.</td>
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<tr>
<td>4. Civic mood: does Minnetonka want to be more or less connected to the greater Minneapolis metro area?</td>
<td>As residents age and retire, some feel bothered by things like bikers on the roads. As one resident expressed, “We don’t want ‘urban’. I enjoy suburban, that is why I live here. If I wanted urban I would move to a city.” Leaders must be tuned into residents’ civic mood as Minnetonka grows in population.</td>
</tr>
<tr>
<td>5. Increase in measures of income inequality across similar communities (i.e., Gini Coefficient7)</td>
<td>Wilson and Pickett (<em>The Spirit Level</em>) have demonstrated that in states or nations with higher levels of income inequality, there are more social and health problems, more crime, and lower levels of public trust. Minnetonka has historically been known as a city with affluent residents, but recently its share of residents needing assistance from the Food Shelf and other social service agencies has increased. This disparity can lead to identity politics and tribalism.</td>
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7 The Gini Co-efficient measures the distribution of wealth in a nation, state, or community.  
Resources and best practices:

› The Minnesota Dashboard includes 40 indicators reported regularly and openly to the public: https://mn.gov/mmb/mn-dashboard/.

› The Community Indicators Consortium helps communities determine what to measure and how to present it: http://www.communityindicators.net/home.

› The CAN Community Dashboard is used in Austin and Travis County, TX to report on a series of social and economic issues in the community: http://www.cancommunitydashboard.org/.

2. **EXPAND BEST PRACTICES FOR GREEN INFRASTRUCTURE.**

*Rationale:* Minnetonka has a long history of taking care of its woods and wetlands. Green infrastructure (“GI”) is a natural choice that aligns with the community’s values and saves money in the long term.⁸ We recommend that money saved through green infrastructure projects can be used to offset the costs of other recommendations in this plan, e.g. improving safety and connection of bike + hike trails and expanding workforce housing.

**What is green infrastructure?**

Also called “low-impact development,” green infrastructure is an approach to wet weather management that is cost-effective, sustainable, and environmentally friendly. Green infrastructure management uses strategies and technologies that help manage stormwater runoff, i.e. solar/solar gardens, rain gardens, buffer strips, green roofs, permeable pavers/porous pavement, tree trenches, rain barrels, and other water reuse systems.

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The following best practices should be considered by the City Council and in the next comprehensive plan:

- Implement a lawn-watering rule of “Trash Day +1.” This means that all residents may water their lawns on the day their trash is picked up, plus one other day. University of Minnesota research shows that lawns don’t need more than 1/4 inch of water per week.

- Require or incentivize green infrastructure (“GI”) practices on all new development and redevelopment especially if developers are adding impervious surfaces, like paved parking lots.

- Increase the amount of stormwater runoff that developers are required to manage. In most communities, one inch is the norm, but this is insufficient in communities that are growing like Minnetonka is.

- Dedicate resources to work with and train developers how to implement GI.

- Require or incentivize businesses with large paved surfaces to use rain gardens, tree trenches and permeable pavements to reduce runoff.

- Encourage smaller strip malls to install rain gardens and vegetated buffers along sidewalks and parking lots. Vegetated buffers don’t require as much maintenance as rain gardens and can still infiltrate runoff from the parking lot back into the soil.

- Public and private parking areas that are not high use areas could be switched to permeable pavers.

- Install rain gardens on public property throughout the city.

- Replace grass with alternative turfs, or if some grassy areas don’t get pedestrian traffic, consider sedges, fescues, or pollinator meadow turf.
Best practices examples in the Twin Cities area:


› The Green Line Light Rail Path includes rain gardens, tree trenches, stormwater planters, and infiltration trenches: http://www.capitolregionwd.org/our-work/watershed-planning/cclrt_wq/.

› Maplewood Mall in the Ramsey-Washington Watershed District treated runoff and used it as an education outreach initiative: https://www.rwmwd.org/index.asp?Type=B_BASIC&SEC=%7BDB475310-069F-4230-9E97-01E92FD50527%7D.

› The Saint Paul Saints’ CHS Field was considered the “greenest ballpark in the world” at its grand opening, in part because of its excellent water reuse system: https://metrocouncil.org/News-Events/Wastewater-Water/Newsletters/Innovative-system-will-capture-rainwater-to-keep-n.aspx.

› Waconia has a water reuse system that captures runoff from a residential area, treats it, and then uses it to water the high school football field. Water reuse reduces stormwater runoff pollution AND doesn’t waste treated drinking water.

› On a small scale, Nine Mile Creek Watershed District’s facility in Eden Prairie uses GI: https://www.ninemilecreek.org/9-mile-creek-discovery-point/around-discovery-point/.

› The City of Victoria is not experiencing flooding or water quality problems because of their use of open space planning: http://www.victoria.ca/assets/Departments/Planning-Development/Community-Planning/OCP/OCP_Section-9_Parks-and-Recreation.pdf.
3. **CREATE A VISIONARY GOAL TO CONNECT ALL RESIDENTS TO MINNETONKA’S WOODS AND WETLANDS.**

*Rationale: All Minnetonka residents value its “character” especially its tree canopy and waterways. As Minnetonka grows, it must continue to preserve residents’ access to these valuable natural amenities. Even if a new resident cannot afford a tree-lined property, they should have easy access to Minnetonka’s natural beauty.*

Here are two examples of cities that—while growing—made strong commitments to connect residents and the natural environment:

- In Nashville, the Mayor promised to put every resident within a ten-minute walk of a park, trail, or recreation area.
- In Portland, elected officials and civic leaders promised that every resident would have a view of Mount Hood.

It is possible to balance growth with resident access to parks and their natural environment. The City Council and the next comprehensive plan should hold fast to a commitment that connects every resident to Minnetonka’s woods and wetlands.

**Resources:**

- Vancouver’s 2020 goals include strategies to put every resident within a five-minute walk of a park, greenway, or other green space by 2020: [https://vancouver.ca/files/cov/gc2020-goal6.pdf](https://vancouver.ca/files/cov/gc2020-goal6.pdf).
4. **Proactively Collaborate with School Leaders and Other Partners to Address Minnetonka’s Changing Demographics.**

*Rationale:* The racial, ethnic, and class makeup of Minnetonka is changing and it’s making some residents uncomfortable. Addressed early, openly and with sensitivity, Minnetonka can sidestep some of the uglier side effects of a changing population.

We recommend that a trusted community partner—like a local church or interfaith alliance—spearhead a diversity and inclusion initiative to ensure that Minnetonka is a welcoming community. Business leaders, school district leaders, nonprofit leaders, and other community leaders should be encouraged to participate and encourage their constituencies to participate, too.

**Best practices:**

- Willmar, MN hosted a series of community education events to help residents understand their growing immigrant Somali population: http://www.adcminnesota.org/page/video/understanding-somali-culture-meeting-willmar.

- The Government Alliance on Race and Equity (GARE) is a national network of governments working to achieve racial equity and advance opportunities for all. Cities including Bloomington, Hopkins, Minneapolis, Maplewood, Woodbury, Brooklyn Center and Brooklyn Park are using GARE to: make commitments to achieving racial equity; focus on the power and influence of their own institutions; and work in partnership with others. Learn more: http://www.racialequityalliance.org/.

- The YWCA of Minneapolis offers racial justice training: https://www.ywcampls.org/racial_justice/.

- The City staff has embarked on three Strategic Doing initiatives to better connect residents and businesses to centers of activity. The projects are responsive to Minnetonka’s changing demographics and the Strategic Doing process can be replicated to activate other projects throughout the community.
5. DEVELOP A MULTIMODAL TRANSPORTATION PLAN THAT WILL SAFELY CONNECT MAJOR PEDESTRIAN AREAS AND ALL BIKE AND HIKE TRAILS.

Rationale: Residents who participated in Imagine Minnetonka were adamant about the need to improve pedestrian safety at key intersections and their desire for more connected bike and hike paths. The city already has a comprehensive trail plan; this recommendation supports the completion of that plan.

A safe and connected multimodal transportation system offers enhanced quality of life to seniors, boomers, empty nesters, young families, young professionals, K-12 students, and bike enthusiasts from the region. Connected bike trails have these additional benefits for Minnetonka:

- Bike paths help maintain or increase housing values for those who live adjacent to them, according to a study of Minneapolis suburbs and cities. The National Association of Realtors concludes that: “[H]omes near trails often have higher property value, with a price premium ranging from five to ten percent in most studies.”

- An excellent bike system is good for economic development. Although no studies have been done in Minnesota, a 2010 study in Wisconsin concluded that: “Bicycle recreation supports more than $924 million in economic activity in Wisconsin, of which nearly $533 million is direct impact occurring annually. Of the combined impacts, more than $535 million is attributable to bicyclists from other states, representing an infusion of outside dollars into the state economy. Increasing non-resident bicycling by 20% has the potential to increase economic activity by more than $107 million dollars and create 1,528 full-time equivalent jobs.”

9 “Bike paths” include a mix of paved paths and paths more suitable to the mountain bike community.


› Biking has been a favorite intergenerational pastime for over 100 years:

“Bicycling was a favorite activity for all ages. Riders were required to have a license attached to the front fork of the bicycle. A popular route for bicyclists was constructed by the county in the 1890s along the south side of Minnetonka Boulevard from Lake Calhoun in Minneapolis to Deephaven on Lake Minnetonka. The graveled path was four to five feet wide and six inches above the road’s surface. The path is still there though Minnetonka Mills, now paved with asphalt. On Sundays and holidays, thirty cyclists often stopped at Frear’s pop stand, located on the porch of the general store at Bridge Street, west of today’s Dairy Queen where Bennis Feed and Fuel station now stands, to pump a tin cup full of cold, clear well water.”

– Minnetonka Mills: A Historic Profile in Pictures and Stories of a Community in Minnetonka, Minnesota, written by Betty Johnson and published by the City of Minnetonka Historical Society

In addition, as Minnetonka residents age (requiring greater accessibility) and new forms of transportation (light rail, autonomous vehicles) become popular, the city will upgrade its transportation plan. As this happens, Minnetonka has a unique opportunity to program its transit plan for increased bikeability, changing demographics, greater safety, and more connectivity.
Best practices and resources:

- Feet First offers “Safe Routes to School,” an educational and planning process that ensures kids get to and from school safely: http://www.feetfirst.org/feet-first-safe-routes-to-school-programs.

- The National Center for Transit Research offers best practice training on multimodal transportation planning, tied to workforce and economic development: http://www.nctr.usf.edu/.


- A transportation hierarchy can be helpful in deciding what features receive funding priority. The Green Transportation Hierarchy\(^\text{13}\) favors more affordable and efficient modes for users in this order:
  1. Pedestrians
  2. Bicycles
  3. Public transportation
  4. Service and freight vehicles
  5. Taxis
  6. Multiple occupant vehicles (carpools)
  7. Single occupant vehicles


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6. **Diversify & Improve Housing Stock (Including Retrofitting Vacant Commercial Space) That Appeals to Young Professionals, Working Families, and the Elderly.**

Rationale: Minnetonka’s housing prices prevent those who are on fixed incomes (the elderly), those who are early in their careers (young professionals), and working class families (teachers, police officers, fire fighters and those who work in service, sales, restaurants and retail) from moving to Minnetonka.

A mix of factors are increasing demand for housing at multiple price points. These include:

- Seniors citizens who would like to sell their single-family homes and stay in Minnetonka, but don’t feel they can afford to. Their incomes are fixed, and they don’t feel they have other housing options.

- By 2040, Minnetonka’s senior population is expected to grow by 40% (Trend 8). This trend, coupled with the previous point, creates a ceiling on the number of potentially affordable “fixer upper” single-family homes that would go on the market and appeal to young families looking for an entry level home.

- Many Minnetonka area residents are paying so much for housing and other monthly expenses that they are having difficulty affording food. The ICA Food Shelf has expanded from serving 268 families (in 2004) to serving over 900 families in 2016. In their 2015 funding application to the City of Minnetonka, the ICA Food Shelf reported serving 5,832 families, of which 1,941 lived in Minnetonka.

- Workforce housing would help attract young families, young professionals, and working class families.
These trends are largely invisible to residents, because they take place in the shadows or out of view. Some residents worry that building more affordable housing for seniors, Millennials or working class families will increase crime or decrease their own housing values. Their fears are real to them, but to move forward and address Minnetonka’s expected growth, we must break the cycle. *It is possible to build beautiful senior and workforce housing that contributes to Minnetonka’s character.* This requires enlightened and creative developers, courageous public officials, clear zoning regulations and guidelines, and community trust.

**Recommendations and resources:**

- Share and monitor vacancy rate in office uses in the city. Enable city staff to consider multiple different uses for future vacant office spaces and ensure that these options are included in future comprehensive plans and economic development plans.


- Award winning examples of workforce housing that’s affordable and well designed: [https://bdmag.com/quality-design-takes-important-role-affordable-housing/](https://bdmag.com/quality-design-takes-important-role-affordable-housing/).

7. **PROACTIVELY ENGAGE AND COMMUNICATE WITH RESIDENTS USING BEST PRACTICES ACROSS MULTIPLE PLATFORMS.**

*Rationale: Imagine Minnetonka proved that residents want to engage with the city—and with each other—on issues of importance to the community. In a digital age, city staff, elected officials, and residents will need to use a variety of communication tools and protocols to constructively design the next comprehensive plan and move forward as partners and allies.*

At the Imagine Minnetonka town hall meetings, some vocal residents expressed concern that Minnetonka’s future will be less bright than its past and that their elected officials aren’t listening to their concerns. In times of change, concerns like these are common. And they must be addressed.

As one Imagine Minnetonka Steering Committee member wisely noted,

> “People are afraid of change because they fear that they’re losing something. But if you help them understand what they’re getting in return, they’ll be more open to it.”

Listening to residents is the responsibility of all elected officials and city staff, but a community of Minnetonka’s size should also have dedicated resources to engage the community on matters of importance.

Currently, the City is understaffed in its communications department. Ideally, additional resources would be directed to use and experiment with tools like Facebook Live, Beehives, resident programming, Minnetonka Matters, and other online and traditional platforms to engage with residents and provide input and direction to city staff and council.
The following resources and best practices can help Minnetonka move forward, City and citizens together:

› The International Association for Public Participation (IAP2) offers training on how to effectively engage and partner with citizens. All city staff and council should take this training: http://www.iap2.org/?page=training.

› IAP2’s one page “Public Participation Spectrum” helps define the public’s role in all public participation processes. This resource is available on the following page of this report, or at http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/Foundations_Course/IAP2_P2_Spectrum.pdf.

› A Local Officials’ Guide to Online Public Engagement is a playbook for how a communication specialist can prioritize public messages, inform the public, consult with citizens, and engage online: http://www.ca-ilg.org/sites/main/files/file-attachments/a_local_officials_guide_to_online_public_engagement_0.pdf.

› One easy, early “win” for the City is to publicize its environmental commitment and impact. Through the Imagine Minnetonka process, residents and the Steering Committee learned that the city is already doing a lot to mitigate climate change, invest in renewables, and protect its woods and wetlands. This is an important message to share with an eager public.

› Code for America is a national network dedicated to making government work better in the 21st century. They publish community engagement best practices: https://www.codeforamerica.org/resources/providing-access/community-engagement.
The IAP2 Federation has developed the Spectrum to help groups define the public’s role in any public participation process. The IAP2 Spectrum is quickly becoming an international standard.

### PUBLIC PARTICIPATION GOAL

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<th>INVOLVE</th>
<th>COLLABORATE</th>
<th>EMPOWER</th>
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<tr>
<td>To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.</td>
<td>To obtain public feedback on analysis, alternatives and/or decisions.</td>
<td>To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.</td>
<td>To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.</td>
<td>To place final decision making in the hands of the public.</td>
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### PROMISE TO THE PUBLIC

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<tbody>
<tr>
<td>We will keep you informed.</td>
<td>We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision. We will seek your feedback on drafts and proposals.</td>
<td>We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.</td>
<td>We will work together with you to formulate solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.</td>
<td>We will implement what you decide.</td>
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</tbody>
</table>
8. USE BEST PRACTICES IN SUBURBAN REDEVELOPMENT TO STRENGTHEN THE CITY’S VILLAGE CENTERS AND DEVELOP THE NEW SHADY OAK ROAD AND OPUS LIGHT RAIL TRANSIT AREA.

Rationale: Minnetonka, like many of the Twin Cities’ suburbs, is in its redevelopment stage when it must retrofit buildings, land uses, and other physical assets for changing needs and preferences, e.g., seniors who want to age in place or Millennials who don’t want to own a home or be car dependent.

Minnetonka has a strong history of being responsive to residents and forward looking in its approach.

The following insights and best practices can help Minnetonka navigate its future redevelopment:

- A University of Minnesota study (2013) found that Minnetonka does not have a centralized downtown. Rather, it is a “beehive” community, where people leave their homes and drive to various centers of activity (“beehives”) where they build community and interact with others, e.g. Big Willow is a gathering place for parents of children who play baseball; churches are gathering places for those who share the same faith. For the community to remain socially connected, the beehives must be strong because they give residents a sense of belonging.

- Some of Minnetonka’s “beehives” are its village centers or retail districts, like the one at Hwy 101 and Minnetonka Boulevard. These centers are at major intersections, have a mix of retail (hardware stores, grocery stores, restaurants, etc.), are immediately accessible from the major roads, and are surrounded by residential housing. The village centers play an important role in connecting residents to each other, and keeping the area’s economy strong and accessible. The next comprehensive plan should include elements to maintain or strengthen the village centers.


- Belmar and Lakewood, Colorado offer inspiring examples of suburban redevelopment that assists seniors age in place, has multimodal transit options, “fits” within a traditional single family suburban environment, and adds a retail dimension that suburban residents value.

- The American Planning Association’s “Guide on Public Redevelopment” offers ideas and tools that the public sector can take to stimulate activity when the private market is not providing sufficient capital and economic activity to achieve the desired level of improvement: https://planning.org/policy/guides/adopted/redevelopment.htm.

9. UPDATE THE MINNETONKA CITIZENS ACADEMY.

Rationale: Minnetonka’s population will continue to change. To proactively engage residents and field new pools of informed citizens to serve on boards and commissions, the Minnetonka Citizens Academy should be refreshed.

Historically, citizen academies were six or seven week experiences that featured a lecture a week. In Minnetonka, they featured presentations from city historians, and various city departments. Most citizen academies are passive, “anyone is welcome” affairs whose participation and results have been diminishing over time.

Recently, many cities have re-imagined their citizen academies to be more dynamic, to appeal more to Millennials and retirees who want to play a more active role in their communities.

Best practices and resources:

› “Decatur 101” in Decatur, Georgia is a six-week program with morning and evening options. Training includes dynamic presentations (no boring department heads) and active, hands-on learning, i.e. a Smart Growth Walking Tour and a 100 pennies budgeting game. The morning class is 10 a.m.-noon and the evening class is 7-9 p.m. The program is free and open to the first 40 applicants. The program typically has waiting lists, and past graduates have run for office, served on boards and commissions, volunteered to help with community festivals, activated neighborhood organizations, and more. Here’s what Decatur 101 graduates say about their experiences in the program: “The most fun I have had in a learning environment since my second year of law school.” . . . “Every city should have this kind of program.” . . . “Decatur 101 exceeded my expectations. I will include it on my resume.” . . . “It was awesome. It makes it a lot easier to write that tax check.” Learn more: http://www.decaturga.com/city-government/city-departments/community-development-quality-of-life/decatur-101#outline.

› Leadership Omaha is a nine-month program that focuses on community trusteeship, leadership styles and community awareness. It culminates in a class project intended to benefit the Omaha community: https://www.omahachamber.org/talent-and-workforce/leadership-development/leadership-omaha.cfm.

› UNC-Chapel Hill has a directory of citizen academies for further research: https://docs.google.com/spreadsheets/d/110XXWIFeOeEqKcsUhn5lfplN_yOEwsm8hFx77h2WA/pub?hl=en-US&hl=en_US&single=true&gid=0&range=ct:ba120&output=html.
THESE 9 RECOMMENDATIONS, completed
individually or together, will result in a more resilient, vibrant and future ready community.

The following partners and resources can help:

› The MSP Regional Indicators can be used to track the five items in Recommendation #1: https://www.greatermsp.org/regional-indicators.

› VANTAGE is a community based innovation project of Minnetonka High School. Students work with a project team to solve real-world problems and learn about the challenges of project-driven work. Under the direction of a licensed teacher and in partnership with professionals, these project teams strive to contribute to a partner-defined project while gaining invaluable experience in today’s marketplace: https://www.minnetonkaschools.org/academics/mhs/vantage/about-vantage.

› The University of Minnesota Humphrey School of Public Affairs has nine policy research and outreach centers in the areas of leadership and management, politics and governance, urban and regional planning, gender policy, and science, technology and environmental policy: http://www.hhh.umn.edu/people-research/research-centers.

› The League of Minnesota Cities (https://www.lmc.org/) and the National League of Cities (http://www.nlc.org/) primarily serve elected officials and offer training and best practices across a range of municipal issues.

› The Alliance for Innovation primarily serves city managers and staff. They offer best practices for innovative cities and are responsive to member requests for best practices in a range of areas: www.TransformGov.org.

› Living Cities works with cross-sector leaders in cities to build a new type of urban practice aimed at dramatically improving the economic well-being of low-income people: https://www.livingcities.org/.

Residents took advantage of 12 weeks of opportunities to have their say in Imagine Minnetonka: online, through social media (City of Minnetonka’s Facebook, Twitter and Instagram with #imagineMTKA), at various meetings around town, and more. “One Wish” chalkboards were the most popular method of collecting residents’ ideas and were also seen by the most people:

**FIGURE 7: NUMBER OF IDEAS AND REACH GENERATED BY VARIOUS FORMS OF COMMUNITY ENGAGEMENT.**
“ONE WISH CHALKBOARDS” WERE AVAILABLE TO RESIDENTS OF ALL AGES AT THESE 2016 VENUES:

› Saturday, June 25: Minnetonka Summer Festival (4–8 p.m.)
› Tuesday, July 19: Farmers Market and Music in the Park (3–8 p.m.)
› Wednesday, July 20: Williston Fitness Center (7–11 a.m.)
› Wednesday, July 27: Minnetonka Ice Arena Public Skating (3–5 p.m.)
› Thursday, July 28: Senior Center (8 a.m.–noon)
› Friday, August 5: Tour De Tonka packet pickup at Minnetonka High School (8:30 a.m.–2 p.m.)
› Wednesday, Aug. 10: Purgatory Park (8–11 a.m.)
› Wednesday, Aug. 24: Town Hall Meeting at Minnetonka Community Center (7 p.m.)
› Thursday, Aug. 25: Tanglen Elementary Back to School Open House (5–7 p.m.)
› Sunday, Sept. 18: Minnetonka United Methodist (10 a.m.–noon)
› Tuesday, Oct. 4: Fire Department and City Open House (5–7 p.m.)
› Wednesday, Oct. 12: Town Hall Meeting at Minnetonka Community Center (7 p.m.)
THANK YOUs

So much energy and so many hours went into this project.

We owe the following residents and stewards of Minnetonka our thanks:

The Minnetonka City Council gave a word of advice to the consultants who spearheaded the project, “Don’t be afraid to make us uncomfortable.” Those brave folks include:

- Terry Schneider, Mayor
- Dick Allendorf, At Large, Seat A
- Patty Acomb, At Large, Seat B
- Bob Ellingson, Ward 1
- Tony Wagner, Ward 2
- Brad Wiersum, Ward 3
- Tim Bergstedt, Ward 4

The Imagine Minnetonka Steering Committee was appointed by the City Council to make sure the project stayed on track, was responsive to community needs, and resulted in actionable recommendations. Thank you to:

Betty Johnson  Cari Lindberg  Jason Moeckel  Madeline Seveland  Ron Kamps  Steve Adams, Chairman
Brian Kirk    Colbert Boyd   Joan Suko     Margaret Bauer   Scott Coolong   Chairman
Geralyn Barone, Minnetonka’s City Manager, challenged us to ask the tough questions and seek out those who’ve been traditionally disengaged. She stayed late listening to residents’ concerns about the future. We were privileged to work with her.

Perry Vetter, the Assistant City Manager, was the City’s liaison for this effort and did a lot of the heavy lifting. He coordinated all the One Wish Chalkboard locations, organized all the steering committee meetings, and was the main contact for the City Council and to the City staff.

In addition to Perry, the following City of Minnetonka staff members provided energy and ideas to this project, which will bring it to life for all residents now and in the future:

- Ann Davy
- Dave Johnson
- Kelly Odea
- Sara Woeste
- Darrin Ellingson
- Jo Colleran
- Brian Wagstrom
- Jim Malone
- Shelley Peterson
- Scott Boerboom
- Loren Gordon
- Susan Thomas
- Drew Ingvalson
- Corrine Heine
- Sara Kronmiller
- John Vance
- Kevin Fox
- Merrill King
- Will Manchester
- Jeremy Koenen
- Phil Olson
- Julie Wischnack
- Alicia Gray
- Colin Schmidt
- David Maeda
- Kari Spreeman
- Patty Latham
- Moranda Zimmer

Special thanks to Betty Johnson, Madeline Seveland, and Cari Lindberg for providing additional research assistance related to Minnetonka’s history, green infrastructure best practices, and school district data respectively.
The team at NEXT Generation Consulting was privileged to work with your community on Imagine Minnetonka. Reach out anytime.
City Council Agenda Item #10A  
Meeting of March 6, 2017

**Brief Description**  
Resolution approving preliminary and final plats for a two-lot subdivision at 3900 Cottage Lane.

**Recommendation**  
Adopt the resolution approving the requests

**Proposal**  
Shadow Investments, represented by Nick Shermeta, is proposing to divide the existing property at 3900 Cottage Lane into two single-family lots. The existing home would be removed and two new homes would be constructed.

**Planning Commission Hearing**  
The planning commission considered the request on February 2, 2017. The commission report and associated plans are attached. Staff recommended approval of the plats noting that:

1. The proposed lots would exceed all minimum size and dimension standards as required by subdivision ordinance.
2. The proposed development would meet the standards of the tree protection ordinance.

At the meeting, a public hearing was opened to take comment. Two area residents addressed the commission expressing some concern about the subdivision and asking about construction traffic, lot price, and home price. One resident asked for more information about the applicant. Following the public hearing, the commission discussed the proposal.

**Planning Commission Recommendation**  
On a 5-0 vote, the commission recommend the city council approve the preliminary and final plats. Meeting minutes are attached.

**Since Planning Commission Hearing**  
There have been no changes to the proposal or additional information received since the planning commission’s meeting on this item.
Staff Recommendation

Staff recommends the city council adopt the attached resolution approving preliminary and final plats for a two-lot subdivision at 3900 Cottage Lane.

Through: Perry Vetter, Assistant City Manager  
        Julie Wischnack, AICP, Community Development Director  
        Loren Gordon, AICP, City Planner

Originator: Susan Thomas, Assistant City Planner
Brief Description  Preliminary and final plats for a two-lot subdivision at 3900 Cottage Lane.

Recommendation  Recommend the city council adopt the resolution approving the plats.

Introduction

Shadow Investments, represented by Nick Shermeta, is proposing to divide the existing property at 3900 Cottage Lane into two single-family lots. The existing home would be removed and two new homes would be constructed.

Proposal Summary

The following is intended to summarize the applicant’s proposal. Additional information associated with the proposal can be found in the “Supporting Information” section of this report.

- **Existing Site Conditions.** The 1.1-acre subject property was created in 1941 as part of the Orchard Knobs plat. The existing, roughly 1,800 square foot home was constructed in 1948. The home is generally located at the highest point of the lot, with grade falling noticeable downward from the home to Cottage Lane. The lot contains 13 mature trees.

- **Proposed Lots.** The applicant is proposing to divide the property into two lots, both of which would be over 22,000 square feet in size.

- **Site impacts.** As proposed, grading would occur to remove the existing drive and home, construct new driveways and homes, and install required utilities and stormwater management facilities. This general grading would result in removal of, or substantial impact to, three of the site’s high-priority trees.

Primary Questions and Analysis

A land use proposal is comprised of many details. In evaluating a proposal, staff first reviews these details and then aggregates them into a few primary questions or issues. The following outlines both the primary questions associated with the proposed subdivision and staff’s findings.
• **Are the proposed lot sizes and configurations appropriate?**

Yes. The proposed lots would exceed all minimum size and dimension standards as required by city code.

<table>
<thead>
<tr>
<th></th>
<th>Area</th>
<th>Width</th>
<th>Average Depth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Buildable</td>
<td>Setback</td>
</tr>
<tr>
<td><strong>Required</strong></td>
<td>22,000 sq.ft.</td>
<td>3,500 sq.ft.</td>
<td>110 ft</td>
</tr>
<tr>
<td>Lot 1</td>
<td>22,040 sq.ft.</td>
<td>8,730 sq.ft.</td>
<td>155 ft</td>
</tr>
<tr>
<td>Lot 2</td>
<td>26,280 sq.ft.</td>
<td>12,835 sq.ft.</td>
<td>115 ft</td>
</tr>
</tbody>
</table>

All numbers rounded down to nearest 5 ft or 5 sq.ft.

• **Are the anticipated site impacts reasonable?**

Yes. The proposed subdivision has been evaluated for conformance with the city’s natural resource ordinances, including the tree protection and steep slope ordinances. These ordinances attempt to balance the community benefit of preserving natural resources with private development rights.

**Trees.** Under the tree ordinance, no more than 35% of a site’s high-priority trees may be removed or impacted during development. The subject property contains 11 high-priority trees and 1 significant tree. The proposed subdivision and resulting construction would result in removal of, or substantial damage to, three high-priority trees. This level of removal/damage would meet the standards of the tree protection ordinance.

<table>
<thead>
<tr>
<th>Trees</th>
<th>Existing</th>
<th>Impacted or Removed</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-Priority</td>
<td>11</td>
<td>3 trees or 27%</td>
</tr>
<tr>
<td>Significant</td>
<td>1</td>
<td>0 trees or 0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12</td>
<td>3 trees or 25%</td>
</tr>
</tbody>
</table>

**Steep Slope.** By code definition, a “steep slope” is one that: (1) rises at least 25 feet; (2) has an average grade change of at least 20%; and (3) has a width of at least 100 feet. While there is a noticeable slope between Cottage Lane the existing home, the change in grade is just 12 feet. As such, the area is not considered a “steep slope.”

**Staff Recommendation**

Recommend the city council adopt the resolution approving the preliminary and final plats for a two-lot subdivision at 3900 Cottage Lane.
Supporting Information

Surrounding Uses
The subject property is surrounded by single-family residential lots.

Planning
Guide Plan designation: low-density residential
Existing Zoning: R-1, low-density residential

Grading
Grading would occur to remove an existing driveway, construct new driveways and homes, and install required utilities and stormwater management practices. The general grading plan submitted suggests that grading would primarily involve excavation adjacent to Cottage lane. Specific grading plans would be reviewed in conjunction with building permit applications for each lot.

Stormwater
Under the city’s stormwater rule, stormwater management must be provided for each individual home. Stormwater facilities, such as rain gardens, must control for runoff rate, volume and quality. As a condition of approval, specific stormwater plans must be submitted for staff review and approval in conjunction with building permit applications for each lot.

Utilities
Public water and sanitary sewer facilities are available to the site from Cottage Lane.

Outside Agencies
The applicant’s proposal has been submitted to various outside agencies for review, including Minnehaha Creek Watershed District.

Pyramid of Discretion

Motion Options
The planning commission has three options:

1. Concur with the staff recommendation. In this case a motion should be made recommending the city council adopt the resolution approving the plats.
2. Disagree with staff’s recommendation. In this case, a motion should be made recommending the city council deny the plats. This motion must include a statement as to why denial is recommended.

3. Table the requests. In this case, a motion should be made to table the item. The motion should include a statement as to why the request is being tabled with direction to staff, the applicant, or both.

Voting Requirement
The planning commission will make a recommendation to the city council. A recommendation for approval requires an affirmative vote of a simple majority. The city council’s final approval requires an affirmative vote of a simple majority.

Neighborhood Comment
The city sent notices to 60 area property owners and has received no comments to date.

Deadline for Action
April 10, 2017
Location Map

Project: Shadow Investments
Address: 3900 Cottage Ln
Project No. 16037.16a

This map is for illustrative purposes only.
LEGAL DESCRIPTION:
Lot 8, Orchard Knobs.

Subject to easement contained in the Deed Document No. 192099 as shown in Deed Doc. No. 217317; (See Directive Doc. No. T9399438)

SCOPE OF WORK & LIMITATIONS:
1. Showing the length and direction of boundary lines of the legal description listed above. The scope of our services does not include determining what you own, which is a legal matter. Please check the legal description with your records or consult with competent legal counsel, if necessary, to make sure that it is correct and that any matters of record, such as easements, that you wish to be included on the survey have been shown.
2. Showing the location of observed existing improvements deemed necessary for the survey.
3. Setting survey markers or verifying existing survey markers to establish the corners of the property.
4. Existing building dimensions and setbacks measured to outside of siding or stucco.
5. Showing elevations on the site at selected locations to give some indication of the topography of the site. We have also provided a benchmark for your use in determining elevations for construction on this site. The elevations shown relate only to the benchmark provided on this survey. Use that benchmark and check at least one other feature shown on the survey when determining other elevations for use on this site or before beginning construction.
6. This survey has been completed without the benefit of a current title commitment. There may be existing easements or other encumbrances that would be revealed by a current title commitment. Therefore, this survey does not purport to show any easements or encumbrances other than those shown herein.

STANDARD SYMBOLS & CONVENTIONS:
* Denotes iron survey marker, found, unless otherwise noted.
Subject to easement contained with the Deed Document No. 192099 as shown in Deed Doc. No. 217127; (See Directive Doc. No. T5399438)

SCOPE OF WORK & LIMITATIONS:
1. Studying the length and width of boundary lines of the legal description listed above. The scope of our services does not include determining what you own, which is a legal matter. Please check the legal description with your records or consult with competent legal counsel, if necessary, to make sure that it is correct and that any matters of record, such as easements, that you wish to be included on the survey have been shown.
2. Showing the location of observed existing improvements we deem necessary for the survey.
3. Setting survey markers or verifying existing survey markers to establish the corners of the property.
4. Existing building dimensions and setbacks measured to outside of siding or stucco.
5. Showing elevations on the site at selected locations to give some indication of the topography of the site. We have also provided a benchmark for your use in determining elevations for construction on this site. The elevations shown relate only to the benchmark provided on this survey. Use that benchmark and check at least one other feature shown on the survey when determining other elevations for use on this site or before beginning construction.
6. This survey has been completed without the benefit of a current title commitment. There may be existing easements or other encumbrances that would be revealed by a current title commitment. Therefore, this survey does not purport to show any easements or encumbrances other than the ones shown hereon.
7. While we have shown the proposed elevations per the current zoning regulations (which should be verified with the city), in the past there have been "Protective Restrictions" for the plat of Orchard Knobs that may apply and may have implications on any future improvements. If there is any concern or confusion regarding if said restrictions still apply, we suggest you review this preliminary plat and said restrictions with the city and/or legal counsel before proceeding.

STANDARD SYMBOLS & CONVENTIONS:
- Denotes iron survey marker, found, unless otherwise noted.
Chair Kirk stated that construction for the SWLRT is scheduled for 2017 to 2020 and operation to begin in 2021.

7. Public Hearings: Consent Agenda: None

8. Public Hearings

A. Preliminary and final plats for a two-lot subdivision at 3900 Cottage Lane.

Chair Kirk introduced the proposal and called for the staff report.

Thomas reported. She recommended approval of the application based on the findings and subject to the conditions listed in the staff report.

Nick Shermeta, applicant, was available for questions. He thanked staff for being easy to work with.

The public hearing was opened.

Keith Christensen, 3916 Cottage Lane, was not opposed to the houses. He asked if the two houses would be identical and was concerned that construction traffic would block the road.

Regina Reed, 3931 and 3923 Cottage Lane, stated that she is scared because she does not know Shadow Investments. She asked for the price of the lot, the sale price of the houses, and the square footage of the properties.

No additional testimony was submitted and the hearing was closed.

Thomas explained that the existing site is 1.1 acres in size. The city’s minimum lot size for a new R-1 lot is 22,000 square feet. Proposed Lot 1 would be 22,040 square feet and Lot 2 would be 26,000 square feet. Both lots would exceed minimum lot area requirements. One of the conditions of approval would require a construction management plan in conjunction with the building permit review process. Contact information for a specific, on-site supervisor would be required as well as a plan to designate where construction workers would park. The city’s website will have a copy of the construction management plan. If there is an access issue causing a public safety hazard, then residents are encouraged to call city hall or the police immediately.

Mr. Christensen explained that the houses would be different. The houses would be between 3,000 and 4,500 square feet in size including the garage. A house
across the street is 7,000 square feet in size. Traffic congestion issues would be addressed. Shadow Investments is a family owned and operated company.

Powers invited residents to call the city or police if there is an issue. The plan looks good.

Chair Kirk noted that the subdivision meets all ordinance requirements. He was comfortable moving forward.

_Powers moved, second by Calvert, to recommend that the city council adopt the resolution approving the preliminary and final plats for a two-lot subdivision at 3900 Cottage Lane._

_Powers, Calvert, Knight, O'Connell, and Kirk voted yes. Motion carried._

The city council is tentatively scheduled to review this item March 6, 2017.
Resolution No. 2017-

Resolution approving preliminary and final plats of a two-lot subdivision at 3900 Cottage Lane

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

1.01 Shadow Investments has requested preliminary and final plat approval for a two-lot residential subdivision.

1.02 The property is located at 3900 Cottage lane. It is legally described as: Lot 8, Orchard Knobs.

1.03 On February 2, 2017, the planning commission held a hearing on the proposed plat. The applicant was provided the opportunity to present information to the commission. The commission considered all of the comments received and the staff report, which are incorporated by reference into this resolution. The commission recommended that the city council grant preliminary and final plat approval.

Section 2. General Standards.

2.01 City Code §400.030 outlines general design standards for residential subdivisions. These standards are incorporated by reference into this resolution.

Section 3. Findings.

3.01 The proposed plats meet the design standards as outlined in City Code §400.030.

4.01 The above-described preliminary and final plats are hereby approved, subject to the following conditions:

1. Prior to release of the final plat for recording submit the following:
   a) Final plat drawing. The final plat must:
      1) Include a final plat name.
      2) Clearly illustrate all existing and proposed easements, including:
         a. The existing 5-foot easement along the rear lot line, with document number.
         b. A minimum 10-foot wide drainage and utility easements adjacent to the public right-of-way(s) and minimum 7-foot wide drainage and utility easements along all other lot lines.
   b) Title evidence that is current within thirty days before release of the final plat for review and approval of the city attorney.
   c) Two sets of mylars for city signatures.
   d) An electronic CAD file of the plat in microstation or DXF.
   e) Park dedication fee of $5,000.

2. Subject to staff approval, the subdivision must be developed and maintained in substantial conformance with the following plans, except as modified by the conditions below:
   • Preliminary Plat, drafted date December 14, 2016

3. Prior to issuance of a building permit for the first new house within the subdivision, submit a letter from the surveyor stating that boundary and lot stakes have been installed as required by ordinance.

4. Prior to issuance of a building permit for either of the lots within the subdivision:
a) Submit the following items for staff review and approval:

1) A construction management plan. This plan must be in a city approved format and outline minimum site management practices and penalties for non-compliance.

2) Stormwater management plan. The plan must control for runoff rate, volume and quality.

3) Final grading and tree preservation plan. The plan must:
   a. Be in substantial conformance with preliminary plat drafted date December 14, 2016. No more than three high-priority trees may be removed from the combined site.
   b. Show sewer and water services to minimize impact to any significant or high-priority trees.

3) A tree mitigation plan. The plan must meet minimum mitigation requirements as outlined in ordinance. However, at the sole discretion of staff, mitigation may be decreased.

4) Cash escrow in an amount to be determined by city staff. This escrow must be accompanied by a document prepared by the city attorney and signed by the builder and property owner. Through this document the builder and property owner will acknowledge:
   - The property will be brought into compliance within 48 hours of notification of a violation of the construction management plan, other conditions of approval, or city code standards; and
   - If compliance is not achieved, the city will use any or all of the escrow dollars to correct any erosion and/or grading problems.

b) Install a temporary rock driveway, erosion control, tree and wetland protection fencing and any other measures identified
on the SWPPP for staff inspection. These items must be maintained throughout the course of construction.

c) Submit all required hook-up fees.

5. All lots and structures within the development are subject to the all R-1 zoning standards. In addition:

   a) Water services for new homes must be 1.5 inch type K copper.

   b) Sewer service for new homes must be 6 inch. Cut in wye.

   c) A full width street patch will be required upon completion of service installation.

   d) Lots must meet all minimum access requirements as outlined in Minnesota State Fire Code Section 503. These access requirements include road dimension, surface, and grade standards. If access requirements are not met, houses must be protected with a 13D automatic fire sprinkler system or an approved alternative system.

6. During construction, the streets must be kept free of debris and

7. This approval will expire on March 6, 2018 unless either: (1) the final plat has been filed; or (2) the city has approved a time extension.

Adopted by the City Council of the City of Minnetonka, Minnesota, on March 6, 2017.

_____________________________________
Terry Schneider, Mayor

Attest:

_____________________________________
David E. Maeda, City Clerk
Action on this resolution:

Motion for adoption:
Seconded by:
Voted in favor of:
Voted against:
Abstained:
Absent:
Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a duly authorized meeting held on March 6, 2017.

______________________________
David E. Maeda, City Clerk
City Council Agenda Item #10B
Meeting of March 6, 2017

Brief Description
Resolution approving a conditional use permit for the expansion of a medical clinic at 10653 Wayzata Boulevard

Recommendation
Adopt the resolution approving the conditional use permit

Background
A conditional use permit was previously approved for a medical clinic space within the existing building at 10653 Wayzata Boulevard. Odom Health and Wellness is proposing to expand the space by 300 square feet. If the expansion is approved, the area of the medical clinic space would be 3,800 square feet.

Planning Commission Hearing
The planning commission considered the proposal on February 2, 2017. The staff report from that meeting and various plans and documents describing the proposal are attached. Staff recommended approval, noting:

1) With the exception of the parking requirements, the proposal meets the general and specific requirements for a conditional use permit for a medical clinic.

2) Based on a proof-of-parking plan completed by staff, the subject site could accommodate the amount of parking spaces required by ordinance. Additionally, staff reviewed a parking analysis completed by the Institute of Transportation Engineers (ITE) and site-specific parking utilization information for a one week period in January 2014. The information from both of these studies imply that additional parking would not be needed for the site. However, staff has added a condition of approval that allows the city to “require installation of the additional parking spaces whenever the need arises.”

At the commission meeting, a public hearing was opened to take comment. However, no comments were received.

Planning Commission Recommendation
On a 5-0 vote, the commission recommended that the city council approve the request. Meeting minutes are attached.

Since Planning Commission Hearing
There have been no changes to the proposal or additional information received since the planning commission’s meeting on this item.
Staff Recommendation

Staff recommends the city council adopt the resolution approving a conditional use permit for a medical clinic at 10653 Wayzata Boulevard.

Through: Perry Vetter, Assistant City Manager
         Julie Wischnack, AICP, Community Development Director

Originator: Drew Ingvalson, Planner
Brief Description
Conditional use permit and parking variance for a medical clinic at 10653 Wayzata Boulevard

Recommendation
Recommend the city council approve the request

Proposal
A future tenant of the subject building, Odom Health and Wellness, is proposing to expand an existing clinic area within the existing building. There is currently an approved conditional use permit for this clinic. However, the Odom Health and Wellness proposal would expanded medical clinic to 3,800 square feet in size. There would be no exterior changes to the site or building.

Proposal Requirements
The proposal requires:

- **Conditional use permit:** The property is zoned PID/Planned I-394 District. Medical clinics are a conditional use in this zoning district. Therefore, a conditional use permit is required.

- **Variance:** The property is currently under-parked and the expansion of the medical office area would increase the parking non-conformity.

Approving Body
The planning commission makes a recommendation to the city council, which has final authority to approve or deny the request. (City Code §300.06 Subd. 4).

Staff Analysis
Staff finds that the applicant’s proposal is reasonable and would meet the conditional use permit standards (general and specific) outlined in the zoning ordinance.

Staff finds that the proposal meets the general conditional use permit standards, as the use:

1) Is consistent with the intent of the ordinance;

    **Finding:** Medical clinics are a conditionally permitted use within the Planned I-394 District (PID).
2) Is consistent with the goals, policies and objectives of the comprehensive plan;

**Finding:** The use is consistent with the goals, policies and objectives of the comprehensive plan. The subject site is guided for office use. Medical clinic uses are consistent with the uses within this land use category.

3) Does not have an undue adverse impact on governmental facilities, utilities, services or existing or proposed improvements;

**Finding:** The proposal has been reviewed by the city’s building, engineering, planning, natural resource, and fire staff. It is not anticipated to have an undue adverse impact on governmental facilities, utilities, services or existing or proposed improvements.

4) Is consistent with the city’s water resources management plan;

**Finding:** The use is consistent with the city’s water resources management plan. No exterior additions are being proposed to the property at this time.

5) Is in compliance with the performance standards specified in §300.28 of the ordinance; and

**Finding:** The majority of the performance standards outlined in the zoning ordinance are related to development and construction. The proposal is for the use of an existing building. With the exception of the parking variance to allow a reduction of parking, the proposal would meet the standards outlined.

6) Does not have an undue adverse impact on the public health, safety or welfare.

**Finding:** The use is not anticipated to have an undue adverse impact on the public health, safety or welfare.

Staff finds that the proposal meets the specific conditional use permit standards, as the use:

1) Shall not be adjacent to low density residential areas;
Finding: All of the surrounding land uses are office and medical uses, and all of the surrounding properties are guided for office use in the comprehensive plan. The site is not adjacent to any low-density residential properties.

2) Shall have direct access from the site to a collector or arterial street as defined in the comprehensive plan;

Finding: The site has direct access from Wayzata Boulevard, which is defined as an arterial street in the comprehensive plan.

3) Shall not have emergency vehicle access adjacent to or located across a street from any residential use; and

Finding: The proposed medical use is a sports medicine and health clinic. It is not anticipated that the use would require emergency vehicle access. Additionally, the site access locations are not located adjacent to or across the street from any residential use properties.

4) May be required to submit a detailed parking analysis for uses exceeding 10,000 square feet. Additional parking may be required based on this analysis.

Finding: The proposed clinic would be 3,800 square feet in size and would only be a 300 square foot expansion from the previously approved clinic area, so a detailed parking study was not required. In 2014, the applicant submitted parking utilization information covering a one week period in January. At this time, a chiropractic clinic was operating in the building. The observation noted that a maximum number of 17 vehicles were parked in the 58-stall parking lot. Per city ordinance, the expansion of the medical clinic would require the site to have a total of 68 parking spaces. Staff finds that there is adequate parking available to meet the increased parking need that would result from the expanded medical clinic. Nevertheless, staff has created a proof-of-parking plan indicating how ten additional parking stalls, resulting in the required 68 stalls, could be constructed if needed in the future. (See attached).

Staff finds that parking demand could be accommodated.

1) Based on parking analysis in the Institute of Transportation Engineers (ITE) Parking Generation manual, the office and clinic building uses would require an average peak period
parking demand of 50 parking spaces. Staff finds that the proposed parking variance would meet the intent of the ordinance; the proposed use, based on the ITE study, would actually demand less parking than what is

2) The applicant submitted parking utilization information for a one week period in January 2014, which included operation of the chiropractor clinic. The observation noted that the maximum number of vehicles parked in the 58-stall parking lot was only 17 vehicles.

3) Staff has created a proof-of-parking plan indicating how ten additional parking stalls could be constructed

4) By city code, if warranted by unique characteristics, or documented parking demand for similar developments, or both, the city may allow reductions in the number of parking spaces actually constructed as long as the applicant provides a proof of future parking plan. The plan must show the location for all minimum required parking spaces in conformance with applicable setback requirements. The city may require installation of the additional parking spaces whenever the need arises.

**Staff Recommendation**

Recommend that the city council adopt the resolution which approves a conditional use permit for a medical clinic at 10653 Wayzata Boulevard.

Originator: Drew Ingvalson, Planner
Through: Loren Gordon, AICP, City Planner
Supporting Information

**Project No.** 98054.17a

**Property** 10653 Wayzata Blvd.

**Applicant** Steve Kowalke, Odom Health & Wellness

**Surrounding Land Uses**
- **North:** Wayzata Boulevard and Highway I-394
- **South:** Office building, zoned PID and guided for office use
- **East:** Office building, zoned PID and guided for office use
- **West:** Medical office building, zoned PID and guided for office use

**Planning**
- **Guide Plan designation:** Office
- **Zoning:** PID/Planned I-394 District

**Site Features**
The site is located on Wayzata Boulevard, just east of Archwood Road. The site is 1.7 acres in size and contains a 2-story, 15,200 square foot office building which was constructed in 2004.

**History**
In 2003, the city approved a site and building plan for a two-story building on the subject property.

In January 2013, the city received a building permit application for a chiropractor clinic within the office building. By city code, medical clinics over 2,000 square feet in size are conditionally permitted uses. A medical clinic that is 2,000 square feet or less in size is considered a standard office use, which is a permitted use in the PID zoning district. Since the building permit was for a 2,000 square foot clinic, the city issued the permit.

In February 2014, the city received a request to expand the medical clinic to 3,500 square feet in size, requiring a conditional use permit. The increase in medical clinic space increased the parking requirement for the site. Staff did not require additional parking to be constructed due to proof-of-parking and parking utilization information.

**Proposed Clinic**
The clinic is proposing to move to the Mill City Credit Union building from their current location across I-394 (10500 Wayzata Boulevard). The clinic plans to expand into adjacent vacant office space. The clinic provides various services including:

- sports medicine;
- physical therapy;
- massage therapy;
- nutrition;
- personal training; and
- other wellness services.

All of the proposed construction for the expansion would be internal, and there would be no changes to the exterior of the site. (See attached).

### Medical Clinic Expansion

Based on plans submitted, it appears that the proposed medical clinic expansion consists of adding a small closet to the space. However, the area numbers the previously approved for the medical clinic (3,490 square feet) and proposed for the future medical clinic (3,790 square feet) vary significantly. It is likely that the calculations completed for the 2014 conditional use permit were done incorrectly and the space was actually larger than proposed. Due to this discrepancy, staff is proceeding with the conditional use permit for a 3,800 square foot medical clinic.

### Parking

In 2014, the subject property was granted a conditional use permit for a medical clinic. The property needed additional parking stalls to meet parking ordinance requirements. As a part of this request, the applicant provided parking utilization information from a one week period in January 2014 (which included operation of a chiropractor clinic, see attached) and a proof-of-parking document. In turn, the city added a condition that required that these stalls be installed if there was a demonstrated need for additional parking.

The subject site currently has 58 parking spaces. As proposed, city parking ordinance would require that the site have 68 parking spaces. However, a generation study completed by the Institute of Transportation Engineers (ITE) in 2004 demonstrates that the uses on the site would require only 50 parking spaces to meet the parking demand. Additionally, the January 2014 parking utilization review showed that the maximum number of cars parked in the 58-stall parking lot was 17. Due to these findings, staff has found it reasonable for the applicant to request a parking variance, subject to conditions.

Staff has drafted a proof-of-parking plan for the subject site and added a condition of approval that allows the city to require installation of the ten proof-of-parking spaces if there is a demonstrated need for additional parking. Additional parking must meet all zoning code requirements.
Pyramid of Discretion

Motion Options

The planning commission has three options:

1. Concur with the staff’s recommendation. In this case, a motion should be made recommending the city council approve the conditional use permit.

2. Disagree with staff’s recommendation. In this case, a motion should be made recommending the city council deny the request. The motion must include a statement as to why the denial is recommended.

3. Table the request. In this case, a motion should be made to table the item. The motion should include a statement as to why the request is being tabled with direction to staff, the applicant, or both.

Voting Requirement

The planning commission will make a recommendation to the city council on the applicant’s proposal. A recommendation for approval requires an affirmative vote of four members.

The city council’s final approval requires affirmative votes of a simple majority.

Neighborhood Comments

The city sent notices to 29 area property owners and received no comments.

Deadline for Decision

April 24, 2017
Location Map

Project: Odom Health & Wellness
Address: 10653 Wayzata Blvd
Project No. 98054.17a

This map is for illustrative purposes only.
Proof of Parking

Existing Parking: 58 Spaces

Required Parking
Office Use: 46 Spaces
Medical Clinic Use: 22 Spaces
Parking Deficit: 10 spaces
New Required Parking: 68

10 Future Spaces
ATTACHMENT A1

Narrative for Minnetonka Conditional Use Permit

Re: Voyager Bank Building / Interventional Pain Clinic Expansion

We would like to propose a conditional use permit regarding the expansion of the Interventional Pain Clinic at the Voyagers National Bank building and have the existing parking spaces to remain as is. The use of the parking areas have not been fully utilized for the existing tenants since the building was constructed in 2004 and it is not expected to change with the addition of the new clinic. The building currently has 60 parking spaces which more than meets the requirements for the existing business occupancy. The new expansion of the clinic changes the quantity of parking spaces based on the Parking and Loading Requirements of the City of Minnetonka Ordinances. This change is based on the interpretation that the existing Chiropractic clinic 2028 USF and the new Clinic 1,462 USF would be assessed as a medical use and would change the parking load factor from 1/250 sf to 1/175 sf. This interpretation would change the parking needs from 60 existing spaces by adding 4 additional stalls for a total of 64 spaces.

A parking study has been completed and has covered the peak times that customers/tenants use this facility during the late morning and early afternoon. This parking study has confirmed that the existing vehicle parking never reaches its full capacity, even during the peak hours of late morning and early afternoon when the parking is only 20% - 30% utilized. We also believe that seasonal changes would not significantly impact the total load for the Voyager National Bank Building.

PARKING STUDY

<table>
<thead>
<tr>
<th>Day</th>
<th>Time</th>
<th>Vehicles / Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday (1-23-14, @10:30 am)</td>
<td>17 vehicles / 60 spaces</td>
<td></td>
</tr>
<tr>
<td>Thursday (1-23-14 @ 2:30 pm)</td>
<td>11 vehicles / 60 spaces</td>
<td></td>
</tr>
<tr>
<td>Friday (1-24-14, @ 10:30am)</td>
<td>9 vehicles / 60 spaces</td>
<td></td>
</tr>
<tr>
<td>Friday (1-24-14 @ 2:30pm)</td>
<td>10 vehicles / 60 spaces</td>
<td></td>
</tr>
<tr>
<td>Monday (1-27-14, @ 10:10am)</td>
<td>14 vehicles / 60 spaces</td>
<td></td>
</tr>
<tr>
<td>Tuesday (1-28-14, @ 10:45am)</td>
<td>15 vehicles / 60 spaces</td>
<td></td>
</tr>
<tr>
<td>Wednesday (1-29-14, @ 11:00am)</td>
<td>17 vehicles / 60 spaces</td>
<td></td>
</tr>
</tbody>
</table>

Average daily vehicle census 13 vehicles / 60 spaces
This parking study clearly illustrates that the current parking spaces more than accommodate the current tenants of the building and the proposed expansion of the Interventional Pain Clinic. The existing office space that the clinic is expanding into currently has 5 offices. Assuming that each office would have 1 vehicle for each office would equal a total of five vehicles / day. The new clinic expansion would average 3 vehicles per procedure throughout the course of the day and is less than the current use of this space. The existing 60 parking spaces should also be able to easily accommodate the overlap of typical clinical appointments.

The existing Chiropractic Clinic has provided information on the number of patients that visit the clinic on a daily basis. These numbers have assumed that patients, guests or family members utilized one vehicle during their visit. The average numbers of patients that visit the existing chiropractic clinic range from 4 to 24 visits per day and these numbers vary greatly depending on whether procedures are being performed on that day. The new clinic will perform procedures two days / week and will average the same mix of patients that they currently see each day. The total number of patient load and building occupants should easily be accommodated by the existing parking which has been confirmed by the observations conducted during the parking study.

We have prepared a Proof of Parking Plan that indicates (4) additional parking spaces that could be added in the future. This would bring the parking capacity to a total of 64 spaces. We believe the best use of this property however, is to preserve it as green space which can be enjoyed by the building occupants and help buffer the hardscape parking from the building. We also believe that no additional parking spaces will be needed by this proposed interior project or by the existing or future building tenants.
ATTACHMENT A1

Narrative for Minnetonka Conditional Use Permit
Re: Voyager Bank Building / Interventional Pain Clinic Expansion

IMAGES OF PARKING STUDY
December 29, 2016

Conditional Use Permit Application
City of Minnetonka
Property Address: 10653 Wayzata Blvd Minnetonka MN 55305
Parcel ID Number: 01-117-22-24-0005

Odom Sports Medicine, PA /dba/ Odom Health and Wellness (OHW) is requesting a Conditional Use Permit for the above referenced property. OHW is a clinic which provides physician directed Health and Wellness Services: Sports Medicine, Physical Therapy, Massage Therapy, Nutrition, Personal Training, and other wellness services. Currently, the clinic is located almost directly across 394 at 10500 Wayzata Blvd, and has been at that location since 2003. The purpose for the move is to accommodate growth in patient visits. The projected hours of operation will be Monday-Friday 6 a.m. to 8 p.m., Saturdays 6 a.m. to 6 p.m.

The proposed layout on the second floor of the building is presented below, and is similar to the Interventional Pain Clinic design for which a Conditional Use Permit was issued by the City of Minnetonka for the same site on February 27, 2014 (Attachment A).

The OHW plan incorporates a footprint of approximately 3790 USF on the second floor of the Mill City Bank Building.
across the street is 7,000 square feet in size. Traffic congestion issues would be addressed. Shadow Investments is a family owned and operated company.

Powers invited residents to call the city or police if there is an issue. The plan looks good.

Chair Kirk noted that the subdivision meets all ordinance requirements. He was comfortable moving forward.

**Powers moved, second by Calvert, to recommend that the city council adopt the resolution approving the preliminary and final plats for a two-lot subdivision at 3900 Cottage Lane.**

**Powers, Calvert, Knight, O’Connell, and Kirk voted yes. Motion carried.**

The city council is tentatively scheduled to review this item March 6, 2017.

**B. Conditional use permit for a medical clinic at 10653 Wayzata Boulevard.**

Chair Kirk introduced the proposal and called for the staff report.

Ingvalson reported. He recommended approval of the application based on the findings and subject to the conditions listed in the staff report.

O’Connell asked if there would be a need to increase the amount of handicap parking. Ingvalson said that additional parking and handicap parking stalls could be added if needed and handicap parking requirements would be enforced during the building permit process. Gordon added that since the building size would stay the same, the amount of handicap parking would also stay the same.

John Odom, applicant, stated that he owns Odom Health and Wellness. The proposal is an expansion for the existing clinic located across Interstate 394. The amount of parking would be adequate.

The public hearing was opened. No testimony was submitted and the hearing was closed.

**O’Connell moved, second by Knight, to recommend that the city council adopt the resolution which approves a conditional use permit for a medical clinic at 10653 Wayzata Boulevard.**

**Powers, Calvert, Knight, O’Connell, and Kirk voted yes. Motion carried.**
The city council is tentatively scheduled to review this item March 6, 2017.
Resolution No. 2017-

Resolution approving a conditional use permit for a medical clinic at 10653 Wayzata Boulevard

_____________________________________________________________________

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

1.01 Steve Kowalke, Odom Health & Wellness, has requested a conditional use permit for a 3,800 square foot medical clinic. (Project 98054.17a)

1.02 The property is located at 10653 Wayzata Blvd. It is legally described as:

Lot 1, Block 2, Colonial Oaks

1.03 In 2014, the city approved a conditional use permit for a medical clinic on the subject property. The current proposal is an expansion of this previously approved request.

1.04 On February 2, 2017, the planning commission held a hearing on the proposal. The applicant was provided the opportunity to present information to the planning commission. The planning commission considered all of the comments received and the staff report, which are incorporated by reference into this resolution. The commission recommended that the city council approve the permit.

Section 2. General CUP Standards.

2.01 City Code §300.21 Subd. 2 lists the following general standards that must be met for granting a conditional use permit:

1. The use is consistent with the intent of the ordinance;
2. The use is consistent with the goals, policies and objectives of the comprehensive plan;

3. The use does not have an undue adverse impact on governmental facilities, utilities, services or existing or proposed improvements;

4. The use is consistent with the city's water resources management plan;

5. The use is in compliance with the performance standards specified in §300.28 of the ordinance; and

6. The use does not have an undue adverse impact on the public health, safety or welfare.

Section 3. Specific CUP Standards.

3.01 City Code §300.31 Subd. 4(b)(2)(d) lists the following specific standards that must be met for granting a conditional use permit for hospitals and medical clinics uses:

1. Shall not be adjacent to low density residential areas;

2. Shall have direct access from the site to a collector or arterial street as defined in the comprehensive plan;

3. Shall not have emergency vehicle access adjacent to or located across a street from any residential use; and

4. May be required to submit a detailed parking analysis for uses exceeding 10,000 square feet. Additional parking may be required based on this analysis.

Section 4. General CUP Findings.

4.01 The proposal meets the general conditional use permit standards.

1. Medical clinics are a conditionally permitted use within the Planned I-394 District (PID).

2. The use is consistent with the goals, policies and objectives of the comprehensive plan. The subject site is guided for office use. Medical clinic uses are consistent with the uses within this land use category.
3. The proposal has been reviewed by the city’s building, engineering, planning, natural resource, and fire staff. It is not anticipated to have an undue adverse impact on governmental facilities, utilities, services or existing or proposed improvements.

4. The use is consistent with the city's water resources management plan. No exterior additions are being proposed to the property at this time.

5. The majority of the performance standards outlined in the zoning ordinance are related to development and construction. The proposal is for the use of an existing building.

6. The use is not anticipated to have an undue adverse impact on the public health, safety or welfare.

Section 5. Specific CUP Findings.

5.01 The proposal meets the conditional use permit standards.

1. All of the surrounding land uses are office and medical uses and all of the surrounding properties are guided for office use in the comprehensive plan. The site is not adjacent to any low density residential properties.

2. The site has direct access from Wayzata Boulevard, which is defined as an arterial street in the comprehensive plan.

3. The proposed medical use is a sports medicine and health clinic. It is not anticipated that the use would require emergency vehicle access. Additionally, the site access locations are not located adjacent to or across the street from any residential use properties.

4. The proposed clinic would be 3,800 square feet in size and would only be a 300 square foot expansion from the previously approved clinic area, so a detailed parking study was not required. In 2014, the applicant submitted parking utilization information for a one week period in January, which included operation of a chiropractor clinic in the medical clinic space. The observation noted that a maximum of 17 vehicles were parked in the 58-stall parking lot. Per city ordinance, the expansion of the medical clinic would require the site to have a total of 68 parking spaces. However, based on this previous site-specific information, there is adequate parking available to meet the increased parking need that would result from the expanded medical
Section 6. City Council Action.

6.01 The above-described conditional use permit is approved subject to the following conditions:

1. Subject to staff approval, the property must be developed and maintained in substantial conformance with the floor plan dated December 29, 2016.

2. The building must comply with all requirements of the Minnesota state building code, fire code, and health code and appropriate permits must be obtained.

3. Sign permits are required for any exterior signs.

4. This resolution must be recorded with Hennepin County prior to the issuance of a building permit.

5. The city may require installation of proof-of-parking spaces if there is a demonstrated need for additional parking. Additional parking must meet all zoning code requirements.

6. The city council may reasonably add or revise conditions to address any future unforeseen problems.

7. Any change to the approved use that results in a significant increase in traffic, parking or a significant change in character would require a revised conditional use permit.

Adopted by the City Council of the City of Minnetonka, Minnesota, on March 6, 2017.

_______________________________________
Terry Schneider, Mayor

Attest:

_________________________________
David E. Maeda, City Clerk

Action on this resolution:
Motion for adoption:
Seconded by:
Voted in favor of:
Voted against:
Abstained:
Absent:
Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a duly authorized meeting held on March 6, 2017.

______________________________
David E. Maeda, City Clerk

Seal
City Council Agenda Item #10C  
Meeting of March 6, 2017

**Brief Description**  
Resolution amending the city’s Water Resource Management Plan for a wetland generally located at 1555 Linner Road

**Recommendation**  
Adopt the resolution approving the request

**Background**

The city’s Water Resources Management Plan (WRMP) was adopted in 2009. This plan establishes a wetland classification system. Within this system, wetlands are placed into one of four categories based on the wetland’s function, perceived resource significance, and susceptibility to stormwater inputs.

<table>
<thead>
<tr>
<th>Category</th>
<th>Management Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preserve</td>
<td>• Avoid and preserve&lt;br&gt;• No change in hydrology&lt;br&gt;• No increase in nutrient or sediment loads</td>
</tr>
<tr>
<td>Manage 1</td>
<td>• Minimize impacts&lt;br&gt;• Control change in hydrology&lt;br&gt;• No increase in nutrient or sediment loads</td>
</tr>
<tr>
<td>Manage 2</td>
<td>• Minimize impacts&lt;br&gt;• Control change in hydrology, to a lesser degree than Manage 1&lt;br&gt;• No increase in nutrient or sediment loads</td>
</tr>
<tr>
<td>Manage 3</td>
<td>• Consider for restoration or enhancement&lt;br&gt;• Where necessary, use for flood storage&lt;br&gt;• No increase in nutrient or sediment loads</td>
</tr>
</tbody>
</table>

The WRMP classifies the southern basin at 1555 Linner Road as a Manage 2 wetland. However, the Minnehaha Creek Watershed District classifies the wetland as a Preserve wetland. Recently, in preparation for redevelopment of the property, the function and value of the wetland was evaluated using the most recent Minnesota Routine Assessment Method (MNARAM). The MNARAM concluded that should be classified as a Manage 1 wetland.

An amendment to the WRMP would ensure that the city information accurately reflects the MNARAM evaluation.

**Staff Recommendation**

Staff recommends that city council adopt the resolution amending the city’s Water Resources Management Plan to reclassify the southerly wetland generally located at 1555 Linner Road as Manage 1 wetland.
Meeting of March 6, 2017
Subject: WRMP plan amendment, Woodlands at Linner

Through: Perry Vetter, Assistant City Manager
        Julie Wischnack, AICP, Community Development Director
        Loren Gordon, AICP, City Planner

Originator: Ashley Cauley, Senior Planner
Location Map

Project: The Woodlands at Linner
Applicant: HP Holdings, LLC
Address: 1555 Linner Rd
Project No. 16029.17a

This map is for illustrative purposes only.
Resolution No. 2017-

Resolution amending the city's Water Resources Management Plan to reclassify the southerly wetland generally located on 1555 Linner Road as Manage 1 wetland

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

1.01 On August 3, 2009, the city council adopted resolution number 2009-061 approving the city’s Water Resources Management Plan (WRMP).

1.02 There are two wetlands generally located at 1555 Linner Road. The southern wetland is classified by the city’s WRMP as a Manage 2 wetland.

1.03 Recently in preparation, for redevelopment of the property at 1555 Linner Road, the function and value of the wetland was evaluated using the most recent Minnesota Routine Assessment Method (MNRAM). The MNRAM concluded that the wetland is a Manage 1 wetland.

1.04 An amendment to the WRMP would ensure that the city’s information accurately reflects the MNRAM evaluation.

Section 2. Council Action.

2.01 The city council hereby approves the amendment to re-classify the southerly wetland generally located at 1555 Linner Road as a Manage 1 wetland in the Water Resources Management Plan for the City of Minnetonka as illustrated on Exhibit A.

Adopted by the City Council of the City of Minnetonka, Minnesota, on March 6, 2017.

Terry Schneider, Mayor
Attest:

________________________________________
David E. Maeda, City Clerk

**Action on this resolution:**

Motion for adoption:
Seconded by:
Voted in favor of:
Voted against:
Abstained:
Absent:
Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on March 6, 2017.

________________________________________
David E. Maeda, City Clerk
Exhibit A
City Council Agenda Item #10D
Meeting of March 6, 2017

Brief Description: Labor agreement between the city of Minnetonka and Law Enforcement Labor Services, Inc. – Dispatchers

Recommended Action: Approve the agreement

Background

Staff has negotiated a labor agreement with the Law Enforcement Labor Services, Inc. (LELS), which represents the city’s dispatchers.

City staff and LELS representatives have reached agreement on a one-year contract for 2017, the union employees have ratified it, and the city council is requested to approve it. Major changes to the existing labor agreement are described below, and all amendments can be found more specifically in the attached agreement.

Article XIV and Appendix A – Wages

In 2017, the base wage increase is 1.5%, and as part of the city’s MERIT program, a market analysis is conducted annually. If rates are found to be lower than the market comparison group, employees receive a market adjustment. In 2017, the market adjustment is 0.28%, for a total wage increase of 1.78%. For each hour worked unaccompanied an additional $2.00 will be paid per hour in 2017, an increase of $0.50 from the 2016 contract stipulating an additional $1.50 per hour when dispatching unaccompanied.

Article XIX. Health Insurance

The city’s contribution to the employee’s cafeteria benefits program structure changed in 2017 to offer a monthly contribution based on the health insurance coverage selection. In 2017 the monthly contribution toward an employee’s benefits program is nine hundred twenty five ($925) for those electing Single Coverage; one thousand fifty ($1,050) for Employee plus Spouse or Employee plus Child(ren) Coverage; or one thousand one hundred fifty ($1,150) for Family Coverage.

Article XXI. Severance Pay

Included in this contract is revised language related to the city’s severance policy that clarifies existing practice to allow employees in a bargaining unit to select a percentage of severance and unused vacation that is contributed to a Retiree Health Savings Plan. This language is consistent for all employee groups and allows each group to select the applicable percentage at the time the contract is open for negotiation.
Appendix B and C – Incentive Pay Program

Dispatch staff who are eligible for the incentive pay program must complete the requirements in accordance with a predetermined administrative policy. For 2017, three of the components will increase from 1% to 1.1% and the remaining three will increase from 1% to 1.3%. During negotiations staff and the dispatch representatives placed greater emphasis on three of the six components as they have a greater impact on the development and service back to the community. This program also increases the organizational performance pay from $100 to $500 per dispatcher.

Several housekeeping changes are made that update the articles for the sick leave, and leaves of absence.

Recommendation

The city council is requested to approve the 2017 labor agreement between the city of Minnetonka and the Law Enforcement Labor Services, Inc. - Dispatchers. This agreement allows the city to maintain a competitive salary and benefit package, as well as keep benefits standardized across employee groups.

Submitted through:
   Perry Vetter, Assistant City Manager

Originated by:
   Jason Branstrom, Human Resources Manager
LABOR AGREEMENT BETWEEN

THE CITY OF MINNETONKA

AND

LAW ENFORCEMENT LABOR SERVICES, INC
(Dispatchers)

Effective December 20, 2013 through December 15, 2016.
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LABOR AGREEMENT BETWEEN
CITY OF MINNETONKA
AND
LAW ENFORCEMENT LABOR SERVICES, INC.

ARTICLE I - PURPOSE OF AGREEMENT

This AGREEMENT is entered into between the City of Minnetonka hereinafter called the EMPLOYER, and Law Enforcement Labor Services, Inc., hereinafter called the UNION.

The intent and purpose of this AGREEMENT is to:

1.1 Establish certain hours, wages, and other conditions of employment;

1.2 Establish procedures for the resolution of disputes concerning this AGREEMENT’S interpretation and/or application;

1.3 Specify the full and complete understanding of the parties; and

1.4 The EMPLOYER and the UNION, through this AGREEMENT, shall continue their dedication to the highest quality of public service. Both parties recognize this AGREEMENT as a pledge of this dedication.

ARTICLE II - RECOGNITION

2.1 The EMPLOYER recognizes the UNION as the exclusive representative for all employees in a unit certified by the State of Minnesota Bureau of Mediation Services in Case No. 98-PCE-1620 as:

All Dispatchers employed by the City of Minnetonka, Minnesota who are public employees within the meaning of Minn. Stat. 179A.03, subd. 14, excluding supervisory, confidential and all other employees.

2.2 In the event the EMPLOYER and the UNION are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for determination.

ARTICLE III - DEFINITIONS


3.2 EMPLOYER: The City of Minnetonka.


3.4 EMPLOYEE: A member of the exclusively recognized bargaining unit.

3.5 DEPARTMENT: The City of Minnetonka Police Department.
3.6 DIRECTOR: The Chief of Police of the City of Minnetonka Police Department.

3.7 OVERTIME: Work performed in excess of the Employee's scheduled shift.

3.8 CALL BACK: Return of an employee from off duty status to a specified work site to perform assigned duties at the express authorization of the Employer at a time other than a scheduled shift.

3.9 IMMEDIATE FAMILY: Spouse, children, parents, siblings, grandparents, grandchildren, parents-in-law, children-in-law, similar step family members, or such other persons as the City Manager deems appropriate.

3.10 SENIORITY, EMPLOYER SENIORITY: Length of continuous service with Employer from last date of hire.

3.11 SENIORITY, JOB CLASSIFICATION SENIORITY: Length of service in any job classification covered by this agreement.

ARTICLE IV - UNION SECURITY

In recognition of the UNION as the exclusive representative the EMPLOYER shall:

4.1 Deduct monthly, an amount sufficient to provide the payment of dues established by the UNION from the wages of all employees authorizing by deduction card such deduction; and

4.2 Remit such deduction to the appropriate designated officer of the UNION; and

4.3 The Employer will furnish a list of all employees in job classifications recognized in this bargaining unit to the Union by request.

4.4 Bulletin Board. The EMPLOYER shall make space available on an employee bulletin board for posting Union notices and announcements.

4.5 The Union agrees to indemnify and hold the EMPLOYER harmless against any and all claims, suits, orders, or judgments brought or issued against the City as a result of any action taken or not taken by the City under the provisions of this Article.

ARTICLE V - EMPLOYER AUTHORITY

5.1 The EMPLOYER retains the full and unrestricted right to operate and manage all personnel, facilities, and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules; and to perform any inherent managerial function not specifically limited by this AGREEMENT.

5.2 Any term and condition of employment not specifically established or modified by this AGREEMENT shall remain solely within the discretion of the EMPLOYER to modify, establish or eliminate.

ARTICLE VI - EMPLOYEE RIGHTS-GRIEVANCE PROCEDURE

5510.5130 DEFINITIONS

Subpart 1 Scope. For the purposes of parts 5510.5110 to 5510.5190 the words defined in this part
have the meanings given them.


Subp. 3.  Days. "Days" means calendar days.

Subp. 4.  Employee. "Employee" means any public employee who is employed in a position that is part of an appropriate unit for which an exclusive representative has been certified under Minnesota Statutes, section 179A.12.

Subp. 5.  Grievance. "Grievance" means a dispute or disagreement regarding the application or interpretation of any term of a contract required under Minnesota Statutes, section 179A.20, subdivision 1. If no contract exists between the exclusive representative and the employer, "grievance" means a dispute or disagreement regarding the existence of just cause in the discipline of any employee or the termination of non-probationary employees.

Subp. 6.  Non-probationary. "Non-probationary" means an employee who has completed an initial probationary period required as a part of the public employer's employment process.

Subp. 7.  Party. "Party" means either the exclusive representative and its authorized agent or the employer and its authorized representative.

Subp. 8.  Service. "Service" means personal delivery or service by the United States Postal Service, postage prepaid and addressed to the individual or organization at its last known mailing address. Service under parts 5510.5110 to 5510.5190 is effective upon deposit with the United States Postal Service, as evidenced by a postmark or dated receipt, or upon personal delivery.

STAT AUTH: MS s 179A.04 subd 3 para (f)
HIST: 11 SR 2077

5510.5131 COMPUTATION OF TIME

In computing any period of time prescribed or allowed by parts 5510.5110 to 5510.5190, the day or act or event upon which a period of time begins to run shall not be included. The last day of the time period shall be included unless it is a Saturday, Sunday, or holiday.

STAT AUTH: MS s 179A.04 subd3 para (f) HIST: 11 SR 2077

5510.5140 STEP ONE

When an employee or group of employees represented by an exclusive representative has a grievance, the employee or an agent of the exclusive representative shall attempt to resolve the matter with the employee's immediate supervisor within 21 days after the employee, through the use of reasonable diligence, should have had knowledge of the event or act giving rise to the grievance. The supervisor shall then attempt to resolve the matter and shall respond in writing to the grievant and the agent of the exclusive representative within five days after the grievance is presented.

STAT AUTH: MS s 179A.04 subd 3 para (f)
HIST: 11 SR 2077

5510.5150 STEP TWO

If the supervisor has not been able to resolve the grievance or has not responded in writing within the time period provided in part 5510.5140 (step one), a written grievance may be served on the next appropriate level
of supervision by the exclusive representative. The written grievance shall provide a concise statement outlining the nature of the grievance, the provisions of the contract or the just cause situation in dispute, and a statement of the relief or remedy requested. The written grievance must be served on the employer's representative within 15 days after the immediate supervisor's response was due under part 5510.5140 (step one). The employer's representative shall meet with the agent of the exclusive representative within five days after service of the written grievance and both parties shall attempt to resolve the grievance. The Employer's representative shall serve a written response to the grievance on the agent of the exclusive representative within five days of the meeting. The response shall contain a concise statement of the employer's position on the grievance and the remedy or relief the employer is willing to provide, if any.

STAT AUTH: MS s 179A.04 subd 3 para (f)
HIST: 11 SR 2077

5510.5160 STEP THREE

If the grievance is not resolved under part 5510.5150 (step two), the exclusive representative may serve the written grievance upon the chief administrative agent of the employer or that person's designated representative within ten days after the written response required by part 5510.5150 (step two) was due. An agent of the exclusive representative shall meet with the chief administrative officer or designee within five days of service of the written grievance and they shall attempt to resolve the matter. The chief administrative officer or designee shall serve a written response to the grievance on the agent of the exclusive representative within five days of the meeting.

STAT AUTH: MS s 179A.04 subd 3 para (f)
HIST: 11 SR 2077

5510.5170 ARBITRATION

Subpart 1. Referral to arbitration. If the response of the chief administrative officer or designee is not received within the period provided in part 5510.5160 (step three) or is not satisfactory, the exclusive representative may serve written notice on the employer of its intent to refer the case to arbitration within ten days after the response required by part 5510.5160 (step three) is due.

Subp. 2. Selection of arbitrator. Within ten days of the service of written notice of intent to arbitrate, the employer's chief administrative officer or designee shall consult with the agent of the exclusive representative and endeavor to mutually agree upon an arbitrator to hear and decide the grievance. If the parties do not agree upon the selection of an arbitrator, either party may request a list of impartial arbitrators from the bureau. The parties shall alternately strike names from a list of seven names to be provided by the bureau until only one name remains, and the remaining name shall be the designated arbitrator. The determination of which party will commence the striking process shall be made by mutual agreement or a flip of a coin. If one party refuses to strike names from the list provided by the bureau, the other party may serve written notice of this fact upon the bureau, with a copy to the offending party. Unless it is confirmed that the parties have otherwise selected or agreed upon an arbitrator within three days of service of the notice of refusal or failure to strike names, the bureau shall designate one name from the list previously provided to the parties and the person so designated by the bureau shall have full power to act as the arbitrator of the grievance.

Subp. 3. Arbitrator's authority. The arbitrator shall have no authority to amend, modify, add to, or subtract from the terms of an existing contract. The decision and award of the arbitrator shall be final and binding upon both parties.

Subp. 4. Arbitration expenses. The employer and the exclusive representative shall share equally the arbitrator's fees and necessary expenses. Cancellation fees shall be paid by the party requesting the cancellation and any fees incurred as the result of a request for clarification shall be paid by the party requesting the clarification. Each party shall be responsible for compensating its own representatives and witnesses except to the extent provided by part 5510.5180, subpart 1.

Subp. 5. Transcripts and briefs. Because arbitration is intended to provide a simple, speedy alternative to litigation processes, the use of transcripts and briefs should be considered only in exceptional circumstances. If a verbatim record is required, it may be prepared providing the party desiring the record pays the cost and makes a copy available to the other party and the arbitrator without charge. The arbitrator may maintain written notes of the hearing and may use an electronic recording device to supplement the note taking. These notes shall be
considered the arbitrator's private and personal property and shall not be made available to the parties or another third party. If a recording device is used by the arbitrator to supplement the arbitrator's notes, the arbitrator shall retain the recording for a period of 90 days following the issuance of the award.

STAT AUTH: MS s 179A.04 subd 3 para (f)
HIST: 11 SR 2077

5510.5180 PROCESSING OF GRIEVANCES

Subpart 1. Release time. To the fullest extent feasible, the processing of grievances under parts 5510.5110 to 5510.5190 shall be conducted during the normal business hours of the employer. Employees designated by the exclusive representative shall be released from work without loss of regular non-overtime earnings as a result of their necessary participation in meetings or hearings held pursuant to parts 5510.5110 to 5510.5190, whenever such release is consistent with the ability of the employer to conduct safe and reasonable operations. No more than three employees shall be entitled to compensation for participation in a single meeting or hearing with respect to any one grievance.

Subp. 2. Waiver of steps. The parties may by written mutual agreement waive participation in the grievance steps in parts 5510.5140 to 5510.5160 and may similarly agree to extend the time limits established by parts 5510.5140 to 5510.5170.

Subp. 3. Time limits. A failure to raise a grievance within the time limits specified in part 5510.5140, or to initiate action at the next step of the procedure in parts 5510.5140 to 5510.5170 within the time limits in these parts shall result in forfeiture by the exclusive representative of the right to pursue the grievance. A failure of an employer representative to comply with the time periods and procedures in parts 5510.5140 to 5510.5170 shall require mandatory alleviation of the grievance as requested in the last statement by the exclusive representative.

STAT AUTH: MS s 179A.04 subd 3 para (f)
HIST: 11 SR 2077

ARTICLE VII - SAVINGS CLAUSE

This AGREEMENT is subject to law. In the event any provision of this AGREEMENT shall be held to be contrary to law by court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provision shall be voided. All other provisions of this AGREEMENT shall continue in full force and effect. To the extent a provision of the contract is declared to be contrary to law by a court of final jurisdiction or administrative ruling or is in violation of legislation or administrative regulations, said provision shall be void and of no effect. The voided provision may be renegotiated at the request of either party.

ARTICLE VIII - DISCIPLINE

8.1 The EMPLOYER will discipline employees for just cause only. Discipline will be in one of the following forms:

   a. oral reprimand;
   b. written reprimand;
   c. suspension;
   d. demotion; or
   e. discharge.

8.2 Notices of suspension, demotion and discharges will be in written form and will state the reason(s) for the action taken. Suspension will set forth the time period for which the suspension will be effective. Demotions will state the classification to which the employee is demoted. The UNION Business Agent will be provided with a copy of each such notice.
Written reprimands, notices of suspensions and notices of discharge which are to become part of an employee's personnel file will be read and acknowledged by signature of the employee. The employee and the UNION will receive a copy of such reprimands and/or notices.

Employees will not be questioned concerning an investigation of disciplinary action unless the employee has been given adequate opportunity to have a UNION representative present at such questioning.

Discharges of non-veterans will be preceded by a five (5) calendar day suspension without pay.

Employees may examine their own individual personnel files at reasonable times under the direct supervision of the EMPLOYER.

Grievances relating to this ARTICLE shall be initiated by the UNION in Step 2 of the grievance procedure.

ARTICLE IX - HOURS OF WORK AND OVERTIME PAY

The normal work year for full-time employees is two thousand eighty (2,080) hours; the normal work week is 40 hours/week, to be accounted for by each employee through:

a) hours worked on assigned shifts;
b) holidays;
c) assigned training;
d) authorized leave time.

The normal work year/work week for part-time employees are less than 2080 hours/year and less than 40 hours/week.

Hours worked in excess of scheduled workday within a 24-hour period shall be compensated at one and one-half (1-1/2) times the employee's basic hourly rate of pay. A change of scheduled workday within a 24-hour period does not qualify for overtime. In lieu of being compensated for overtime in cash, the employee may accrue compensatory time. The employee may use that compensatory time after obtaining the approval of the EMPLOYER. Such compensatory time will be computed at the rate of one and one-half (1-1/2) hours off for every hour of overtime worked. Overtime is to be calculated to the nearest 15 minutes. Changes in shift mutually agreed upon do not qualify an Employee for overtime, unless the time is greater than the scheduled workday.

For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded, or paid twice for the same hours worked.

When a vacancy requires a dispatcher to be called in on overtime, supervisors shall fill such vacancy based on seniority and the following factors: they will first consider dispatchers working the same shifts, then contact remaining dispatchers. Supervisors may also use dispatchers on either side of the vacancy if they cannot locate a dispatcher or it is four hours or less before the shift. If necessary, the shift supervisors may temporarily use a police officer, or other employee trained in dispatch, as a dispatcher until calling a relief dispatcher back to duty.

Employees called back to work from off-duty status will be paid a minimum of two (2) hours pay at one and one-half (1 1/2) times the employee’s regular rate of pay rate. An extension of, or an early report to, a scheduled shift does not qualify for call back time minimum if that time is paid as overtime.

Employees may voluntarily switch shifts, with the approval of the Employer. Voluntary switching of shifts will not obligate the EMPLOYER for overtime pay.

Employees called back for unscheduled, scheduled work day changes within a 48 hour period shall
receive two (2) hours of pay at one and one-half (1 1/2) times their normal basic hourly rate of pay, either in cash or in compensatory time, at the option of the Employee.

Employees who are required to standby for court appearances shall receive a minimum of two and one-half (2 1/2) hours straight time either in cash or compensatory time, for all time they are directed to standby.

**ARTICLE X- SENIORITY**

10.1 Seniority will be the determining criterion for transfers and promotions within the bargaining unit when job relevant qualifications are equal.

10.2 Job classification seniority will be the determining criterion for layoffs and recall. Recall rights under this provision will continue for twenty-four (24) months after lay off. Recalled employees shall have ten (10) working days after notification of recall by registered mail at the employee's last known address to report to work or forfeit all recall rights.

10.3 Change in status from full-time to part-time will be accomplished on the basis of seniority.

10.4 Seniority is defined as the employee's length of continuous service in the job classification of Dispatcher based upon hours worked.

10.5 Seniority will be broken only by separation from service by reasons of resignation, discharge for cause, retirement or death.

10.6 When two or more employees have the same seniority date, their position on the seniority list shall be determined by lot.

10.7 Senior qualified employees shall be given shift assignment preference after eighteen (18) months of continuous full-time employment.

10.8 Employees promoted from the employer's public safety dispatchers' bargaining unit to the police supervisors' bargaining unit shall retain bumping rights in the public safety dispatchers' bargaining unit in lieu of layoff based on the employee's length of continuous employment. In the event of layoff in the supervisors' bargaining unit, an employee promoted as noted may bump the least senior dispatcher in lieu of layoff.

**ARTICLE XI- PROBATIONARY PERIODS**

11.1 All newly hired or rehired employees will serve a probationary period of 2080 hours after appointment. Any extended leave periods will extend the probationary period by the amount of the leave.

11.2 All employees will serve a probationary period of 1040 hours after appointment in any job classification in which the employee has not served a probationary period. Any extended leave periods will extend the probationary period by the amount of the leave.

11.3 At any time during the probationary period a newly hired or rehired employee may be terminated at the sole discretion of the EMPLOYER.

11.4 At any time during the probationary period a promoted or reassigned employee may be demoted or reassigned at the sole discretion of the EMPLOYER. The employee demoted or reassigned will be returned to the employee's previous position.
ARTICLE XII - JOB SAFETY

The EMPLOYER and the UNION agree to jointly promote safe and healthful working conditions, to cooperate in safety matters and to encourage employees to work in a safe manner.

ARTICLE XIII - TRAINING

The EMPLOYER will make available and pay for such training as is required for employees to maintain licenses or certifications, or for safety, or as is required by the State of Minnesota.

ARTICLE XIV - WAGES

14.1 The rates of pay are set forth in Appendix A, attached hereto and made a part thereof.

14.2 Employees in the following assignment shall be paid a differential as specified below:

Communications Training Officer
(when performing assigned Communications Training Officer duties):
$2.00/hour.

14.3 An employee working unaccompanied will be paid a differential of an additional $1.50 $2.00 for each hour worked alone.

ARTICLE XV - HOLIDAYS

15.1 Employees shall receive eight (8) hours of straight-time pay or eight (8) hours of compensatory time, at the option of the employee, for each holiday listed below. The employee may use that compensatory time after obtaining the approval of the EMPLOYER.

   New Year's Day, January 1
   Martin Luther King's Birthday, Third Monday in January
   Presidents Day, Third Monday in February
   Memorial Day, Last Monday in May
   Independence Day, July 4
   Labor Day, First Monday in September
   Veterans Day, November 11
   Thanksgiving Day, Fourth Thursday in November
   Thanksgiving Friday, Day after Thanksgiving
   Christmas Day, December 25

Two (2) additional days (sixteen (16) hours) shall be known as "Floating Holidays" and may be taken as a holiday on any day throughout the year at the election of the Employee with the approval of the Chief of Police or another EMPLOYER designated representative.

15.2 Employees who are required to work on a holiday shall be paid at time and one half (1 1/2) their base hourly wage rate for all of the hours of any shift that begins on a listed holiday.

ARTICLE XVI - VACATIONS

16.1 Regular full-time employees shall be eligible for earned vacation leave on the following basis:
From the beginning of continuous employment through the fifth (5th) year of continuous employment, 3.08 hours for each two-week pay period; from the beginning of the sixth (6th) year through the tenth (10th) year of continuous employment, 4.62 hours for each two-week pay period; during each of the following years of continuous employment, each employee shall earn vacation at the rates as specified:

- 11th year: 4.93 hours for each two-week pay period;
- 12th year: 5.23 hours for each two-week pay period;
- 13th year: 5.54 hours for each two-week pay period;
- 14th year: 5.85 hours for each two-week pay period;
- 15th year+: 6.16 hours for each two-week pay period.

16.2 Employees may accrue vacation leave not to exceed the following based on the employee’s rate of vacation earned:

<table>
<thead>
<tr>
<th>Rate of vacation earned</th>
<th>Maximum hours of accrued vacation leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 hours per year</td>
<td>200 hours</td>
</tr>
<tr>
<td>120 hours per year</td>
<td>225 hours</td>
</tr>
<tr>
<td>128 – 160 hours per year</td>
<td>250 hours</td>
</tr>
<tr>
<td>200 hours per year</td>
<td>275 hours</td>
</tr>
</tbody>
</table>

No employee shall be permitted to waive vacation leave for the purpose of receiving double pay.

16.3 Upon separation or retirement, a cash payment computed at the employee's current rate of pay shall be made for accrued vacation leave.

16.4 Seniority will be the basis for the employee's choice for vacation scheduling.

16.5 Employee vacation requests shall be responded to by the EMPLOYER within 14 days after submittal by the employee.

ARTICLE XVII - SICK LEAVE

17.1 Full-time employees shall earn eight hours of sick leave for each full month of employment. Sick leave may be used only to the extent that it is earned. Sick leave shall be authorized in cases of necessity or actual illness in accordance to MN Statute 181.9413, City Policy, and Department Policy.

17.2 Sick leave may be used for an employee’s own absences due to an illness, physical examination, dental care, injury, maternity care, outpatient or inpatient treatment for mental illness, alcoholism or drug abuse hospitalization of the employee, employee’s minor child, adult child, spouse, sibling, parent, in-law, grandchild, grandparent, or stepparent. Employees may also request using sick leave for the serious illness, injury or other health care hospitalization of members in their immediate family who reside with them or for whom they have primary health care responsibility not included above, which may be granted at the discretion of the EMPLOYER.

17.3 Sick leave will be allowed in accordance with the City’s and Department’s policies.

17.4 Each employee may donate up to two (2) days of accrued sick leave per year to other employees in accordance with administrative policy.
ARTICLE XVIII - LEAVES OF ABSENCE

Employees using paid leave time shall be considered to be working for the purpose of accruing benefits.

18.1 Funerals. A maximum of three (3) days of sick leave may be taken by a full time employee for in the event of a death in the employee's immediate family. An additional seven days of sick leave may be taken upon written approval of the department director or employer.

18.2 Court/Jury Duty. Employees subpoenaed as witnesses or called for jury duty shall be granted paid leave of absence for the time necessary to complete those duties. All fees received as a witness or juror, except mileage fees for use of the employee's private vehicle, shall be paid to the City.

18.3 Injured on Duty Leave. Employees unable to work because of a work-related injury shall be entitled to injured on duty leave up to the equivalent of a maximum of 1040 working hours from the date of injury. Thereafter, the employee must use accumulated sick leave. Any worker's compensation benefits for lost time or wages paid to the injured employee while using injured on duty or sick leave shall be paid to the City. If it is determined by a medical provider acceptable to the city that an employee has a permanent injury that will not allow the employee to return to work, the injury on duty benefit terminates and thereafter accrued sick leave must be used. Injured on duty leave shall not be provided to employees who fail to comply with procedures required by the EMPLOYER for reporting work-related injuries.

18.4 Employees are eligible for Family Medical Leave as required by law.

ARTICLE XIX - INSURANCE

19.1 Health. For each benefit-earning employee electing health insurance coverage through the Employer-sponsored cafeteria benefits program, the Employer's monthly contribution toward that employee's benefits program is $880 per month in plan year 2016; nine hundred twenty five ($925) for those electing Single Coverage; one thousand ($1,050) for Employee plus Spouse or Employee plus Child(ren) Coverage; or one thousand one hundred fifty ($1,150) for Family Coverage in plan year 2017.

For each benefit-earning employee electing health insurance coverage through the Employer-sponsored cafeteria benefits program and who participates in the Employer sponsored health initiative program, receives $100 per month. Each benefit-earning employee who opts out of the Employer sponsored cafeteria benefits program who participates in the employer-sponsored health initiative program receives $50 per month in plan year 2014.

Insurance is open for negotiations in 2015 and 2016.

19.2 Life. The EMPLOYER agrees to pay the full cost of a $35,000 life insurance policy for each employee covered by this AGREEMENT.

19.3 Long Term Disability Insurance. The EMPLOYER will provide employees with Long Term Disability Insurance provided that a sufficient number of employees enroll to meet the insurer's eligibility requirements. The cost of the insurance will be paid through deductions in each employee's accrued sick leave account of hours of time sufficient to provide for the payment of premiums.

19.4 In the event the health insurance provisions of this Agreement fail to meet the requirements of the Affordable Care Act and its related regulations or cause the Employer to be subject to a penalty, tax or fine, the Union and the Employer will meet immediately to bargain over alternative provisions so as to comply with the Act and avoid and/or minimize any penalties, taxes or fines for the Employer.

ARTICLE XX - UNIFORMS
20.1 The City shall provide the initial uniform issue for each employee and thereafter provide City required uniforms and equipment as necessary.

ARTICLE XXI - SEVERANCE PAY

21.1 To be eligible for severance pay, employees must be regular employees on the date of termination, and have a total of 10 years of continuous service as a regular employee. Severance pay is granted to eligible employees when they leave the municipal service in good standing for one of the following reasons:

1. Elimination of their classification or position by the City.
2. Separation from City employment when the employee is eligible, based on age and/or service requirements, for an annuity from the Public Employees Retirement Association whether or not the employee starts receiving those benefits.
3. Mandatory retirement or termination of employment due to health reasons, service-connected injury, or illness. A letter from a physician is required to indicate an employee's inability to perform essential functions of the job.

21.2 Employees shall be entitled to severance pay equal to the greater of:

1. Four weeks of appropriate pay plus one additional week of appropriate pay for each year of service beyond 10 years, not to exceed a total of 13 weeks appropriate pay, or
2. One-third of the employee's accumulated sick leave at the appropriate pay rate.

For both options, the appropriate pay shall be determined by dividing the employee's number of scheduled hours during the years used to qualify for severance pay by the number of full-time hours for the same period. The resulting percentage shall be applied to the full-time wage rate for the employee's position at termination to achieve the amount of appropriate pay.

For example, an employee who worked 8 years with 30 scheduled hours per week and 2 years with 40 scheduled hours per week would be entitled to 80% of full-time pay: \(\frac{8 \times 30 + 2 \times 40}{400} = 80\%\). An employee who worked full-time for the entire qualifying period would be entitled to 100% of full-time pay.

21.3 Employees who qualify to receive severance pay upon retiring from the city, as defined by the personnel policy, must place 100% of their severance pay and unused vacation in their individual Retiree Health Savings Plan accounts at the time of retirement.

21.4 Employees eligible for severance pay in accordance with Article 21.1 who submit a written notice of separation from City employment at least three months prior to that separation and who do not revoke it will receive the amount of severance pay pursuant to the policy plus an additional ten percent of that amount.

ARTICLE XXII - PART-TIME EMPLOYEES

Regular part-time employees who are scheduled for more than 14 hours per week shall earn pro rata benefits for holidays, sick leave, and vacation.

ARTICLE XXIII - WAIVER
23.1  Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this AGREEMENT, are hereby superseded.

23.2  The parties mutually acknowledge that during the negotiations which resulted in this AGREEMENT, each had the unlimited right and opportunity to make demands and proposals with respect to any terms or conditions of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this AGREEMENT for the stipulated duration of this AGREEMENT. The EMPLOYER and the UNION each voluntarily waives the right to meet and negotiate regarding any and all terms and conditions of employment covered by this AGREEMENT, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this AGREEMENT was negotiated or executed.

ARTICLE XXIV - DURATION

This AGREEMENT shall be effective as of December 20, 2016 and shall remain in full force and effect until the December 15, 2017 or until a successor AGREEMENT is reached, whichever is later.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT on this day of April 2017.

FOR THE CITY OF MINNETONKA

FOR LAW ENFORCEMENT LABOR SERVICES, INC.

________________________________   ________________________________

________________________________   ________________________________

________________________________   ________________________________
Appendix A Wage Rates

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>STEP 1 (Start)</td>
<td>STEP 1 (Start)</td>
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For 2015-2017, the market adjustment will be determined using the 2014-2016 League of Minnesota Cities Metro Area Salary Survey. The comparison cities will be Bloomington, Eden Prairie, Edina, and St. Louis Park.

Minnetonka’s 2014-2016 maximum wage rate for public safety dispatchers will be multiplied by the base pay increase (1.00% for 2015) (1.50% in 2017). The 2014-2016 weighted mean for public safety dispatchers for the above-noted comparison cities will be multiplied by the base pay increase (1.00% for 2015) (1.50% for 2017). If Minnetonka’s maximum wage rate is above the weighted mean, no market adjustment will be made in 2015-2017. If Minnetonka’s maximum wage rate is below the weighted mean, the public safety dispatchers maximum wage rate will be adjusted by the percentage difference between Minnetonka’s maximum wage rate and the weighted mean of the comparison group. Each remaining wage step will be adjusted accordingly.

This same process will be repeated using 2015-2017 data to determine if there is a 2016-2018 market adjustment.
Appendix B INCENTIVE PAY PROGRAM

A. The Incentive Pay Program is a voluntary program designed to promote personal growth and performance for all employees. It provides opportunities for employees to earn additional compensation. All compensation for this program will be paid in a lump sum payment at the end of the year. Employees may choose to participate in any three of the components. Since the program is voluntary, employees will not be compensated for off duty time in which they are involved in or preparing for components of the program.

B. Listed below is a summary of the requirements for receiving additional compensation for each of the components of the Incentive Pay Program. The actual details on the implementation and administration of the program will be part of an administrative policy. The EMPLOYER agrees to meet and confer with the UNION on the development of the administrative policy which will outline the details of these program components.

1. Continuing Education - Employees with one (1) year of service who choose to participate in this component of the program are eligible to receive 1% (one percent) 1.3% (one and three-tenths) of base pay in additional compensation when qualifying for this component. Employees who demonstrate a commitment to continuing education/training are qualified to receive compensation under this component. This can be accomplished by annually taking and successfully completing a minimum of two college courses (six credits) in a job related field from an accredited institution of higher learning or receiving a minimum of 14 continuing education unit (CEU) credits in a job-related field. Classes must be attended on off duty time and be pre-approved by the Chief of Police. Education/training taken during the contract year will be used to determine an employee's eligibility for this component.

2. Community Service - Employees with one (1) year of service who choose to participate in this component of the program are eligible to receive 1% (one percent) 1.1% (one and one-tenth) of base pay in additional compensation. Community service activities must be pre-approved by the Chief of Police and employees must provide evidence of participation in the activity in the amount of not less than 50 hours for the calendar year;

3. Skill Assessment - Employees with one (1) year of service who choose to participate in this component of the program are eligible to receive 1% (one percent) 1.3% (one and three-tenths) of base pay in additional compensation. Employees who receive a passing score on an annual written skill assessment are qualified to receive compensation under this component. The skill assessment will be based on information from the Department Policy and Procedures Manual, City ordinances, CIJS, NCIC, Minnetonka geography, CAD program, and other applicable job-related information. The 50 question skill assessment will be developed and administered under the direction of the Chief of Police and a score of 75% is considered passing.

4. Wellness/fitness - Employees with one (1) year of service who make substantial progress on personalized wellness/fitness goals are eligible to receive 1% (one percent) 1.3% (one and three-tenths) of base pay in additional compensation. Each employee who chooses to participate in this program will receive a personalized wellness/fitness profile with stated goals to maintain or improve their overall health. The program will be administered by the Chief and will be in compliance with all local, state, and federal laws governing discrimination based on gender, race, or age. Employees will be evaluated for compliance with the goals a minimum of two years, and more frequently if factors warrant.

5. Special Skills - Employees who have demonstrated proficiency in one or more of the following areas are eligible to receive 1% (one percent) 1.1% (one and one-tenth) of base pay in additional compensation. Eligibility must be pre-approved by the Chief of Police and employees must provide evidence of competency.

   • First Responder - annual certification/re-certification
   • Fluency in a language other than English (Spanish, Russian)
   • Fluency in sign language
• Assignment by the Employer as a Communications Training Officer.
• Assignment by the Employer as a Crisis Negotiator.
• Other competencies as mutually agreed upon between the Employer and the Union.

6. Organizational Awareness- Employees with two (2) years of service who choose to participate in at least 14 hours on off-duty time of Employer-designated and authorized training regarding specific City department or public safety support functions are eligible to receive 1% (one percent)-1.1% (one and one-tenth) of base pay in additional compensation. Examples of the functions in section B.6. include, but are not necessarily limited to, fire, legal, planning, inspections and paramedic services.

C. Employees with one year of service shall receive performance pay as follows:

1. Organizational performance pay - The focus of the organizational performance pay is achievement of organization-wide goals as established by the city council. On an annual basis, employees shall be awarded performance pay in the lump sum amount based on the grade achieved by the organization as follows: for a grade of 4.0, each employee will be awarded $100 for $500; for a grade of less than 4.0, the award will be pro-rated based on the actual percentage achieved (e.g., 3.8 grade is 95% of 4.0, so 95% of $100 = $95, $500 = $475, 3.5 grade is 87.5% of 4.0, so 87.5% of $100 = $87.50, $500 = $437.50, etc.).

2. Departmental performance pay- The focus of the departmental performance pay is achievement of department-wide goals and performance indicators as established and evaluated annually by a representative group of employer, union and other police department employees. On an annual basis, employees shall be awarded performance pay in the lump sum amount based on the percentage of goals/indicators achieved by the department as follows: 100% achievement will be awarded 1.5% (one and one-half percent) of base pay; achievement less than 100% shall be pro-rated based on the actual percentage achieved (e.g., 97% achievement = 97% of 1.5% base pay; 92% achievement = 92% of 1.5% base pay, etc.).

3. Compensation for organizational and departmental performance pay will be paid in lump sums at the same time it is awarded to non-organized personnel.
LABOR AGREEMENT BETWEEN

THE CITY OF MINNETONKA

AND

LAW ENFORCEMENT LABOR SERVICES, INC
(Dispatchers)

Effective December 15, 2016 through December 14, 2017.
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LABOR AGREEMENT BETWEEN  
CITY OF MINNETONKA  
AND  
LAW ENFORCEMENT LABOR SERVICES, INC. 

ARTICLE I - PURPOSE OF AGREEMENT  

This AGREEMENT is entered into between the City of Minnetonka hereinafter called the  
EMPLOYER, and Law Enforcement Labor Services, Inc., hereinafter called the UNION.  

The intent and purpose of this AGREEMENT is to:  

1.1 Establish certain hours, wages, and other conditions of employment;  

1.2 Establish procedures for the resolution of disputes concerning this AGREEMENT’s interpretation  
and/or application;  

1.3 Specify the full and complete understanding of the parties; and  

1.4 The EMPLOYER and the UNION, through this AGREEMENT, shall continue their dedication to the  
highest quality of public service. Both parties recognize this AGREEMENT as a pledge of this  
dedication.  

ARTICLE II - RECOGNITION  

2.1 The EMPLOYER recognizes the UNION as the exclusive representative for all employees in a unit  
certified by the State of Minnesota Bureau of Mediation Services in Case No. 98-PCE-1620 as:  

All Dispatchers employed by the City of Minnetonka, Minnesota who are public employees  
within the meaning of Minn. Stat. 179A.03, subd. 14, excluding supervisory, confidential and  
all other employees.  

2.2 In the event the EMPLOYER and the UNION are unable to agree as to the inclusion or exclusion of  
a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for  
determination.  

ARTICLE III - DEFINITIONS  


3.2 EMPLOYER: The City of Minnetonka.  


3.4 EMPLOYEE: A member of the exclusively recognized bargaining unit.  

3.5 DEPARTMENT: The City of Minnetonka Police Department.
3.6 DIRECTOR: The Chief of Police of the City of Minnetonka Police Department.

3.7 OVERTIME: Work performed in excess of the Employee's scheduled shift.

3.8 CALL BACK: Return of an employee from off duty status to a specified work site to perform assigned duties at the express authorization of the Employer at a time other than a scheduled shift.

3.9 IMMEDIATE FAMILY: Spouse, children, parents, siblings, grandparents, grandchildren, parents-in-law, children-in-law, similar step family members, or such other persons as the City Manager deems appropriate.

3.10 SENIORITY, EMPLOYER SENIORITY: Length of continuous service with Employer from last date of hire.

3.11 SENIORITY, JOB CLASSIFICATION SENIORITY: Length of service in any job classification covered by this agreement.

ARTICLE IV - UNION SECURITY

In recognition of the UNION as the exclusive representative the EMPLOYER shall:

4.1 Deduct monthly, an amount sufficient to provide the payment of dues established by the UNION from the wages of all employees authorizing by deduction card such deduction; and

4.2 Remit such deduction to the appropriate designated officer of the UNION; and

4.3 The Employer will furnish a list of all employees in job classifications recognized in this bargaining unit to the Union by request.

4.4 Bulletin Board. The EMPLOYER shall make space available on an employee bulletin board for posting Union notices and announcements.

4.5 The Union agrees to indemnify and hold the EMPLOYER harmless against any and all claims, suits, orders, or judgments brought or issued against the City as a result of any action taken or not taken by the City under the provisions of this Article.

ARTICLE V - EMPLOYER AUTHORITY

5.1 The EMPLOYER retains the full and unrestricted right to operate and manage all personnel, facilities, and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules; and to perform any inherent managerial function not specifically limited by this AGREEMENT.

5.2 Any term and condition of employment not specifically established or modified by this AGREEMENT shall remain solely within the discretion of the EMPLOYER to modify, establish or eliminate.

ARTICLE VI - EMPLOYEE RIGHTS-GRIEVANCE PROCEDURE

5510.5130 DEFINITIONS

Subpart 1 Scope. For the purposes of parts 5510.5110 to 5510.5190 the words defined in this part
have the meanings given them.


Subp. 3. Days. "Days" means calendar days.

Subp. 4. Employee. "Employee" means any public employee who is employed in a position that is part of an appropriate unit for which an exclusive representative has been certified under Minnesota Statutes, section 179A.12.

Subp. 5. Grievance. "Grievance" means a dispute or disagreement regarding the application or interpretation of any term of a contract required under Minnesota Statutes, section 179A.20, subdivision 1. If no contract exists between the exclusive representative and the employer, "grievance" means a dispute or disagreement regarding the existence of just cause in the discipline of any employee or the termination of non-probationary employees.

Subp. 6. Non-probationary. "Non-probationary" means an employee who has completed an initial probationary period required as a part of the public employer's employment process.

Subp. 7. Party. "Party" means either the exclusive representative and its authorized agent or the employer and its authorized representative.

Subp. 8. Service. "Service" means personal delivery or service by the United States Postal Service, postage prepaid and addressed to the individual or organization at its last known mailing address. Service under parts 5510.5110 to 5510.5190 is effective upon deposit with the United States Postal Service, as evidenced by a postmark or dated receipt, or upon personal delivery.

STAT AUTH: MS s 179A.04 subd 3 para (f)
HIST: 11 SR 2077

5510.5131 COMPUTATION OF TIME

In computing any period of time prescribed or allowed by parts 5510.5110 to 5510.5190, the day or act or event upon which a period of time begins to run shall not be included. The last day of the time period shall be included unless it is a Saturday, Sunday, or holiday.

STAT AUTH: MS s 179A.04 subd3 para (f) HIST: 11 SR 2077

5510.5140 STEP ONE

When an employee or group of employees represented by an exclusive representative has a grievance, the employee or an agent of the exclusive representative shall attempt to resolve the matter with the employee's immediate supervisor within 21 days after the employee, through the use of reasonable diligence, should have had knowledge of the event or act giving rise to the grievance. The supervisor shall then attempt to resolve the matter and shall respond in writing to the grievant and the agent of the exclusive representative within five days after the grievance is presented.

STAT AUTH: MS s 179A.04 subd 3 para (f)
HIST: 11 SR 2077

5510.5150 STEP TWO

If the supervisor has not been able to resolve the grievance or has not responded in writing within the time period provided in part 5510.5140 (step one), a written grievance may be served on the next appropriate level
of supervision by the exclusive representative. The written grievance shall provide a concise statement outlining
the nature of the grievance, the provisions of the contract or the just cause situation in dispute, and a statement of
the relief or remedy requested. The written grievance must be served on the employer's representative within 15
days after the immediate supervisor's response was due under part 5510.5140 (step one). The employer's
representative shall meet with the agent of the exclusive representative within five days after service of the written
grievance and both parties shall attempt to resolve the grievance. The Employer's representative shall serve a
written response to the grievance on the agent of the exclusive representative within five days of the meeting. The
response shall contain a concise statement of the employer's position on the grievance and the remedy or relief the
employer is willing to provide, if any.

STAT AUTH: MS s 179A.04 subd 3 para (f)
HIST: 11 SR 2077

5510.5160 STEP THREE

If the grievance is not resolved under part 5510.5150 (step two), the exclusive representative may serve
the written grievance upon the chief administrative agent of the employer or that person's designated
representative within ten days after the written response required by part 5510.5150 (step two) was due. An agent
of the exclusive representative shall meet with the chief administrative officer or designee within five days of
service of the written grievance and they shall attempt to resolve the matter. The chief administrative officer or
designee shall serve a written response to the grievance on the agent of the exclusive representative within five
days of the meeting.

STAT AUTH: MS s 179A.04 subd 3 para (f)
HIST: 11 SR 2077

5510.5170 ARBITRATION

Subpart 1. Referral to arbitration. If the response of the chief administrative officer or designee is not
received within the period provided in part 5510.5160 (step three) or is not satisfactory, the exclusive
representative may serve written notice on the employer of its intent to refer the case to arbitration within ten days
after the response required by part 5510.5160 (step three) is due.

Subp. 2. Selection of arbitrator. Within ten days of the service of written notice of intent to arbitrate, the
employer's chief administrative officer or designee shall consult with the agent of the exclusive representative
and endeavor to mutually agree upon an arbitrator to hear and decide the grievance. If the parties do not agree
upon the selection of an arbitrator, either party may request a list of impartial arbitrators from the bureau. The
parties shall alternately strike names from a list of seven names to be provided by the bureau until only one name
remains, and the remaining name shall be the designated arbitrator. The determination of which party will
commence the striking process shall be made by mutual agreement or a flip of a coin. If one party refuses to
strike names from the list provided by the bureau, the other party may serve written notice of this fact upon the
bureau, with a copy to the offending party. Unless it is confirmed that the parties have otherwise selected or
agreed upon an arbitrator within three days of service of the notice of refusal or failure to strike names, the
bureau shall designate one name from the list previously provided to the parties and the person so designated by
the bureau shall have full power to act as the arbitrator of the grievance.

Subp. 3. Arbitrator's authority. The arbitrator shall have no authority to amend, modify, add to, or
subtract from the terms of an existing contract. The decision and award of the arbitrator shall be final and
binding upon both parties.

Subp. 4. Arbitration expenses. The employer and the exclusive representative shall share equally the
arbitrator's fees and necessary expenses. Cancellation fees shall be paid by the party requesting the cancellation
and any fees incurred as the result of a request for clarification shall be paid by the party requesting the
clarification. Each party shall be responsible for compensating its own representatives and witnesses except to the
extent provided by part 5510.5180, subpart 1.

Subp. 5. Transcripts and briefs. Because arbitration is intended to provide a simple, speedy alternative to
litigation processes, the use of transcripts and briefs should be considered only in exceptional circumstances. If
a verbatim record is required, it may be prepared providing the party desiring the record pays the cost and makes
a copy available to the other party and the arbitrator without charge. The arbitrator may maintain written notes of
the hearing and may use an electronic recording device to supplement the note taking. These notes shall be
considered the arbitrator's private and personal property and shall not be made available to the parties or another third party. If a recording device is used by the arbitrator to supplement the arbitrator's notes, the arbitrator shall retain the recording for a period of 90 days following the issuance of the award.

STAT AUTH: MS s 179A.04 subd 3 para (f)
HIST: 11 SR 2077

5510.5180 PROCESSING OF GRIEVANCES

Subpart 1. Release time. To the fullest extent feasible, the processing of grievances under parts 5510.5110 to 5510.5190 shall be conducted during the normal business hours of the employer. Employees designated by the exclusive representative shall be released from work without loss of regular non-overtime earnings as a result of their necessary participation in meetings or hearings held pursuant to parts 5510.5110 to 5510.5190, whenever such release is consistent with the ability of the employer to conduct safe and reasonable operations. No more than three employees shall be entitled to compensation for participation in a single meeting or hearing with respect to any one grievance.

Subp. 2. Waiver of steps. The parties may by written mutual agreement waive participation in the grievance steps in parts 5510.5140 to 5510.5160 and may similarly agree to extend the time limits established by parts 5510.5140 to 5510.5170.

Subp. 3. Time limits. A failure to raise a grievance within the time limits specified in part 5510.5140, or to initiate action at the next step of the procedure in parts 5510.5140 to 5510.5170 within the time limits in these parts shall result in forfeiture by the exclusive representative of the right to pursue the grievance. A failure of an employer representative to comply with the time periods and procedures in parts 5510.5140 to 5510.5170 shall require mandatory alleviation of the grievance as requested in the last statement by the exclusive representative.

STAT AUTH: MS s 179A.04 subd 3 para (f)
HIST: 11 SR 2077

ARTICLE VII - SAVINGS CLAUSE

This AGREEMENT is subject to law. In the event any provision of this AGREEMENT shall be held to be contrary to law by court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provision shall be voided. All other provisions of this AGREEMENT shall continue in full force and effect. To the extent a provision of the contract is declared to be contrary to law by a court of final jurisdiction or administrative ruling or is in violation of legislation or administrative regulations, said provision shall be void and of no effect. The voided provision may be renegotiated at the request of either party.

ARTICLE VIII - DISCIPLINE

8.1 The EMPLOYER will discipline employees for just cause only. Discipline will be in one of the following forms:

a. oral reprimand;
b. written reprimand;
c. suspension;
d. demotion; or
e. discharge.

8.2 Notices of suspension, demotion and discharges will be in written form and will state the reason(s) for the action taken. Suspension will set forth the time period for which the suspension will be effective. Demotions will state the classification to which the employee is demoted. The UNION Business Agent will be provided with a copy of each such notice.
8.3 Written reprimands, notices of suspensions and notices of discharge which are to become part of an employee's personnel file will be read and acknowledged by signature of the employee. The employee and the UNION will receive a copy of such reprimands and/or notices.

8.4 Employees will not be questioned concerning an investigation of disciplinary action unless the employee has been given adequate opportunity to have a UNION representative present at such questioning.

8.5 Discharges of non-veterans will be preceded by a five (5) calendar day suspension without pay.

8.6 Employees may examine their own individual personnel files at reasonable times under the direct supervision of the EMPLOYER.

8.7 Grievances relating to this ARTICLE shall be initiated by the UNION in Step 2 of the grievance procedure.

**ARTICLE IX - HOURS OF WORK AND OVERTIME PAY**

9.1 The normal work year for full-time employees is two thousand eighty (2,080) hours; the normal work week is 40 hours/week, to be accounted for by each employee through:

- a) hours worked on assigned shifts;
- b) holidays;
- c) assigned training;
- d) authorized leave time.

9.2 The normal work year/work week for part-time employees are less than 2080 hours/year and less than 40 hours/week.

9.3 Hours worked in excess of scheduled workday within a 24-hour period shall be compensated at one and one-half (1-1/2) times the employee's basic hourly rate of pay. A change of scheduled work day within a 24-hour period does not qualify for overtime. In lieu of being compensated for overtime in cash, the employee may accrue compensatory time. The employee may use that compensatory time after obtaining the approval of the EMPLOYER. Such compensatory time will be computed at the rate of one and one-half (1-1/2) hours off for every hour of overtime worked. Overtime is to be calculated to the nearest 15 minutes. Changes in shift mutually agreed upon do not qualify an Employee for overtime, unless the time is greater than the scheduled workday.

9.4 For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded, or paid twice for the same hours worked.

9.5 When a vacancy requires a dispatcher to be called in on overtime, supervisors shall fill such vacancy based on seniority and the following factors: they will first consider dispatchers working the same shifts, then contact remaining dispatchers. Supervisors may also use dispatchers on either side of the vacancy if they cannot locate a dispatcher or it is four hours or less before the shift. If necessary, the shift supervisors may temporarily use a police officer, or other employee trained in dispatch, as a dispatcher until calling a relief dispatcher back to duty.

9.6 Employees called back to work from off-duty status will be paid a minimum of two (2) hours pay at one and one-half (1 1/2) times the employee's regular rate of pay rate. An extension of, or an early report to, a scheduled shift does not qualify for call back time minimum if that time is paid as overtime.

9.7 Employees may voluntarily switch shifts, with the approval of the Employer. Voluntary switching of shifts will not obligate the EMPLOYER for overtime pay.

9.8 Employees called back for unscheduled, scheduled work day changes within a 48 hour period shall
receive two (2) hours of pay at one and one-half (1 1/2) times their normal basic hourly rate of pay, either in cash or in compensatory time, at the option of the Employee.

Employees who are required to standby for court appearances shall receive a minimum of two and one-half (2 1/2) hours straight time either in cash or compensatory time, for all time they are directed to standby.

ARTICLE X- SENIORITY

10.1 Seniority will be the determining criterion for transfers and promotions within the bargaining unit when job relevant qualifications are equal.

10.2 Job classification seniority will be the determining criterion for layoffs and recall. Recall rights under this provision will continue for twenty-four (24) months after lay off. Recalled employees shall have ten (10) working days after notification of recall by registered mail at the employee's last known address to report to work or forfeit all recall rights.

10.3 Change in status from full-time to part-time will be accomplished on the basis of seniority.

10.4 Seniority is defined as the employee's length of continuous service in the job classification of Dispatcher based upon hours worked.

10.5 Seniority will be broken only by separation from service by reasons of resignation, discharge for cause, retirement or death.

10.6 When two or more employees have the same seniority date, their position on the seniority list shall be determined by lot.

10.7 Senior qualified employees shall be given shift assignment preference after eighteen (18) months of continuous full-time employment.

10.8 Employees promoted from the employer's public safety dispatchers' bargaining unit to the police supervisors' bargaining unit shall retain bumping rights in the public safety dispatchers' bargaining unit in lieu of layoff based on the employee's length of continuous employment. In the event of layoff in the supervisors' bargaining unit, an employee promoted as noted may bump the least senior dispatcher in lieu of layoff.

ARTICLE XI- PROBATIONARY PERIODS

11.1 All newly hired or rehired employees will serve a probationary period of 2080 hours after appointment. Any extended leave periods will extend the probationary period by the amount of the leave.

11.2 All employees will serve a probationary period of 1040 hours after appointment in any job classification in which the employee has not served a probationary period. Any extended leave periods will extend the probationary period by the amount of the leave.

11.3 At any time during the probationary period a newly hired or rehired employee may be terminated at the sole discretion of the EMPLOYER.

11.4 At any time during the probationary period a promoted or reassigned employee may be demoted or reassigned at the sole discretion of the EMPLOYER. The employee demoted or reassigned will be returned to the employee's previous position.
ARTICLE XII - JOB SAFETY

The EMPLOYER and the UNION agree to jointly promote safe and healthful working conditions, to cooperate in safety matters and to encourage employees to work in a safe manner.

ARTICLE XIII - TRAINING

The EMPLOYER will make available and pay for such training as is required for employees to maintain licenses or certifications, or for safety, or as is required by the State of Minnesota.

ARTICLE XIV - WAGES

14.1 The rates of pay are set forth in Appendix A, attached hereto and made a part thereof.

14.2 Employees in the following assignment shall be paid a differential as specified below:

Communications Training Officer
(when performing assigned Communications Training Officer duties):
$2.00/hour.

14.3 An employee working unaccompanied will be paid a differential of an additional $2.00 for each hour worked alone.

ARTICLE XV - HOLIDAYS

15.1 Employees shall receive eight (8) hours of straight-time pay or eight (8) hours of compensatory time, at the option of the employee, for each holiday listed below. The employee may use that compensatory time after obtaining the approval of the EMPLOYER.

- New Year's Day, January 1
- Martin Luther King's Birthday, Third Monday in January
- Presidents Day, Third Monday in February
- Memorial Day, Last Monday in May
- Independence Day, July 4
- Labor Day, First Monday in September
- Veterans Day, November 11
- Thanksgiving Day, Fourth Thursday in November
- Thanksgiving Friday, Day after Thanksgiving
- Christmas Day, December 25

Two (2) additional days (sixteen (16) hours) shall be known as "Floating Holidays" and may be taken as a holiday on any day throughout the year at the election of the Employee with the approval of the Chief of Police or another EMPLOYER designated representative.

15.2 Employees who are required to work on a holiday shall be paid at time and one half (1 1/2) their base hourly wage rate for all of the hours of any shift that begins on a listed holiday.

ARTICLE XVI - VACATIONS

16.1 Regular full-time employees shall be eligible for earned vacation leave on the following basis:
From the beginning of continuous employment through the fifth (5th) year of continuous employment, 3.08 hours for each two-week pay period; from the beginning of the sixth (6th) year through the tenth (10th) year of continuous employment, 4.62 hours for each two-week pay period; during each of the following years of continuous employment, each employee shall earn vacation at the rates as specified:

- 11th year: 4.93 hours for each two-week pay period;
- 12th year: 5.23 hours for each two-week pay period;
- 13th year: 5.54 hours for each two-week pay period;
- 14th year: 5.85 hours for each two-week pay period;
- 15th year+: 6.16 hours for each two-week pay period.

16.2 Employees may accrue vacation leave not to exceed the following based on the employee's rate of vacation earned:

<table>
<thead>
<tr>
<th>Rate of vacation earned</th>
<th>Maximum hours of accrued vacation leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 hours per year</td>
<td>200 hours</td>
</tr>
<tr>
<td>120 hours per year</td>
<td>225 hours</td>
</tr>
<tr>
<td>128 – 160 hours per year</td>
<td>250 hours</td>
</tr>
<tr>
<td>200 hours per year</td>
<td>275 hours</td>
</tr>
</tbody>
</table>

No employee shall be permitted to waive vacation leave for the purpose of receiving double pay.

16.3 Upon separation or retirement, a cash payment computed at the employee's current rate of pay shall be made for accrued vacation leave.

16.4 Seniority will be the basis for the employee's choice for vacation scheduling.

16.5 Employee vacation requests shall be responded to by the EMPLOYER within 14 days after submittal by the employee.

**ARTICLE XVII - SICK LEAVE**

17.1 Employees shall earn eight hours of sick leave for each full month of employment. Sick leave may be used only to the extent that it is earned. Sick leave shall be authorized in cases of necessity or actual illness in accordance to MN Statute 181.9413, City Policy, and Department Policy.

17.2 Sick leave may be used for absences due to an illness, injury, or hospitalization of the employee, employee's minor child, adult child, spouse, sibling, parent, in-law, grandchild, grandparent, or stepparent. Employees may also request use of sick leave for the serious illness, injury or hospitalization for members of immediate family not included above, which may be granted at the discretion of the EMPLOYER.

17.3 Each employee may donate up to two (2) days of accrued sick leave per year to other employees in accordance with administrative policy.
ARTICLE XVIII - LEAVES OF ABSENCE

Employees using paid leave time shall be considered to be working for the purpose of accruing benefits.

18.1 A maximum of three (3) days of sick leave may be taken in the event of a death in the employee's immediate family. An additional seven days of sick leave may be taken upon written approval of the employer.

18.2 Court/Jury Duty. Employees subpoenaed as witnesses or called for jury duty shall be granted paid leave of absence for the time necessary to complete those duties. All fees received as a witness or juror, except mileage fees for use of the employee's private vehicle, shall be paid to the City.

18.3 Injured on Duty Leave. Employees unable to work because of a work related injury shall be entitled to injured on duty leave up to the equivalent of a maximum of 1040 working hours from the date of injury. Thereafter, the employee must use accumulated sick leave. Any worker's compensation benefits for lost time or wages paid to the injured employee while using injured on duty or sick leave shall be paid to the City. If it is determined by a medical provider acceptable to the city that an employee has a permanent injury that will not allow the employee to return to work, the injury on duty benefit terminates and thereafter accrued sick leave must be used. Injured on duty leave shall not be provided to employees who fail to comply with procedures required by the EMPLOYER for reporting work related injuries.

18.4 Employees are eligible for Family Medical Leave as required by law.

ARTICLE XIX - INSURANCE

19.1 Health. For each benefit-earning employee electing health insurance coverage through the Employer-sponsored cafeteria benefits program, the Employer's monthly contribution toward that employee's benefits program is nine hundred twenty five ($925) for those electing Single Coverage; one thousand fifty ($1,050) for Employee plus Spouse or Employee plus Child(ren) Coverage; or one thousand one hundred fifty ($1,150) for Family Coverage in plan year 2017.

For each benefit-earning employee electing health insurance coverage through the Employer-sponsored cafeteria benefits program and who participates in the Employer sponsored health initiative program, receives $100 per month. Each benefit-earning employee who opts out of the Employer sponsored cafeteria benefits program who participates in the employer-sponsored health initiative program receives $50 per month in plan year.

19.2 Life. The EMPLOYER agrees to pay the full cost of a $35,000 life insurance policy for each employee covered by this AGREEMENT.

19.3 Long Term Disability Insurance. The EMPLOYER will provide employees with Long Term Disability Insurance provided that a sufficient number of employees enroll to meet the insurer's eligibility requirements. The cost of the insurance will be paid through deductions in each employee's accrued sick leave account of hours of time sufficient to provide for the payment of premiums.

19.4 In the event the health insurance provisions of this Agreement fail to meet the requirements of the Affordable Care Act and its related regulations or cause the Employer to be subject to a penalty, tax or fine, the Union and the Employer will meet immediately to bargain over alternative provisions so as to comply with the Act and avoid and/or minimize any penalties, taxes or fines for the Employer.

ARTICLE XX - UNIFORMS

20.1 The City shall provide the initial uniform issue for each employee and thereafter provide City required uniforms and equipment as necessary.
ARTICLE XXI - SEVERANCE PAY

21.1 To be eligible for severance pay, employees must be regular employees on the date of termination, and have a total of 10 years of continuous service as a regular employee. Severance pay is granted to eligible employees when they leave the municipal service in good standing for one of the following reasons:

1. Elimination of their classification or position by the City.
2. Separation from City employment when the employee is eligible, based on age and/or service requirements, for an annuity from the Public Employees Retirement Association whether or not the employee starts receiving those benefits.
3. Mandatory retirement or termination of employment due to health reasons, service-connected injury, or illness. A letter from a physician is required to indicate an employee's inability to perform essential functions of the job.

21.2 Employees shall be entitled to severance pay equal to the greater of:

1. Four weeks of appropriate pay plus one additional week of appropriate pay for each year of service beyond 10 years, not to exceed a total of 13 weeks appropriate pay, or
2. One-third of the employee's accumulated sick leave at the appropriate pay rate.

For both options, the appropriate pay shall be determined by dividing the employee's number of scheduled hours during the years used to qualify for severance pay by the number of full-time hours for the same period. The resulting percentage shall be applied to the full-time wage rate for the employee's position at termination to achieve the amount of appropriate pay.

For example, an employee who worked 8 years with 30 scheduled hours per week and 2 years with 40 scheduled hours per week would be entitled to 80% of full-time pay: (8x30+2x40) divided by 400 = 80%.

An employee who worked full-time for the entire qualifying period would be entitled to 100% of full-time pay.

21.3 Employees who qualify to receive severance pay upon retiring from the city, as defined by the personnel policy, must place 100% of their severance pay and unused vacation in their individual Retiree Health Savings Plan accounts at the time of retirement.

21.4 Employees eligible for severance pay in accordance with Article 21.1 who submit a written notice of separation from City employment at least three months prior to that separation and who do not revoke it will receive the amount of severance pay pursuant to the policy plus an additional ten percent of that amount.

ARTICLE XXII - PART-TIME EMPLOYEES

Regular part-time employees who are scheduled for more than 14 hours per week shall earn pro rata benefits for holidays, sick leave, and vacation.

ARTICLE XXIII - WAIVER

23.1 Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this AGREEMENT, are hereby superseded.

23.2 The parties mutually acknowledge that during the negotiations which resulted in this AGREEMENT,
each had the unlimited right and opportunity to make demands and proposals with respect to any terms or conditions of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this AGREEMENT for the stipulated duration of this AGREEMENT. The EMPLOYER and the UNION each voluntarily waives the right to meet and negotiate regarding any and all terms and conditions of employment covered by this AGREEMENT, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this AGREEMENT was negotiated or executed.

ARTICLE XXIV - DURATION

This AGREEMENT shall be effective as of December 15, 2016 and shall remain in full force and effect until the December 14, 2017 or until a successor AGREEMENT is reached, whichever is later.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT on this day of, February 2017.

FOR THE CITY OF MINNETONKA

FOR LAW ENFORCEMENT LABOR SERVICES, INC.

__________________________
__________________________
Appendix A Wage Rates

<table>
<thead>
<tr>
<th>2017</th>
<th>STEP 1</th>
<th>STEP 2</th>
<th>STEP 3</th>
<th>STEP 4</th>
<th>STEP 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Start)</td>
<td>(One Year)</td>
<td>(Two Years)</td>
<td>(Three Years)</td>
<td>(Four Years)</td>
</tr>
</tbody>
</table>

For 2017, the market adjustment will be determined using the 2016 League of Minnesota Cities Metro Area Salary Survey. The comparison cities will be Bloomington, Eden Prairie, Edina, and St. Louis Park.

Minnetonka’s 2016 maximum wage rate for public safety dispatchers will be multiplied by the base pay increase (1.50% in 2017). The 2016 weighted mean for public safety dispatchers for the above-noted comparison cities will be multiplied by the base pay increase (1.50% for 2017). If Minnetonka’s maximum wage rate is above the weighted mean, no market adjustment will be made in 2017. If Minnetonka’s maximum wage rate is below the weighted mean, the public safety dispatchers maximum wage rate will be adjusted by the percentage difference between Minnetonka’s maximum wage rate and the weighted mean of the comparison group. Each remaining wage step will be adjusted accordingly.

This same process will be repeated using 2017 data to determine if there is a 2018 market adjustment.
Appendix B INCENTIVE PAY PROGRAM

A. The Incentive Pay Program is a voluntary program designed to promote personal growth and performance for all employees. It provides opportunities for employees to earn additional compensation. All compensation for this program will be paid in a lump sum payment at the end of the year. Employees may choose to participate in any three of the components. Since the program is voluntary, employees will not be compensated for off duty time in which they are involved in or preparing for components of the program.

B. Listed below is a summary of the requirements for receiving additional compensation for each of the components of the Incentive Pay Program. The actual details on the implementation and administration of the program will be part of an administrative policy. The EMPLOYER agrees to meet and confer with the UNION on the development of the administrative policy which will outline the details of these program components.

1. Continuing Education - Employees with one (1) year of service who choose to participate in this component of the program are eligible to receive 1.3% (one and three-tenths) of base pay in additional compensation when qualifying for this component.

   Employees who demonstrate a commitment to continuing education/training are qualified to receive compensation under this component. This can be accomplished by annually taking and successfully completing a minimum of two college courses (six credits) in a job related field from an accredited institution of higher learning or receiving a minimum of 14 continuing education unit (CEU) credits in a job-related field. Classes must be attended on off duty time and be pre-approved by the Chief of Police. Education/training taken during the contract year will be used to determine an employee's eligibility for this component.

2. Community Service - Employees with one (1) year of service who choose to participate in this component of the program are eligible to receive 1.1% (one and one-tenth) of base pay in additional compensation. Community service activities must be pre-approved by the Chief of Police and employees must provide evidence of participation in the activity in the amount of not less than 50 hours for the calendar year;

3. Skill Assessment- Employees with one (1) year of service who choose to participate in this component of the program are eligible to receive 1.3% (one and three-tenths) of base pay in additional compensation. Employees who receive a passing score on an annual written skill assessment are qualified to receive compensation under this component. The skill assessment will be based on information from the Department Policy and Procedures Manual, City ordinances, CIJS, NCIC, Minnetonka geography, CAD program, and other applicable job-related information.

   The 50 question skill assessment will be developed and administered under the direction of the Chief of Police and a score of 75% is considered passing.

4. Wellness/fitness- Employees with one (1) year of service who make substantial progress on personalized wellness/fitness goals are eligible to receive 1.3% (one and three-tenths) of base pay in additional compensation. Each employee who chooses to participate in this program will receive a personalized wellness/fitness profile with stated goals to maintain or improve their overall health. The program will be administered by the Chief and will be in compliance with all local, state, and federal laws governing discrimination based on gender, race, or age. Employees will be evaluated for compliance with the goals a minimum of two years, and more frequently if factors warrant.

5. Special Skills- Employees who have demonstrated proficiency in one or more of the following areas are eligible to receive 1.1% (one and one-tenth) of base pay in additional compensation. Eligibility must be pre-approved by the Chief of Police and employees must provide evidence of competency.

   • First Responder - annual certification/re-certification
   • Fluency in a language other than English (Spanish, Russian)
   • Fluency in sign language
• Assignment by the Employer as a Communications Training Officer.
• Assignment by the Employer as a Crisis Negotiator.
• Other competencies as mutually agreed upon between the Employer and the Union.

6. Organizational Awareness - Employees with two (2) years of service who choose to participate in at least 14 hours on off-duty time of Employer-designated and authorized training regarding specific City department or public safety support functions are eligible to receive 1.1% (one and one-tenth) of base pay in additional compensation. Examples of the functions in section B.6. include, but are not necessarily limited to, fire, legal, planning, inspections and paramedic services.

C. Employees with one year of service shall receive performance pay as follows:

1. Organizational performance pay - The focus of the organizational performance pay is achievement of organization-wide goals as established by the city council. On an annual basis, employees shall be awarded performance pay in the lump sum amount based on the grade achieved by the organization as follows: for a grade of 4.0, each employee will be awarded $500 for a grade of less than 4.0, the award will be pro-rated based on the actual percentage achieved (e.g., 3.8 grade is 95% of 4.0, so 95% of $500 = $475, 3.5 grade is 87.5% of 4.0, so 87.5% of $500 = $437.50, etc.).

2. Departmental performance pay - The focus of the departmental performance pay is achievement of department-wide goals and performance indicators as established and evaluated annually by a representative group of employer, union and other police department employees. On an annual basis, employees shall be awarded performance pay in the lump sum amount based on the percentage of goals/indicators achieved by the department as follows: 100% achievement will be awarded 1.5% (one and one-half percent) of base pay; achievement less than 100% shall be pro-rated based on the actual percentage achieved (e.g., 97% achievement = 97% of 1.5% base pay; 92% achievement = 92% of 1.5% base pay, etc.).

3. Compensation for organizational and departmental performance pay will be paid in lump sums at the same time it is awarded to non-organized personnel.
City Council Agenda Item #11A
Meeting of March 6, 2017

Brief Description
Resolution approving a conditional use permit for accessory structures exceeding 1,000 square feet and 12 feet in height, and a variance to add a second curb cut, at 4142 Avondale Street

Recommendation
Adopt the resolution approving the conditional use permit and variance

Background

The applicants, Chad and Sheryl Vugteveen, are proposing to construct a 1,130 square foot detached garage with a second driveway. As there is already an existing detached garage on the property, the proposed garage will expand the total area of accessory structures on the site to 1,841 square feet, requiring a conditional use permit. The proposal also requires a variance, as second driveways are prohibited with conditional use permits for accessory structures exceeding 1,000 square feet or 12 feet in height.

The property owners have confirmed that they own and run a contracting business. Staff was initially concerned about this business, as contracting businesses – beyond office activities associated with such – are prohibited on residential property and commercial uses are a prohibited use of accessory structures receiving a conditional use permit. However, Mr. Vugteveen has stated that any equipment or items used by his contracting business are stored in a storage building in the City of Plymouth and that no equipment will be stored in the proposed garage or home. (See attached letter dated 1/31/17.) The only business conducted at Mr. Vugteveen’s home is office work, such as general paper work and construction design.

Planning Commission Hearing

The planning commission considered the proposal on February 16, 2017. The staff report from that meeting and various plans and documents describing the proposal are attached. Staff recommended approval, noting:

1) The proposed accessory structure would meet all of the general and specific conditional use permit standards, with the exception of the requirement prohibiting additional curb cuts.

2) The subject site, along with several other sites on Avondale Street, is permitted to have a second curb cut. City ordinance allows a second curb cut on the properties with lot frontage exceeding 110 feet. However, second curb cuts are prohibited as part of the requirements for a conditional use permit for accessory structures exceeding 1,000 square feet or 12 feet in height.
3) If approved, the proposal would not alter the essential character of the neighborhood.

At the commission meeting, a public hearing was opened to take comment. However, no comments were received.

**Planning Commission Recommendation**

On a 6-0 vote, the commission recommended that the city council approve the request. Meeting minutes are attached.

**Since Planning Commission Hearing**

There have been no changes to the proposal or additional information received since the planning commission’s meeting on this item.

**Staff Recommendation**

Staff recommends the city council adopt the resolution approving a conditional use permit for accessory structures exceeding 1,000 square feet and 12 feet in height, and a variance to add a second curb cut, at 4142 Avondale Street.

Through: Perry Vetter, Assistant City Manager  
Julie Wischnack, AICP, Community Development Director  
Loren Gordon, AICP, City Planner

Originator: Drew Ingvalson, Planner
MINNETONKA PLANNING COMMISSION
February 16, 2017

Brief Description
Conditional use permit for accessory structures exceeding 1,000 square feet and 12 feet in height, and a variance to add a second curb cut, at 4142 Avondale Street.

Recommendation
Recommend the city council adopt the resolution approving the request.

Proposal
The applicants, Chad and Sheryl Vugteveen, are proposing to construct a 1,130 square foot detached garage with a second driveway. As there is already an existing detached garage on the property, the proposed garage will expand the total area of accessory structures on the site to 1,841 square feet. (See attached).

Proposal requirements:
This proposal requires:

- **Conditional Use Permit (CUP):** Accessory structures exceeding 12 feet in height and/or 1,000 square feet of gross floor area are conditionally permitted uses within residential districts.

- **Variance:** A conditional use permit standard for accessory structures exceeding 12 feet in height and/or 1,000 square feet is “no additional curb cuts to be permitted.”

Approving Body
The planning commission makes a recommendation to the city council, which has the final authority to approve or deny the request. (City Code §300.06.4).

Staff Analysis
There are two separate requests being made with this proposal: (1) a conditional use permit for an oversized accessory structure; and (2) a variance for a second curb cut. These have been separated into two different reviews.

CUP Standards
Staff finds that the applicants’ request meets the specific and general conditional use permit standards outlined in city code.
General CUP Standards

The proposed accessory structure would meet the general standards outlined in city code as it would:

- Be consistent with the intent of the ordinance;
- Be consistent with the goals, policies and objectives of the comprehensive plan;
- Not have an undue adverse impact on governmental facilities, utilities, services or existing or proposed improvements; and
- Not have an undue adverse impact on the public health, safety, or welfare of the community.

Specific CUP Standards

The proposed accessory structure would meet all of the specific CUP standards, with the exception of the requirement prohibiting additional curb cuts.

1. Side and rear setbacks equal to height of the structure or 15 feet, whichever is greater.

   **Finding:** The proposed structure would be setback 15 feet from the side property line and nearly 70 feet from the rear property line.

2. No additional curb cuts to be permitted.

   **Finding:** The applicant has proposed an additional curb cut on the property. The applicants have requested a variance for this non-compliance with the specific CUP standards.

3. Not to be used for commercial activities.

   **Finding:** The applicant has stated that the structure and property would not be used for commercial purposes. The applicant has stated that the structure would be used to store personal vehicles including a classic car, daily vehicle, snow blower, lawn mower, pair of snow mobiles, and other miscellaneous personal items.

4. Structure to be architecturally consistent with the principal structure.
**Finding:** The applicant is proposing that the structure would have architectural features similar to the existing home and detached garage.

5. Landscaping to be required to buffer views when the structure is highly visible from adjoining properties.

**Finding:** The proposed structure is located over 90 feet from the nearest home. In addition, there is vegetation on the subject property and adjacent properties that will assist in buffering the views to the detached garage.

6. Site and building plan subject to review pursuant to section 300.27 of this ordinance.

**Finding:** The proposed garage would meet the site and building plan standards as outlined in City Code Section 300.27 Subd. 5.

**Variance Standards**

Staff finds that the applicant’s request meets the variance standards outlined in city code.

1. The proposal is in harmony with the general purposes and intent of the zoning ordinance:

**Finding:** The proposal is in harmony with the general purposes and intent of the zoning ordinance.

The intent of the specific conditional use permit standard prohibiting additional curb cuts is to limit the proliferation of driveway accesses on residential lots. City Code Section 1105.060, which is outside of the zoning regulations chapter, addresses multiple driveways on single family lots. This section allows a lot to have a second driveway on the same street when the lot has a street frontage of at least 110 feet. The subject property has over 150 feet of frontage. Per this Section 1105.060, the subject property would be allowed a second curb cut if the property owner was not applying for a conditional use permit for an oversized accessory structure.

The proposal is in harmony with the general purposes and intent of the zoning ordinance as the subject property would be allowed a second curb cut if it weren’t for the conditional use permit request for an oversized accessory structure.
2. The proposal is consistent with the Comprehensive Plan:

Finding: The proposed variance is consistent with the comprehensive plan. The guiding principles in the comprehensive guide plan provide for maintaining, preserving and enhancing existing single-family neighborhoods. The requested variance would preserve the residential character of the neighborhood and would provide investment into a property to enhance its use.

3. Practical Difficulties: There are practical difficulties in complying with the ordinance.

a) Reasonableness and Circumstance Unique to the Property:

Finding: Staff has found that the request for a variance to allow an additional curb cuts is reasonable. The subject property has 154 feet of street frontage. Per city code, properties are permitted to add a second curb cut as long as the property has at least 110 feet of street frontage. The subject property meets this requirement and would be permitted a second curb cut if the property owner was not requesting a conditional use permit for an accessory structure.

Further, the subject property is nearly 45,000 square feet in area. The large area of the property and the large amount of frontage creates an acceptable situation for a second curb cut and driveway.

b) Neighborhood Character:

Finding: The subject area is not characterized by properties with two curb cuts. However, the addition of a second driveway on the subject property would not alter the essential character of the neighborhood. The subject neighborhood is largely characterized by the large lots, the majority are over 30,000 square feet, many of which have adequate frontage for a second driveway. Seven of the nine properties with frontage on Avondale Street, including the subject property, would be allowed a second driveway. Without construction of accessory structure over 1,000 square feet or 12 feet in height, such driveway could be administratively reviewed and approved. (See attached).
Staff Recommendation

Recommend that the city council adopt the attached resolution. This resolution approves a conditional use permit for 1,841 square feet of accessory structures that exceed 12 feet in height and a variance to add a second curb cut at 4142 Avondale Street.

Originator: Drew Ingvalson, Planner
Through: Loren Gordon, AICP, City Planner
## Supporting Information

<table>
<thead>
<tr>
<th><strong>Project No.</strong></th>
<th>17001.17a</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property</strong></td>
<td>4142 Avondale Street</td>
</tr>
<tr>
<td><strong>Applicants</strong></td>
<td>Chad and Sheryl Vugteveen</td>
</tr>
<tr>
<td><strong>Surrounding Land Uses</strong></td>
<td>All surrounding properties are improved with single family residential homes, zoned R-1 and guided for low density residential.</td>
</tr>
</tbody>
</table>
| **Planning**    | Guide Plan designation: Low density residential  
|                 | Zoning: R-1 |
| **Site features** | The subject property is just over one acre in size. The property is improved with a split level single-family home with a detached garage. The detached garage has a gross floor area of 711 square feet. The detached garage has non-conforming front and side yard property line setbacks. |
| **Proposal**    | The proposed detached garage would be 1,130 square feet in size and would be used to store a classic car, daily use car, snowmobiles, snow blower, lawn mower, and other miscellaneous personal items. |
| **Commercial Business** | As proposed, the building height is 12 feet 6 inches. The building height was found by measuring from the highest grade to the midpoint of the highest roof peak. |

The property owners have confirmed that they own and run a contracting business. **Staff was initially concerned about this business**, as contracting businesses – beyond office activities associated with such, are prohibited on residential property. Moreover, accessory structures receiving a conditional use permit for area or height are strictly prohibited from being used for commercial uses.

Mr. Vugteveen has stated that any equipment or items used by his contracting business are stored in a storage building in the City of Plymouth and that no equipment will be stored in the proposed garage or home. (See attached letter dated 1/31/17). The only business conducted at Mr. Vugteveen’s home is office
work, such as general paper work and construction design. The applicant has informed staff that the proposed garage would store a:

- classic car;
- daily driver car;
- snow blower;
- lawn mower;
- pair of snowmobiles; and
- other miscellaneous personal items.

**Natural Resources**  
A proposed grading and tree preservation plan must be provided prior to issuance of the permit and must clearly indicate proposed trees to be removed to determine tree mitigation requirements. Any tree mitigation will need to be installed prior to final inspection.

**Motion Options**  
The planning commission has the following motion options:

1. Concur with staff’s recommendation. In this case, a motion should be made recommending the city council approve the proposal based on the findings outlined in the staff-drafted resolution.

2. Disagree with staff’s recommendation. In this case, a motion should be made recommending the city council deny the request. The motion should include findings for denial.

3. Table the request. In this case, a motion should be made to table the item. The motion should include a statement as to why the request is being tabled with direction to staff, the applicant or both.

**Pyramid of Discretion**
<table>
<thead>
<tr>
<th><strong>Voting Requirement</strong></th>
<th>The planning commission will make a recommendation to the city council on the applicant’s proposal. A recommendation for approval requires an affirmative vote of four members. The city council’s final approval requires affirmative votes of five councilmembers, due to the variance request.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Neighborhood Comments</strong></td>
<td>The city sent notices to 47 area property owners and received no comments to date.</td>
</tr>
<tr>
<td><strong>Deadline for Decision</strong></td>
<td>March 14, 2017</td>
</tr>
</tbody>
</table>
Location Map

Project: Chad & Sheryl Vugteveen
Address: 4142 Avondale St
Project No. 17001.17a

This map is for illustrative purposes only.
LEGAL DESCRIPTION:
Lot 11, 12 and the North half of Lot 13, Block 2, WOODSTOCK, Hennepin County, Minnesota.

SCOPE OF WORK & LIMITATIONS:
1. Showing the length and direction of boundary lines of the legal description listed above. The scope of our services does not include determining what you own, which is a legal matter. Please check the legal description with your records or consult with competent legal counsel, if necessary, to make sure that it is correct and that any matters of record, such as easements, that you wish to be included on the survey have been shown.
2. Showing the location of observed existing improvements we deem necessary for the survey.
3. Setting survey markers or verifying existing survey markers to establish the corners of the property.
4. Showing the location of observed existing improvements we deem necessary for the survey.
5. Setting survey markers or verifying existing survey markers to establish the corners of the property.
6. While we show a proposed location for this home or addition, we are not as familiar with your proposed plans as you, your architect, or the builder are. Review our proposed location of the improvements and proposed yard grades carefully to verify that they match your plans before construction begins. Also, we are not as familiar with local codes and minimum requirements as the local building and zoning officials in this community are. Be sure to show this survey to said officials, or any other officials that may have jurisdiction over the proposed improvements and obtain their approvals before beginning construction or planning improvements to the property.
7. Note that all building dimensions and building tie dimensions to the property lines, are taken from the siding and or stucco of the building.

STANDARD SYMBOLS & CONVENTIONS:
* Denotes iron survey marker, set, unless otherwise noted.
Map prepared by: City of Minnetonka

Not a Survey. Not to Scale

Subject Property

Properties allowed
2nd curb cut

LAKE ST EXTENSION
AVONDALE ST
January 13, 2017

RE: 4142 Avondale St. Conditional use Permit Application.

Owners Statement:

We are applying for a conditional use permit in order to construct an additional detached garage on our 1 acre site at 4142 Avondale St. The existing garage on our site is detached and would remain on site. Our existing detached garage is 22x32 or 704 sq. ft. The additional garage we propose to construct is 1,130 sq. ft. With the new proposed additional garage our total detached garage space would be 1,834 sq. ft. on our 1 acre site.

We are applying for the conditional use permit for the 834 sq. ft. of garage area above the 1,000 sq. ft. of accessory building area currently allowed. We are also applying to install a second driveway and entrance from the street to the new garage location. This is noted on the included survey/site plan.

Regards,

Chad and Sheryl Vugteveen
Home Owners
Date: 1/31/17

To: Drew Ingvalson  
    Planner/City of Minnetonka

From: Chad Vugteveen

RE: Conditional Use Permit Request – 4142 Avondale St.

Mr. Ingvalson,

The purpose of this letter is to answer questions raised in your letter to me dated January 31, 2017 regarding how the proposed garage structure would be used. There were also questions raised in your letter as to if I would use the proposed garage structure in my contracting business.

The proposed building would be used to store personal vehicles including a classic car and a daily driver. Miscellaneous other items include a snowblower, lawn mower, and a pair of snowmobiles.

I don’t have many items to store for my small contracting business. However any items I need to store for my business are stored in a storage building in Plymouth, MN which I own. No business equipment will be stored in the proposed garage building. I do not have any business equipment or items stored at my home currently.

I do use a home office to design projects and for general paperwork needs for my business. No business meetings are held in my home office. For the foreseeable future my business will remain the same size with all meetings off-site at customers’ homes. I have no plans to change or expand my contracting business.

Feel free to contact me for any additional information you might find useful to your review.

Regards,

Chad Vugteveen

Chad Vugteveen
7. Public Hearings: Consent Agenda: None

8. Public Hearings

A. Conditional use permit for accessory structures exceeding 1,000 square feet and 12 feet in height and a variance to add a second curb cut at 4142 Avondale Street.

Chair Kirk introduced the proposal and called for the staff report.

Ingvalson reported. He recommended approval of the application based on the findings and subject to the conditions listed in the staff report.

Chad Vugteveen, 4142 Avondale Street, applicant, stated that staff did a thorough job. He was available for questions. He explained that in order to extend the driveway to the proposed accessory structure, four trees would have to be removed and the contours of the site would not work well. The proposal would require removal of no more than two trees.

Powers supported saving two additional trees. Calvert agreed, even though the proposal would create a lot of impervious surface.

O’Connell thought staff did a good job. He supports staff’s recommendation.

Chair Kirk thought the additional curb cut would work because of the width of the lot. He would hate to see other lots adding a second curb cut. The lot is large enough for the accessory structure.

Calvert noted that the site already uses an unofficial second curb cut.

The public hearing was opened. No testimony was submitted and the hearing was closed.

O’Connell moved, second by Powers, to recommend that the city council adopt the attached resolution. This resolution approves a conditional use permit for 1,841 square feet of accessory structures that exceed 12 feet in height and a variance to add a second curb cut at 4142 Avondale Street.

Knight, O’Connell, Powers, Sewell, Calvert, and Kirk voted yes. Motion carried.
Chair Kirk stated that this item is tentatively scheduled to be reviewed by the city council March 6, 2017.

9. Other Business

A. Concept plan review for Newport Midwest at 10400, 10500, and 10550 Bren Road East.

Chair Kirk introduced the proposal and called for the staff report.

Gordon reported. He recommended that the planning commissioners provide comments and feedback on the identified key issues and others the planning commission deems appropriate. The discussion is intended to assist the applicant with future direction that may lead to the preparation of more detailed development plans.

Powers asked for the ratio of parking stalls to units. Gordon referred the question to the applicant.

O’Connell asked if there is a design overlay for the site. Gordon explained that there is a trip generation overlay for Opus. Wischnack noted that the SWLRT placed an overlay on the site. Chair Kirk thought that an overall design plan would be beneficial.

In response to Chair Kirk’s question, Wischnack explained that both sections of the SWLRT would go over Bren Road West on the south side. There would be a lot of bridge replacements with the SWLRT project. The lite rail would travel underground at Feltl Road and Smetana Road.

Becky Landon, with Newport Midwest, and Pete Keeley, of Collage Architects, introduced themselves. Ms. Landon stated that she is looking for input before creating the plan for the aesthetic look of the building. She hopes to set a standard. The proposal would include 240 units of which 55 units would be affordable at 50 percent and 60 percent median-income levels. The market-rate units would be just below luxury level. The applicant is looking at two buildings which would be broken up.

Mr. Keeley said that the proposal hopes to have a lot of outdoor spaces and ways for the residents to engage with the trails and pedestrian paths. There would be a front, direct access to each unit with porches that would be set a few feet up from the grade to offset the lights from vehicles on Bren Road and the train. He explained the trail and sidewalk locations. There would be a commons
Resolution No. 2017

Resolution approving a conditional use permit for accessory structures exceeding 1,000 square feet in area and 12 feet in height, and a variance to add a second curb cut, at 4142 Avondale Street

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

1.01 The applicants, Chad and Sheryl Vugteveen, are proposing to construct a 1,130 square foot detached garage with a second driveway accessing the garage. The proposed garage will expand the total area of accessory structures on the site to 1,841 square feet.

1.02 The property is located at 4142 Avondale Street. It is legally described as:

BLOCK 2, Lots 11, 12, AND OF NORTH ½ OF LOT 13 INCLUDING ADJACENT ½ OF VACANT ALLEY.

1.03 On February 16, 2017, the planning commission held a hearing on the proposal. The applicant was provided the opportunity to present information to the planning commission. The planning commission considered all of the comments received and the staff report, which are incorporated by reference into this resolution. The commission recommended that the city council approve the permit.

Section 2. General Standards.

2.01 City Code §300.16 Subd. 2 outlines the following general standards that must be met for granting a conditional use permit:

1. The use is consistent with the intent of this ordinance;

2. The use is consistent with the goals, policies and objectives of the comprehensive plan;
3. The use does not have an undue adverse impact on governmental facilities, utilities, services or existing or proposed improvements; and

4. The use does not have an undue adverse impact on the public health, safety or welfare.

Section 3. Specific Standards.

3.01 City Code §300.16 Subd. 3(f) outlines the following specific standards that must be met for granting a conditional use permit for detached garages in excess of 1,000 square feet:

1. Side and rear setbacks equal to the height of the structure or 15 feet, whichever is greater;

2. No additional curb cuts to be permitted;

3. Not to be used for commercial activities;

4. Structure to be architecturally consistent with the principal structure;

5. Landscaping to be required to buffer views when the structure is highly visible from adjoining properties;

6. Site and building plan subject to review pursuant to section 300.27 of this ordinance.

Section 4. Variance Standards.

4.01 By City Code §300.07 Subd. 1, a variance may be granted from the requirements of the zoning ordinance when: (1) the variance is in harmony with the general purposes and intent of this ordinance; (2) when the variance is consistent with the comprehensive plan; and (3) when the applicant establishes that there are practical difficulties in complying with the ordinance. Practical difficulties means: (1) The proposed use is reasonable; (2) the need for a variance is caused by circumstances unique to the property, not created by the property owner, and not solely based on economic considerations; and (3) the proposed use would not alter the essential character of the surrounding area.

Section 5. Findings.

5.01 The proposal meets the general conditional use permit standards outlined
in City Code §300.16 Subd. 2.

1. The proposal is consistent with the intent of this ordinance. City ordinance permits accessory structures over 1,000 square feet and 12 feet in height as conditional uses in the R-1 district.

2. The proposal is consistent with the comprehensive plan. The guiding principles in the comprehensive guide plan provide for maintaining, preserving and enhancing existing single-family neighborhoods. The proposal would preserve the residential character of the neighborhood and would provide investment into a property to enhance its use.

3. The proposal has been reviewed by the city’s building, engineering, planning, natural resource, and fire staff. It is not anticipated to have an undue adverse impact on governmental facilities, utilities, services or existing or proposed improvements.

4. The use is not anticipated to have an undue adverse impact on the public health, safety or welfare.

5.02 The proposal meets the specific conditional use permit standards outlined in City Code §300.16 Subd. 3(f).

1. The proposed structure would be setback 15 feet from the side property line and nearly 70 feet from the rear property line.

2. The applicants have proposed an additional curb cut on the property. This variance from the specific CUP standards is discussed further in Section 5.03 of this resolution.

3. The applicants have stated that the structure would be used to store personal vehicles including a classic car, daily vehicle, snow blower, lawn mower, pair of snow mobiles, and other miscellaneous personal items. The applicants have stated that the structure and property would not be used for commercial purposes. This has been included as a condition of this resolution.

4. The applicants are proposing that the structure would have architectural features similar to the existing home and detached garage.

5. The proposed structure would be located over 90 feet from the nearest home. In addition, there is vegetation on the subject property
and adjacent properties that would assist in buffering the views to the detached garage.

6. The proposed garage would meet the site and building plan standards as outlined in City Code Section 300.27 Subd. 5.

5.03 The proposal meets the variance standards outlined in City Code §300.07 Subd. 1.

1. The proposal is in harmony with the general purposes and intent of the zoning ordinance. The intent of the specific conditional use permit standard prohibiting additional curb cuts is to limit the proliferation of driveway accesses on residential lots. City Code Section 1105.060, which is outside of the zoning regulations section, addresses multiple driveways on single family lots. This section allows a lot to have a second driveway on the same street when the lot has a street frontage of at least 110 feet. The subject property has over 150 feet of frontage. Per Section 1105.060, the subject property would be allowed a second curb cut if it weren’t for the conditional use permit request for an oversized accessory structure.

2. The proposed variance is consistent with the comprehensive plan. The guiding principles in the comprehensive guide plan provide for maintaining, preserving and enhancing existing single-family neighborhoods. The requested variance would preserve the residential character of the neighborhood and would provide investment into a property to enhance its use.

3. There are practical difficulties in complying with the ordinance.

a) Reasonableness and Unique Circumstance: The request to allow additional curb cuts is reasonable. The subject property has 154 feet of street frontage. Per city code, properties are permitted to add a second curb cut as long as the property has at least 110 feet of street frontage. The subject property meets this requirement and would be permitted a second curb cut if the property owner was not requesting a conditional use permit for an accessory structure.

Further, the subject property is nearly 45,000 square feet in area. The large area of the property and the large amount of frontage creates an acceptable situation for a second curb cut and driveway.
b) Neighborhood Character: The addition of a second driveway on the subject property would not alter the essential character of the neighborhood. The subject neighborhood is largely characterized by the large lots, the majority are over 30,000 square feet, many of which have adequate frontage for a second driveway. Seven of the nine properties with frontage on Avondale Street, including the subject property, would be allowed a second driveway. Without construction of accessory structure over 1,000 square feet or 12 feet in height, such driveway could be administratively reviewed and approved.

Section 6. City Council Action.

6.01 The above-described conditional use permit is approved, subject to the following conditions:

1. Subject to staff approval, the property must be developed and maintained in substantial conformance with the following plans:
   • Survey revision dated January 16, 2017
   • Building plan and elevations received January 13, 2017

2. Prior to issuance of a building permit:
   a) This resolution must be recorded with Hennepin County.
   b) A driveway permit must be issued.
   c) Proposed grading and tree preservation plan must be provided prior to issuance of the permit and must clearly indicate proposed trees to be removed.
   d) Cash escrow, in an amount to be determined by city staff, must be submitted. This escrow must be accompanied by a document prepared by the city attorney and signed by the builder and property owner. Through this document the builder and property owner will acknowledge:

       • The property will be brought into compliance within 48 hours of notification of a violation of the construction management plan, other conditions of approval, or city code standards; and

       • If compliance is not achieved, the city will use any or all of
the escrow dollars to correct any erosion and/or grading problems.

e) Erosion control and tree protection must be installed and inspected prior to final inspection.

3. Any tree mitigation required must be installed prior to final inspection.

4. Drainage moving from south to north (to the catch basin) must not be inhibited by the proposed access. The access must allow overland flow or must include a culvert to allow movement of water to the north.

5. The accessory structure may not be used for commercial purposes.

6. The accessory structure cannot be converted into living space.

7. The city council may reasonably add or revise conditions to address any future unforeseen problems.

Adopted by the City Council of the City of Minnetonka, Minnesota, on March 6, 2017.

_______________________________________
Terry Schneider, Mayor

Attest:

_________________________________
David E. Maeda, City Clerk

Action on this resolution:

Motion for adoption:
Seconded by:
Voted in favor of:
Voted against:
Abstained:
Absent:
Resolution
I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on March 6, 2017.

David E. Maeda, City Clerk
City Council Agenda Item #13A  
Meeting of March 6, 2017

**Description**  
Resolution vacating a sump easement and drainage and utility easements located at 1555 Linner Road.

**Recommendation**  
Hold the public hearing and adopt the resolution approving the vacations

**Proposal**

In January 2017, the city council approved the preliminary plat of WOODLANDS AT LINNER. The plat established new easements along all new property lines. The applicant is now requesting the vacation of obsolete public drainage and utility easements and an obsolete sump easement. Currently, drainage and utility easements exist around the perimeter of the previous 1555 Linner Road, prior to its combination with adjacent properties to form its current configuration. For simplicity, the obsolete sump easement and obsolete drainage and utility easements would be vacated, and re-established by the WOODLANDS AT LINNER plat.

**Staff Analysis**

The requested vacation is reasonable as:

- There are no public utilities within the easement areas that would be vacated.
- The existing easement areas are obsolete.
- New easements would be dedicated within the WOODLANDS AT LINNER plat.

**Staff Recommendation**

Hold the public hearing and adopt the resolution vacating the easements on the property at 1555 Linner Road with the condition that the plat must be filed to enact the vacation of easements.

Submitted through:
- Perry Vetter, Assistant City Manager
- Julie Wischnack, AICP, Community Development Director
- Loren Gordon, AICP, City Planner

Originated by:
- Ashley Cauley, Senior Planner
Reso

Reso

Resolution No. 2017-

Resolution vacating a sump easement and drainage and utility easements at 1555 Linner Road

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

1.01 HPH Linner, LLC has petitioned the Minnetonka City Council to vacate a sump easement and drainage and utility easements at 1555 Linner Road.

1.02 The easements are legally described on Exhibit A and depicted on Exhibit B of this resolution.

1.03 City Charter Section 12.06 a hearing notice on said petition was published in the City of Minnetonka’s official newspaper and written notice was mailed at to the owners of each abutting property and to all landowners in the plat.

1.04 On March 6, 2017, the City Council held a hearing on such petition, at which time all persons for and against the granting of said petition were heard.

Section 2. Standards.

2.01 Section 12.06 of the City Charter states that “No vacation shall be made unless it appears in the interest of the public to do so...”

Section 3. Findings.

3.01 The Minnetonka City Council makes the following findings:

1. There are no public utilities located within the easement.

2. There is no anticipated public need for the easement.
3. The vacation is not counter to the public interest.


4.01 The City Council vacates the above-described easements.

4.02 The vacations are only effective upon filing of the WOODLANDS AT LINNER plat.

Adopted by the City Council of the City of Minnetonka, Minnesota, on March 6, 2017.

______________________________
Terry Schneider, Mayor

Attest:

______________________________
David E. Maeda, City Clerk

Action on this resolution:

Motion for adoption:
Seconded by:
Voted in favor of:
Voted against:
Abstained:
Absent:
Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on March 6, 2017.

______________________________
David E. Maeda, City Clerk
Exhibit A

All that part of those easements for drainage and utility purposes and all that part of those easements for sump purposes as described in documents numbered 4689115, 4692879 and 5928206 which lie over the following described parcel:

All that part of Lot 9, SUPERIOR BOULEVARD GARDENS, according to the recorded plat thereof, Hennepin County, Minnesota, described as follows:

Beginning at the southeast corner of said Lot 9; thence northerly along the east line of said Lot 9 a distance of 199.38 feet to the south line of the north 135.00 feet of said Lot 9; thence South 89 degrees 41 minutes 33 seconds West, assumed bearing, along the south line of the north 135.00 feet of said Lot 9 a distance of 110.07 feet; thence South 60 degrees 55 minutes 32 seconds West a distance of 178.21 feet; thence South 44 degrees 33 minutes 31 seconds West a distance of 31.89 feet; thence West a distance of 18.49 feet; thence South 60 degrees 55 minutes 32 seconds West a distance of 96.69 feet to line “A” hereinafter described; thence southeasterly along said line “A” to the south line of said Lot 9; thence easterly along south line to the point of beginning.

Said Line “A” is hereinafter described as follows:

Beginning at the intersection of the east line of the west 146.00 feet of said Lot 9 and the north line of the south 50.00 feet of said Lot 9; thence easterly along the north line of the south 50.00 feet of said Lot 9 a distance of 40.00 feet; thence southeasterly along a tangential curve, concave to the southwest having a radius of 165.00 feet and a central angle of 45 degrees 48 minutes 47 seconds a distance of 131.93 feet to the south line of said Lot 9 and said line “A” there terminating.
PROPOSED DESCRIPTION TO VACATE EASEMENTS

All that part of those easements for drainage and utility purposes and all that part of those easements for
sump purposes as described in documents numbered 4689115, 4692879 and 5923208 which lie over the
following described parcel:

All that part of Lot 9, SUPERIOR BOULEVARD GARDENS, according to the recorded plat thereof, Hennepin County,
Minnesota, described as follows:

Beginning at the southeast corner of said Lot 9; thence northeasterly along the east line of said Lot 9 a distance
of 99.58 feet to the south line of the north 135.00 feet of said Lot 9; thence South 89 degrees 41 minutes
33 seconds West, assumed bearing, along the south line of the north 135.00 feet of said Lot 9 a distance of
110.07 feet; thence South 60 degrees 25 minutes 32 seconds West a distance of 178.21 feet; thence South 44
degrees 33 minutes 31 seconds West a distance of 31.89 feet; thence West a distance of 18.49 feet; thence
South 60 degrees 55 minutes 32 seconds West a distance of 86.69 feet to line "A" hereafter described;
thence southeasterly along said line "A" to the south line of said Lot 9; thence easterly along said south line
to the point of beginning.

Said Line "A" is hereafter described as follows:

Beginning at the intersection of the east line of the west 146.00 feet of said Lot 9 and the north line of the
south 50.00 feet of said Lot 9; thence easterly along the north line of the south 50.00 feet of said Lot 9 a
distance of 40.00 feet; thence southeasterly along a tangential curve, concave to the southwest having a radius
of 165.00 feet and a central angle of 45 degrees 48 minutes 47 seconds a distance of 131.93 feet to the
south line of said Lot 9 and said line "A" there terminating.

Denotes easements to be vacated

* This sketch does not purport to show the existence or nonexistence of any encroachments from or onto the herein
  described land, easements of record or unrecorded easements which affect said land or any improvements to said land.
Brief Description: Temporary on-sale liquor license for Bet Shalom Congregation, 13613 Orchard Road

Recommendation: Hold the public hearing and grant the license

Background

The city has received an application for a temporary on-sale liquor license from Bet Shalom Congregation for an annual fundraiser to be held on Saturday, April 29, 2017, at 13613 Orchard Road. The event will include food, silent auction and cash bar including wine and beer and will be held from 6:00-10:00 p.m.

The event will be open to all members of the congregation. Bet Shalom will ask for identification from guests and provide wristbands to anyone over age 21. Silent auction items will include alcohol in some of the baskets, so participants will be asked to verify that they are wearing a wristband prior to removing items from the event for the evening.

City liquor ordinances allow temporary on-sale liquor licenses to be issued to clubs and other charitable, religious, or not-for-profit organizations, subject to application, public hearing, and approval by the city council. Bet Shalom congregation has completed the license application, paid the $25 fee, and provided proof of insurance. They are a non-profit charitable organization, and are therefore eligible for a temporary liquor license.

Staff does not anticipate any difficulties in connection with serving alcohol at the event held on April 29, 2017.

Recommendation

Staff recommends the council hold the public hearing and grant the license.

Submitted through:
  Perry Vetter, Assistant City Manager
  Julie Wischnack, AICP, Community Development Director

Originated by:
  Kathy Leervig, Community Development Coordinator
Location Map

Applicant: Bet Shalom Congregation
Address: 13613 Orchard Road

City of minnetonka
Where quality is our nature
DESCRIPTION OF EVENT

Bet Shalom's annual fundraiser will be held on April 29, 2017 in the evening from 6-10 pm at our synagogue at 13613 Orchard Road, Minnetonka, MN. The event will be held in our Social Hall and Sanctuary and will include food, a silent auction, and a cash bar serving both beer and wine. The funds raised from this event go to support Bet Shalom's ongoing program for congregants and outreach in the community.

Liquor served at the event will be purchased from a wholesaler OR donated by a congregant and delivered to the event the week prior. All bottles will be kept in a locked closet to ensure that it is not accessed at all prior to the event and to ensure that only those legally authorized to handle alcohol, do so. The pouring will be done by a member of the Spring Fundraiser committee who is over the age of 21, or by a professional bartender.

The event will be open to all members of the congregation, and because there is the possibility of having guests under the age of 21, we will be providing wristbands to all those wanting to partake as they enter the facility and show their ID to verify that they are of age. The server will ask to see a wristband proving that an individual has already been carded prior to serving him/her a drink.

The event will also include wine in the silent auction. All those participating in the silent auction will be checked for a wristband and the bottles of which will remain closed for the duration of the event and to travel home with the purchaser.

Additionally, there will be members of the Spring Fundraiser committee monitoring to ensure that any drinks that might be momentarily set down or abandoned are not picked up and consumed by a guest who is under the legal drinking age.

Additionally, all open bottles that are in the process of being served will be attended to by someone authorized to serve.
Working on a Dream... for Bet Shalom

Saturday, April 29th | 6pm
at Bet Shalom Congregation

Formal invitation to follow. Details at betshalom.org
City Council Agenda Item #13C  
Meeting of March 6, 2017

**Brief Description**  
Temporary on-sale liquor license for The Mills Church, 13215 Minnetonka Drive

**Recommendation**  
Hold the public hearing and grant the license

**Background**

The city has received an application for a temporary on-sale liquor license from The Mills Church for a silent auction fundraiser to be held on Sunday, April 23, 2017, at 13215 Minnetonka Drive. This is a youth sponsored event at the church that is raising funds to support mentoring programs, local and international service projects, student scholarships for camp, mission trips and leadership development retreats. The event will include appetizers, coffee, beer and wine and will be held from 6:30-8:30 p.m.

The event will be open to all community members as well as members of the congregation, provided they are over age 21. Some teenagers will be present at the event to work as servers of food and non-alcoholic beverages. All alcohol will be locked up prior to the event and specific adults will have responsibility to ensure that open containers or glasses with alcohol are removed from tables immediately if left unattended.

City liquor ordinances allow temporary on-sale liquor licenses to be issued to clubs and other charitable, religious, or not-for-profit organizations, subject to application, public hearing, and approval by the city council. The Mills Church has completed the license application, paid the $25 fee, and provided proof of insurance. They are a non-profit charitable organization, and are therefore eligible for a temporary liquor license.

This is the first request for a temporary liquor license for the church. Staff does not anticipate any difficulties in connection with serving alcohol at the event held on April 23, 2017.

**Recommendation**

Staff recommends the council hold the public hearing and grant the license.

Submitted through:
- Perry Vetter, Assistant City Manager
- Julie Wischnack, AICP, Community Development Director

Originated by:
- Kathy Leervig, Community Development Coordinator
Location Map

Applicant: The Mills Church
Address: 13215 Minnetonka Dr.

City of minnetonka
Where quality is our nature
millsYOUTH is the student ministry of the Mills Church in Minnetonka, MN. millsYOUTH is dedicated to Mentoring, Leadership Development, Service, and Spiritual Formation of Middle and High School Students in the West Metro. This year millsYOUTH, representing over 80 teens, is raising funds to support our mentoring programs, local and international service projects, student scholarships for camp, mission trips and leadership development retreats.

**What:** millsYOUTH is raising funds to support its incredible work through a Gala/Silent Auction. Funding goal: $15,000.

**When:** April 23rd 2017

**Where:** The Mills Church 13215 Minnetonka Dr. 55305

**Who:** The Students will be serving community members, teachers, parents, and friends at this fantastic event. They will benefit from 100% of all donations.

**Contact:** Aaron Merritt, Pastor Senior High Youth; Dave Creek, Pastor of Middle School Youth @ 952-935-8636 or email: info@millschurch.org

**What We are Asking of You**
(Please consider the following)

**Donate an Auction Item**
- Gift Card
- A Service
- One of your Products
- Something fun and generally awesome
- **Cash Donations are accepted** (make checks payable to the Mills Church - write MillsYouth in memo line)

**Provide a few Business Cards and/or brochure.** Your auction item will be identified with your business. We expect a couple hundred people to see and bid on your auction item. We would love your local business to be recognized and celebrated. Thank you for investing in young people!!

You will receive a tax-deductible gift-in-kind receipt from the Mills Church for your donation.
The Mills Church will be hosting a silent auction fundraiser on Sunday April 23rd from 6:30pm – 8:30pm. There will be appetizers and coffee drinks served. The proceeds will go to support the operating budget for the middle school & Sr high ministry at Mills church.

We will be soliciting various donors to help with donating bottles of wine and beer for the event. It will be stored and locked away, on site, before the event.

In order to keep alcohol out of the hands of minors during our event we plan on having all alcohol stored in a locked closet. We will be serving Beer and wine from behind a counter and will be served by Adults over 40 who will be checking ID’s. We will also have 2 adults who’s sole responsibility during the evening will be to monitor glasses or bottles left or unattended on tables. They will be instructed to bus any unattended glasses or bottles immediately. There will be a limited number of underage students at the event as this is an adults only event. The teens present will be helping do specific jobs under supervision.
Site plan
City Council Agenda Item #13D
Meeting of March 6, 2017

Brief Description
On-sale wine and on-sale 3.2% malt beverage liquor licenses for Greenfield Natural Kitchen, LLC, at 1700 Plymouth Road

Recommendation
Continue the public hearing and grant the licenses

Background
The city has received an application from Greenfield Natural Kitchen, LLC for On-Sale Wine and On-Sale 3.2% Malt Beverage liquor licenses for a new restaurant in the building at 1700 Plymouth Road.

Greenfield is a health food restaurant that is between fast food and casual dining. It combines the speed and convenience of counter service with the amenities and aesthetics of casual dining.

Business Ownership
Greenfield Natural Kitchen, LLC is owned by Doug Sams. Mr. Sams founded D Brian's Deli Corp in 1987 and currently operates seven D Brian’s locations throughout the Twin Cities. In addition to D Brian's Deli, he owns and operates two Greenfield Natural Kitchen locations in Minneapolis. He is proposing to open the third location in Minnetonka.

Business Operations
The restaurant will occupy approximately 2,600 square feet of the existing building and will allow seating for approximately 60 guests. The restaurant will be open for lunch and dinner, Sunday thru Saturday, 11am-9pm.

The applicant is proposing to install a computer controlled beer and wine system (ipourit) for registered users who would self-pour their beer and wine. The system operates in the following manner:

- The system is regulated by a beverage ambassador which is always on duty and is responsible for the safe and legal operation of the computer controlled self-pour system.
- The alcohol critical control point is the ambassador's workstation that includes the computer controls, the point of sale system, the electronic age verification system, the clean glasses and the self-pour taps.
By default, all taps are always locked by computer control—no employee or customer can ever open any tap without computer authorization.

- Computer authorization requires a valid ID and a credit card. The ambassador will examine the ID, check the photo against the patron, and then swipe the ID electronically to verify the patron's age. If everything is acceptable, the ambassador will assign a unique radio frequency identification wristband (RFID) bracelet to the Registered User.
- Only registered users can unlock taps, and only one tap at a time can be unlocked. This is accomplished by holding the RFID bracelet in close proximity to the chosen tap’s computer tablet.
- The computer tablet knows who has unlocked the tap, when it was unlocked, what they are pouring, how much they are pouring, and how much to charge to the user's bill.
- The computer tablet has many safety controls and allows restaurant management to place a daily limit on how much alcohol a customer can pour before the customer's RFID bracelet is deactivated. The owner has determined that three pints (48 ounces) of beer or three servings of wine (17.8 ounces) will be the daily limit set for customers. If a customer decides to interchange beer and wine, the system will keep track of the allowed daily amount by using a “multiplier factor” that will record every ounce of wine as 2.7 ounces toward the daily limit.
- No customer is allowed to refill a used glass. All refills must go into a clean glass that is provided by the ambassador - this critical control point prevents authorized users from giving their RFID bracelet to someone who is underage or otherwise not authorized.
- When the authorized user wants to tab out, they return the RFID bracelet to the ambassador who presents the final bill to the customer.

Greenfield's computer controlled self-pour system is different than traditional bartender-pour arrangements because it has many controls that traditional arrangements lack. All ID'S are electronically verified, all users have to be registered before they can pour a drink, all users are limited to a pre-determined amount of alcohol and all refills need to go through the Ambassador.

Projected food to liquor ratio will be 87% food and 13% alcohol.

Mr. Sams will also serve as the general manager. He resides in Medina and meets the metro-area residency requirements of the city’s liquor ordinance.

Staff will go through alcohol server training, using TIPS (Training for Intervention Procedures) to ensure responsible sale and consumption of alcohol.
Applicant Information

Application information and license fees have been submitted. The police department’s investigative report on this application is complete and will be forwarded separately to the council.

Additional Information since the February 6 Council Meeting

Following the February 6 council meeting, the applicant met with staff to discuss additional measures that could be used to help ensure the business is successful with the self-pour system. Staff provided suggestions to the owner based on discussions with the police chief and city attorney. Some of those suggestions are listed in the conditions of approval in the recommendation section. The owner provided additional information defining the self-dispensing alcohol process which outlines prevention and education, controlled access and management. This information will be incorporated into the job manual for Greenfield Natural Kitchen employees.

Recommendation

Staff is recommending that the city council continue the public hearing from February 6, 2017 and grant the licenses with the following conditions of approval:

1) Minnetonka Police staff will participate in pre-education of Greenfield Natural Kitchen employees to ensure understanding of liquor compliance
2) The police department will conduct two unannounced compliance checks during the first year
3) Mandatory participation in the City of Minnetonka’s Best Practices Program the first year
4) Staff will report any findings as part of the license renewal later this year as recommendations for changes if necessary.

Submitted through:
Perry Vetter, Assistant City Manager
Julie Wischnack, AICP, Community Development Director

Originated by:
Kathy Leervig, Community Development Coordinator
LOCATION MAP

Applicant: Greenfield Natural Kitchen, LLC
Address: 1700 Plymouth Rd.
Greenfield Natural Kitchen
Definition of Self Dispensing Alcohol Process
February 2017

Prevention and Education:

- All Ambassadors and front of house employees must complete T.I.P.S. training
- The business will participate in the city of Minnetonka Best Management Program

Controlled Access:

- Every customer who wishes to pour a beer or wine must present a valid ID for visual and electronic age verification in order to receive an RFID Bracelet
- Access to computer controlled beer and wine system is limited to registered users only
- The system will not operate unless an ID has been swiped and the age verified to be 21+
- All refills must go into a clean glass that will be provided by the Ambassador
- The customer must be wearing their bracelet ambassador must be able to recall that the person with the bracelet has already been ID checked.
- Following a shift change, the Ambassador must check ID’s for all customers asking for a refill
- In the event of an ID that does not swipe (Military ID or passport), only the manager will have the authority to override the system.
- No employee may pour or consume alcohol while on duty

Management:

- The Manager and the Ambassador are both responsible for the safe and legal consumption of alcohol in the dining room.
- All other employees, including customer facing cooks, must report suspicious behavior to the manager or Ambassador
- Only persons with an RFID Bracelet on their wrist may consume alcohol.
- Any employee who witnesses a customer consuming alcohol without a wrist band must report this immediately to the manager and the Ambassador
- No intoxicated customers will be allowed to pour or consume alcohol
- Every negative situation must be recorded on the Manager Event Log including names, ID’s, license plates, witness information, officer’s name, etc.
- Any customer who shows signs of being intoxicated must be reported to the manager immediately
- It is the responsibility of the Ambassador to refuse service to anyone who appears Intoxicated
- A nine-camera security system will be in place to monitor the behavior of employees and customers. It is intended to be conspicuous to inhibit bad behavior
This business plan describes a new restaurant that proposes to provide craft beer and wine for on-sale consumption.

The restaurant is known for healthy food such as salads and stir-fry and hopes to attract educated and affluent adult patrons. It is projected that food will be 87% of sales and beer/wine will be 13%. Operating hours are Sunday through Saturday from 11am – 9pm. There is no dancing, no live entertainment, and no amplified music except for the ceiling speakers that emit ambiance level sound.

The restaurant is ‘limited service’ like Panera and will not have table service from waiters and waitresses. Customers will order from iPads or on their smartphone.

The menu is still in development but will be organized under these four categories:

- Salads using whole grains and greens including some organic and local ingredients.
- Stir-Fry dishes using home made ingredients
- Sandwiches and tacos using smoke turkey, pork, beef and chicken
- Indulgent desserts using organic ice cream, berries, honey and homemade whipped cream

The restaurant’s food will be served in china and customers will use flatware for their eating utensils. Food packaging for take-out items will be recyclable or compostable. We do not foresee any issues with maintaining an attractive appearance with respect to graffiti, litter or refuse. There will be a trash container on the sidewalk outside the entrance.

Restaurant sales are expected to be 70% dine-in and 30% take out.
City Council Agenda Item #13E
Meeting of March 6, 2017

Brief Description
Off-sale liquor licenses for Minnesota Fine Wine & Spirits, LLC, (DBA Total Wine) 14200 Wayzata Blvd.

Recommendation
Open the public hearing and continue to May 1, 2017

Background

The city has received an application from Minnesota Fine Wines & Spirits, LLC (DBA Total Wine) for an off-sale intoxicating liquor license, for use at 14200 Wayzata Blvd.

In 2016, the applicant applied for an off-sale liquor license at the shopping center containing Whole Foods and Office Depot on Plymouth Road. At that time, the proposal included purchasing assets of the Big Top Liquor store. At the September 12 city council meeting, the council voted on the request from Total Wine for an off-sale liquor license. The motion to grant the license failed with a vote of 4 in favor and 3 opposed. Since a supermajority of 5 was needed to grant the license, no license was approved.

Current Application

The applicant submitted a new application in February proposing a new location in the former Golfsmith site at Ridgedale Festival Center near Toys “R” Us at 14200 Wayzata Blvd.

The application continues to include the purchase of assets of Big Top Liquor, and now includes the additional purchase of a liquor store in Minnetonka, US Liquor & Wine, located in the Country Village Shopping Center (Hwy 7/Co Rd 73) with the intent of closing those businesses.

The purchase agreement for Big Top Liquor was established with the previous application. Big Top Liquor confirmed their agreement with Minnesota Fine Wine & Spirits, LLC. US Liquor & Wine provided a letter of intent for the purchase of assets while still working through the final details of the purchase agreement. A liquor license is not transferable or available for purchase. Because a business may not purchase or “buy” a license, Minnesota Fine Wine & Spirits, LLC is required to apply and obtain their own license. The lease with KIR Minnetonka, L.P., the landlord for Ridgedale Festival Center, is contingent upon city council approval of the liquor license.

Business Ownership

Minnesota Fine Wines & Spirits, LLC (“Applicant”) is a Minnesota limited liability company. It has two classes of members, which are Class A and Class B. The Class A
members are David J. Trone and Robert L. Trone. Each of the Class A members owns a 5% membership interest.

Effective January 30, 2017, David and Robert Trone have relinquished their positions as officers of Minnesota Fine Wines & Spirits, LLC. David Trone and Robert Trone each remain a Class A Member of the Applicant, each owning 5%. Kevin A. Peters is now the President/CEO and Thomas A. Haubenstricker is the Secretary/Treasurer. Both Mr. Peters and Mr. Haubenstricker are employees of the Total Wine organization. Mr. Peters and Mr. Haubenstricker have submitted applications for background checks, which are pending with the police department.

Since the prior application was submitted, and effective January 29, 2017, four of the five trusts which comprise the Class B Members have merged for tax purposes into trusts with the same trustees and beneficiaries.

The Class B members are five trusts, each of whose membership interest has a limited right to vote, all exercised by the trustees (who are over 21 years of age) and not the beneficiaries. The beneficiaries of the trusts are the children of David Trone and Robert Trone. The trusts are passive investors, are not involved in the operations of the business and have very limited voting rights, such as only on selling the business to third parties.

The Beneficiaries have no control over the applicant, the trusts, the management or the operation of applicant’s business.

The ownership structure is listed below:

<table>
<thead>
<tr>
<th>Class A Members</th>
<th>Ownership %</th>
</tr>
</thead>
<tbody>
<tr>
<td>David J. Trone</td>
<td>5%</td>
</tr>
<tr>
<td>Robert L. Trone</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Class B Members</th>
<th>Ownership %</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCT 2013 LLC Receiving Trust</td>
<td>11.25%</td>
</tr>
<tr>
<td>JET 2013 LLC Receiving Trust</td>
<td>11.25%</td>
</tr>
<tr>
<td>NRT 2013 LLC Receiving Trust</td>
<td>11.25%</td>
</tr>
<tr>
<td>RTJ 2013 LLC Receiving Trust</td>
<td>11.25%</td>
</tr>
<tr>
<td>SPT 2013 Trust</td>
<td>45.00%</td>
</tr>
</tbody>
</table>

**Business Operations**

Hours of operation are proposed from 9:00 a.m. to 10:00 p.m., Monday through Saturday. If state law changes allowing Sunday sales, that would prompt a review of all off-sale licenses. A final floor plan has not been submitted as the lease is still in negotiation, but typically includes a retail floor area, a classroom for consumer and employee education, and a small stock room.

Each store employs about 50 employees. At any given time during the day, 15-20
employees are in the store. A store manager or assistant manager is present in the store at all times during retail hours.

Total Wine’s application identifies safeguards against under-age sales by carding all customers. In addition, all employees undergo alcohol awareness training online through SureSellNow.com, both immediately after employment and annually thereafter.

**City Council Policy 6.1**

The city council has established a policy that will consider the following criteria prior to issuing liquor licenses:

Off-sale establishments provide intoxicating liquor that will be consumed in environments that are not monitored. An increase in the number of those outlets increases the access to liquor, contributes to public safety concerns, and detracts from the desired image of the city. Accordingly, the city council determines that the 12 off-sale intoxicating liquor licenses existing as of March 22, 2010 are generally adequate to serve the city. However, the council reserves the right not to issue any license even if the number falls below 12. Despite this maximum number, the council will consider, but not necessarily approve, additional off sale intoxicating liquor licenses only if the council finds in its sole discretion that the business:

a. offers a distinctive specialty service, or
b. is a complementary part of a business that would add positively to the experience of living and working in the city; or
c. is part of a village center that is not currently served.

Currently, the council has approved 14 off-sale liquor licenses. Eleven of those licenses are stand-alone liquor stores and two are for 3.2% malt beverage licenses (Target on Co Rd 101 & Glenn’s 1-stop on Minnetonka Blvd). The additional off-sale license was issued to Unmapped Brewing LLC in October 2016 for an off-sale license for growlers. Unmapped Brewing is still in the process of building out the site. If Big Top Liquors and US Liquor & Wine close, the total number of stand-alone liquor stores will be 9 within the city. The current list of off-sale license holders include the following establishments:

<table>
<thead>
<tr>
<th>#</th>
<th>Establishment – Full Service Liquor Stores</th>
<th>Address</th>
<th>Square Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><em>Big Top Liquors</em></td>
<td>12937 Ridgedale Dr</td>
<td>8,465</td>
</tr>
<tr>
<td>2</td>
<td>Byerlys Wines &amp; Spirits</td>
<td>13081 Ridgedale Dr</td>
<td>3,844</td>
</tr>
<tr>
<td>3</td>
<td>Glen Lake Wine &amp; Spirits</td>
<td>14704 Excelsior Blvd</td>
<td>3,200</td>
</tr>
<tr>
<td>4</td>
<td>Haskell’s</td>
<td>12900 Wayzata Blvd</td>
<td>8,100</td>
</tr>
<tr>
<td>5</td>
<td>MGM Wine &amp; Spirits</td>
<td>4795 Co Rd 101</td>
<td>10,400</td>
</tr>
<tr>
<td>6</td>
<td>Strong Liquor</td>
<td>11048 Cedar Lake Rd</td>
<td>2,305</td>
</tr>
<tr>
<td>7</td>
<td>Sundial Wine &amp; Spirits</td>
<td>5757 Sanibel Dr</td>
<td>3,480</td>
</tr>
<tr>
<td>8</td>
<td>The Wine Shop</td>
<td>17521 Minnetonka Blvd</td>
<td>4,500</td>
</tr>
<tr>
<td>9</td>
<td>Tonka Bottle Shop</td>
<td>17616 Minnetonka Blvd</td>
<td>3,244</td>
</tr>
<tr>
<td>10</td>
<td>Trader Joe’s</td>
<td>11220 Wayzata Blvd</td>
<td>2,200</td>
</tr>
</tbody>
</table>
Total Wine Metro Locations

Total Wine has opened several locations in the metro area, most recently in Eagan. The square footage of each location is listed below, noting that the proposed lease is for 25,775 square feet with the future right to 2 adjoining spaces (an additional 2,516 square feet) if the current tenant (Kids Hair) relocates. The applicant has not included the adjoining space on the current application and any proposed expansion would require additional review by the city council for an amended licensed premise.

<table>
<thead>
<tr>
<th>Location</th>
<th>Square Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloomington</td>
<td>17,310</td>
</tr>
<tr>
<td>Woodbury</td>
<td>20,517</td>
</tr>
<tr>
<td>Roseville</td>
<td>21,166</td>
</tr>
<tr>
<td>Chanhassen</td>
<td>23,520</td>
</tr>
<tr>
<td><strong>Minnetonka (Proposed)</strong></td>
<td><strong>25,775</strong></td>
</tr>
<tr>
<td>Eagan</td>
<td>26,266</td>
</tr>
<tr>
<td>Burnsville</td>
<td>28,687</td>
</tr>
<tr>
<td>Maple Grove</td>
<td>29,981</td>
</tr>
</tbody>
</table>

Land Use/Zoning

The retail site does not require zoning or land use approvals such as conditional use permits or site and building plan review as this is an allowed use in the zoning district. The interior work will require building and sign permits.

Traffic and Parking

A traffic study has been ordered to evaluate existing and anticipated peak hour operations. More information will be provided to the council at the May meeting.

Proposal Feedback

Staff has provided a public notice to the surrounding property owners (97 notices), all current off sale liquor license holders, the Minnesota Licensed Beverage Association, posted information on the city’s web site and placed a notification sign on the property.

Recommendation

Application information and license fees have been submitted. Staff recommends that the city council open the public hearing and continue the hearing to May 1, 2017.

Submitted through:
  Perry Vetter, Assistant City Manager
Meeting of March 6, 2017
Subject: Off-sale liquor licenses for Minnesota Fine Wine & Spirits, LLC

Originated by:
Julie Wischnack, AICP, Community Development Director
Kathy Leervig, Community Development Coordinator

Additional Information

July 1, 2015 Study Session Report


July 13, 2015 Meeting Minutes – Page 11
Location Map

Applicant: Minnesota Fine Wine & Spirits, LLC (DBA Total Wine)
Address: 14200 Wayzata Boulevard
SIRI ENTERPRISES
11333 Highway 7
Minnetonka, MN 55305

February 16, 2017

City of Minnetonka
Attention: Kathy Leervig
Community Development Coordinator
14600 Minnetonka Blvd.
Minnetonka, MN 53545

Re: Off Sale Liquor License No. O-11-15

Dear Ms. Leervig:

As you know, Siri Enterprises LLC ("Siri") is the licensee pursuant to that certain Minnetonka, Minnesota Off Sale Liquor License No. O-11-15 ("Existing License"), for the operation of an off-sale retail liquor store operating under the name of "US Liquor & Wine" ("Business") located at 11333 Highway 7, in Minnetonka, Minnesota ("Premises").

Please be advised that Siri is negotiating an Asset Purchase Agreement ("Purchase Agreement") with Minnesota Fine Wines & Spirits, LLC ("Buyer") to sell certain assets of Siri related to the Business. The Purchase Agreement is contingent upon Buyer obtaining a new liquor license for the off-sale/retail sale of alcoholic beverages from the City of Minnetonka ("New License").

Please also be advised that if the Purchase Agreement is executed and the New License is obtained and the sale contemplated by the Purchase Agreement is consummated, Siri will relinquish the Existing License to the City, effective as of the closing of the sale pursuant to the Purchase Agreement ("Closing Date").

Please also be advised that as of such Closing Date, Siri will have terminated the operation of business as US Liquor & Wine at the Premises and will not operate for business within the City of Minnetonka under, pursuant to, or in connection with the Existing License, in any manner whatsoever and/or at any location.

If you have questions, please let me know

Very truly yours,

SIRI ENTERPRISES LLC

By [Signature]
Ravikumar Jasthi, Chief Manager
I'd like to voice my support for Total Wines
"New " application for a liquor license at the former Golfsmith location in Minnetonka.
I believe the new site eliminates the " traffic " concerns of the 1st location. The purchase of "2" additional liquor
stores by Total Wine would leave the city with a " net loss " of one liquor license. This, I believe, should alleviate
concern by the dissenters on the 1st vote that the city " is adequately served".
I hope this email will be shared with all of the Council.
Warm regards
Dave Dunn
2320 Rivendell Ln
Mtka Mn 55305
Hi Kathy,

I just wanted to take this opportunity to tell you how very happy I am as new business owner in Minnetonka to learn about the Total Wine request for the Ridgedale Festival Shopping Center.

My business, Naturepedic Organic Mattress Gallery is also located in the Ridgedale Shopping Center and I am thrilled to learn that such a great brand that draws so many people, 7 days a week (now!), will be my new neighbor.

Although many of us who enjoy the adult beverages that Total Wine sells will continue to support our longtime friends at Haskells, as a business owner, I know this is a good thing for the overall climate of the Ridgedale area and Minnetonka, in general to have Total Wine as a local business that can cater to those that want convenient choices and are in our location.

The customer base that I target will also shop at Total Wine and the added traffic will likely be a major benefit to me as a new small business.

Please let me know if I can be of any other help in this matter.

Thank you,

Karna Hatzigeorgiou
Naturepedic Organic Mattress Gallery
Owner/Operator
14200 Wayzata Blvd
Minnetonka MN
City Council Agenda Item #14A  
Meeting of March 6, 2017

**Brief Description**  
Preliminary and final plats for a five lot subdivision at 5325 County Road 101, 5311 Tracy Lynn Terrace, and 5320 Spring Lane

**Recommendation**  
Adopt the resolution approving the request

**Background**

In June 2015, the city council approved the preliminary plat of SAVILLE WEST. The plat, which involved seven existing lots, proposed to create twelve lots. Seven R-1A lots would be accessed via a new cul-de-sac and five R-1 lots would access Spring Lane.

In September 2015, the city council approved the final plat of SAVILLE WEST. The final plat was not recorded.

In August 2016, the city council approved a twelve-month extension of the SAVILLE WEST final plat. The final plat has yet to be recorded.
Proposal

Lakewest Development has decided not to move forward with development of the R-1A portion of the previously approved plat at this time. Rather, they have submitted new preliminary and final plats. The submitted plats involve the division of three existing lots into five new lots. Two existing homes would remain on two of the lots and three new home sites would be created on Spring Lane. Essentially, the proposed plat would result in the creation of the three Spring Lane lots previously approved in the SAVILLE WEST subdivision.

Planning Commission Hearing

The planning commission considered the request on January 5, 2017. The commission report and associated plans are attached. Staff recommended approval of the preliminary and final plats for two reasons:

1. The proposed lots would meet all R-1 lot standards as outlined in the subdivision and zoning ordinances.

2. The proposal would meet the standards of the tree ordinance.

A public hearing was opened to take comment. Two residents addressed the commission, voicing their significant concern regarding the upkeep of the existing, vacant home at 5311 Tracy Lynn Terrace and their disappointment that the city would approve a plat given these conditions. The commission then asked questions and discussed the proposal. The commission concurred with the staff recommendation.

Planning Commission Recommendation

On a 6-0 vote, the commission recommended the city council approve the preliminary and final plats. Meeting minutes are attached.

Since Planning Commission Hearing

Several things have occurred since the planning commission’s hearing on the applicant’s request:

1. Staff inspected the property at 5311 Tracy Lynn Terrace on January 6th, the day after the planning commission meeting. Though area residents noted several
areas of concern, staff found just one code-defined nuisance: several holes in the siding near the front door. The applicant/owner was notified of the nuisance violation on January 9th. Subsequent staff inspections found that the area has been repaired and, though not matching other siding on the home, is now in compliance with the ordinance.

2. The city manager, community development director, and environmental health supervisor met with area residents on January 25th. Following the meeting, residents raised other possible nuisance violations on other properties owned by the applicant.

3. Staff inspected the various properties on January 30th and found accumulated debris, construction materials, and portable storage containers on the property at 5325 County Road 101. The applicant/owner was notified of the nuisance violations that day. Subsequent staff inspections found that these items have been removed and the area is now in compliance with the ordinance.

Staff Recommendation

Staff recommends the city council adopt the resolution approving the preliminary and final plats for a five lot subdivision at 5325 County Road 101, 5311 Tracy Lynn Terrace, and 5320 Spring Lane.

Through: Perry Vetter, Assistant City Manager  
Julie Wischnack, AICP, Community Development Director

Originator: Susan Thomas, AICP, Assistant City Planner
MINNETONKA PLANNING COMMISSION
January 5, 2017

Brief Description
Preliminary and final plats for a five lot subdivision at 5325 County Road 101, 5311 Tracy Lynn Terrace, and 5320 Spring Lane.

Recommendation
Recommend the city council adopt the resolution approving the preliminary and final plats.

Background

In June 2015, the city council approved the preliminary plat of SAVILLE WEST. The plat, which involved seven existing lots, proposed to create twelve lots. Seven R-1A lots would be accessed via a new cul-de-sac and five R-1 lots would access Spring Lane.

In September 2015, the city council approved the final plat of SAVILLE WEST. The final plat was not recorded.

In August 2016, the city council approved a twelve-month extension of the SAVILLE WEST final plat. The final plat has yet to be recorded.
Proposal Summary

Lakewest Development has decided not to move forward with development of the R-1A portion of the previously approved plat at this time. Rather, they have submitted new preliminary and final plats. The submitted plats involve the division of three existing lots into five new lots. Two existing homes would remain on two of the lots and three new home sites would be created on Spring Lane. Essentially, the proposed plat would result in the creation of the three Spring Lane lots previously approved in the SAVILLE WEST subdivision.

Primary Questions and Analysis

A land use proposal is comprised of many details. In evaluating a proposal, staff first reviews these details and then aggregates them into a few primary questions or issues. The following outlines both the primary questions associated with SAVILLE WEST and staff’s findings.

- Are the proposed lots reasonable?

Yes. In conjunction with the review and approval of the SAVILLE WEST subdivision, the city approved rezoning of a portion of the site to R-1A. However, various required legal documents, final construction plans, and financial guarantees were never submitted. The city did not publish or record the rezoning ordinance pending receipt of the required items. As such, the properties retain their R-1 zoning.

The proposed lots would meet all R-1 lot standards as outlined in the subdivision and zoning ordinances.

<table>
<thead>
<tr>
<th>LOT CODE</th>
<th>AREA</th>
<th>WIDTH</th>
<th>DEPTH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Buildable</td>
<td>ROW</td>
</tr>
<tr>
<td></td>
<td>22,000 sq.ft.</td>
<td>3,500 sq.ft.</td>
<td>80 ft / 65 ft cul-de-sac bulb*</td>
</tr>
<tr>
<td>1</td>
<td>22,050 sq.ft.</td>
<td>5,930 sq.ft.</td>
<td>95 ft</td>
</tr>
<tr>
<td>2</td>
<td>22,055 sq.ft.</td>
<td>5,975 sq.ft.</td>
<td>115 ft</td>
</tr>
<tr>
<td>3</td>
<td>22,100 sq.ft.</td>
<td>4,145 sq.ft.</td>
<td>150 ft</td>
</tr>
</tbody>
</table>
**Subject: SAVILLE WEST “REPLAT”, Tracy Lynn Terrace and Spring Lane**

- **Lot 5 has frontage on a code defined cul-de-sac bulb**

**Are the anticipated site impacts acceptable?**

Yes. A new grading plan was not submitted with the current application. Rather, staff evaluated the general grading plan submitted for SAVILLE WEST. That plan suggests some grading and tree removal would occur to accommodate the three new homes along Spring Lane. Generally, fill would be added to the east side of the lots in the location of proposed driveways and at the front of the proposed homes. This earthwork would result in removal or significant impact to a total of 20 or 15% of the high-priority trees.

To meet city and Riley Purgatory Bluff Creek Watershed district stormwater rules, stormwater management practices must be constructed to account for all impervious surface on the entirety of the site; this includes the two properties on which two existing homes will remain. The practices could include individual infiltration basins or a larger stormwater system. To address stormwater management, and the grading and associated tree removal, the resolution contains the following as conditions of approval:

- A specific stormwater management plan for the entirety of the plat must be submitted for review and approval prior to release of the final plat. Removal of high-priority trees will not be permitted to accommodate stormwater management on lots where existing homes will remain; and

- Financial security must be submitted to ensure construction and functionality of all stormwater practices.

**Summary Comments**

Though the city previously reviewed and approved a much larger subdivision for the general area, and a though subdivision consistent with that previously plan may again be proposed in the future, the city must review the current proposal as its own “standalone” subdivision request. While the previous approvals on the site add complexity to the properties' history, the proposed subdivision itself is quite straight forward.
Staff Recommendation

Recommend that the city council adopt the resolution approving the preliminary and final plats for a five lot subdivision generally located at the southeast quadrant of the County Road 101/Excelsior Boulevard intersection.

Originator: Susan Thomas, AICP, Assistant City Planner
Through: Loren Gordon, AICP, City Planner
Supporting Information

Surrounding
Land Uses
Northerly: Excelsior Boulevard and public library beyond
Easterly: Single-family residences and public property beyond
Southerly: Single-family residences
Westerly: County Road 101 and single-family residences beyond.

Planning
Existing Zoning: R-1
Guide Plan designation: low-density residential

Zoning and Vacations
In conjunction with the review and approval of the SAVILLE WEST subdivision, the city approved a rezoning of a portion of the site to R-1A. However, various required legal documents, final construction plans, and financial guarantees were never submitted. The city did not publish or record the rezoning ordinance pending receipt of the required items. As such, the properties retain their R-1 zoning. Similarly, the city approved vacation of portions of existing right-of-way and drainage and utility easements. However, as a condition of the approval, the vacations were valid only upon the proper filing of SAVILLE WEST. As the plat was never filed, the right-of-way and easements remain in place.

Existing Site
The existing site is generally located at the southeast quadrant of the County Road 101/Excelsior Boulevard intersection. It is comprised of five properties and is roughly 3.85 acres in area. The high points of the site are situated adjacent to County Road 101 and Spring Lane. From these points, the topography slopes downward in all directions; the maximum change in grade is 22 feet. A manage 1 wetland is located in the northerly portion of the site and mature trees are located throughout. The site’s primary trees species include elm, boxelder, ash, cedar and spruce.

Natural Resources: Existing
The SAVILLE WEST site contains a variety of natural resources.

- **Topography.** Though several areas of the site are visually steep, they are not considered “steep slope” by city code definition. By city code, a “steep slope” is one that: (1) has an average grade of 20% or greater; (2) covers an area at least 100 feet in width; and (3) rises at least 25 feet. If a slope does not meet all three of these standards it is not considered “steep” for the purposes of development and construction regulation. There is no portion of the property
that rises over 25 feet. As such, no area of the property is defined as a “steep slope.”

- **Trees.** The site does not include a woodland preservation area. However, it contains many mature deciduous and coniferous trees including elm, boxelder, ash, cedar and spruce. Of the 252 regulated trees within the currently proposed plat, 136 are defined as high-priority and 116 as significant.

- **Wetland.** There is a roughly 22,000 square foot, Managed wetland partially located on the site.

### Natural Resources: Impact

To accommodate the proposed plat, site changes will be necessary.

- **Topography and Grading.** A new grading plan was not submitted with the current application. Rather, staff evaluated the grading shown on the previously approved Spring Lane lots. This previous plan suggests fill would be added to the east side of the lots in the location of proposed driveways and at the front of the proposed homes.

- **Trees.** Based on the previously submitted grading plan, several high-priority and significant trees would be removed from the site.

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Removal</th>
<th>% Removed</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Priority</td>
<td>136</td>
<td>20</td>
<td>14.7%</td>
</tr>
<tr>
<td>Significant</td>
<td>116</td>
<td>30</td>
<td>25.9%</td>
</tr>
</tbody>
</table>

It is important to note that the currently proposed subdivision is benefiting from the fact that no impacts are proposed, or will be allowed, to high-priority trees on the two properties on which existing homes are remaining. If subdivision is proposed off of Tracy Lynn Terrace in the future, consistent with the previously reviewed SAVILLE WEST subdivision, that future subdivision would be evaluated based *only upon the property included in the subdivision itself*. The trees on the currently proposed Spring Lane lots would not count “for” or “against” that future subdivision.
- **Wetland.** No alterations are proposed.

**Stormwater**

The proposed subdivision must meet both the city's stormwater rule, as well as the standards of the Riley-Purgatory-Bluff Creek Watershed District.

1. **Volume Control:** On-site retention of one inch of runoff over the site’s impervious surface is required.

2. **Rate Control:** Peak flow rates must be limited to those of the existing rates for the 2-, 10-, and 100-year events at all points where stormwater leaves the site.

3. **Water Quality:** Stormwater must be treated to remove at least 60% of total phosphorus and 90% of total suspended solids (TSS).

**Outside Agencies**

The applicant’s proposal has been submitted to various outside agencies for review, including Hennepin County and Riley-Purgatory-Bluff Creek Watershed District.

**Neighborhood Comments**

The applicant has hosted two neighborhood meetings and the city has sent notice to 88 area property owners. The city has received no written comments to date.

**Pyramid of Discretion**

![Diagram](image)

**Motion Options**

The planning commission has three options:

1. Concur with the staff recommendation. In this case a motion should be made recommending the city council adopt the resolutions approving the plats.

2. Disagree with staff's recommendation. In this case, a motion should be made recommending the city council deny the
proposal. This motion must include a statement as to why denial is recommended.

3. Table the request. In this case, a motion should be made to table the item. The motion should include a statement as to why the request is being tabled with direction to staff, the applicant, or both.

**Voting Requirement**  The planning commission will make a recommendation to the city council. A recommendation for approval requires an affirmative vote of a simple majority. The city council's final approval requires an affirmative vote of a simple majority.

**Deadline for Decision** March 14, 2017
LOCATION MAP
SAVILLE 2ND ADDITION
TRACY LYNN TERRACE/SPRING LANE
#14002.16b

This map is for illustrative purposes only.
Resolution No. 2017-

Resolution approving the preliminary and final plats for a five lot subdivision located at 5325 County Road 101, 5311 Tracy Lynn Terrace, and 5320 Spring Lane

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

1.01 In June 2015, the city council approved the preliminary plat of SAVILLE WEST. The twelve lot plat was presented by Lakewest Development and involved seven existing lots generally located at the southeast corner of the County Road 101/Excelsior Boulevard intersection. As approved, seven new R-1A lots would be accessed via a new cul-de-sac and five R-1 lots would access Spring Lane.

1.02 In September 2015, the city council approved the final plat of SAVILLE WEST. The final plat was not recorded.

1.03 In August 2016, the city council approved a twelve-month extension of the SAVILLE WEST final plat. The final plat has yet to be recorded.

1.04 Lakewest Development has decided not to move forward with development of the R-1A portion of the previously approved plat at this time. Rather, the company is proposing what is essentially a re-plat of SAVILLE WEST. Lakewest Development is requesting preliminary and final plat approval for a five lot subdivision. As proposed, two existing homes would remain on two of the proposed lots. Three new home sites would be created on the west side of Spring Lane.

1.05 The proposed development site is comprised of 5325 County Road 101, 5311 Tracy Lynn Terrace, and 5320 Spring Lane. The site is legally
described on EXHIBIT A of this resolution.

1.06 On January 5, 2017, the planning commission held a hearing on the proposed plat. The applicant was provided the opportunity to present information to the commission. The commission considered all of the comments received and the staff report, which are incorporated by reference into this resolution. The commission recommended that the city council grant preliminary and final plat approval.

Section 2. General Standards.

2.01 City Code §400.030 outlines general design requirements for residential subdivisions. These standards are incorporated by reference into this resolution.

Section 3. Findings.

3.01 The proposed preliminary and final plats meet the intent of design requirements as outlined in City Codes §400.030.


4.01 The above-described preliminary and final plats are hereby approved, subject to the following conditions:

1. Prior to release of the final plat:
   a) Submit the following:
      1) A revised final plat drawing. The drawing must:
         a. Have a plat name other than SAVILLE WEST. A new plat name is necessary to avoid confusion related to previous plat approvals.
         b. Clearly illustrate all existing public rights-of-way and drainage and utility easements. Resolutions approving right-of-way and easement vacations in conjunction with previous approvals include conditions noting that the vacations were valid only upon the proper recording of the SAVILLE WEST plat. As that plat was never recorded, the right-of-way and drainage and utility easements remain in place.
c. A minimum 10-foot wide drainage and utility easements adjacent to the public rights-of-way and minimum 7-foot wide drainage and utility easements along all other lot lines.

d. Utility easements over existing and proposed public utilities. This includes a utility easement along the lot line between Lots 2 and 3 to the rear property line to accommodate a required watermain stub. The easement must be at least twice as wide as the depth of the main and centered over the main.

e. Drainage and utility easements over wetland, floodplain elevation, and all stormwater management facilities, as determined by the city engineer.

2) Documents for the city attorney’s review and approval. These documents must be prepared by an attorney knowledgeable in the area of real estate.

a. Title evidence that is current within thirty days before release of the final plat.

b. A 25 foot conservation easement over the required wetland buffer and a drawing of the easement. The conservation easement may allow: (1) removal of hazard, diseased, or invasive species; and (2) location and maintenance of stormwater management facilities and other utilities.

c. A stormwater maintenance agreement over required stormwater facilities.

3) Stormwater management plan. The plan must include:

a. Volume Control: On-site retention of one inch of runoff over the entire site’s impervious surface.

b. Rate Control: Peak flow rates must be limited to that of the existing rates for the 2-, 10-, and 100-
year events at all points where stormwater leaves the site.

c. Water Quality: Stormwater must be treated to remove at least 60% of total phosphorus and 90% of total suspended solids.

In addition:

d. The plan may not include removal of any high-priority trees on Lots 4 or 5.

e. All stormwater runoff must be pre-treated before entering the northern wetland on Spring Lane.

f. The stormwater plan must be meet the standards of the Riley-Purgatory Bluff Creek Watershed District and a permit from the district must be obtained.

4) Two sets of mylars for city signatures.

5) An electronic CAD file of the plat in microstation or DXF.

6) Park dedication fee of $10,000.

2. Subject to staff approval, the plat must be developed and maintained in substantial conformance with the following plans, except as modified by the conditions below:

- Preliminary plat dated November 4, 2016
- Grading plan dated June 9, 2015, as it pertains to the three new lots on Spring Lane.
- Utility plan dated June 9, 2015, as it pertains to the three new lots on Spring Lane.
- Tree preservation plan dated June 9, 2015, as it pertains to the three new lots on Spring Lane.

3. A watermain must be stubbed in between Lots 2 and 3 to the rear property line. A grading permit is required to install this stub. Prior to issuance of the grading permit, a final utility plan must be submitted for staff review and approval. The plan must:
a) Include water main and sanitary sewer plan and profile sheets.

b) Define the connection to the water main (cut in tee or wet tap with a valve) to stub water main along lot line between Lots 2 and 3 to rear property line. An isolation valve on the stub line is required.

c) Include a new water service to Lot 3. Service must come from the main in the street and not from the easement.

d) Note removal of unused water service to Lot 2, removal back to the main and corporation stop turn off.

e) Include extension of sanitary sewer to Lot 3. If the existing stub is used, developer must televise and televising must confirm that the stub is 8 inches, in good condition, and at a grade that can be extended for service to Lot 3. Sanitary service to Lot 3 must be perpendicular from the main to the property line.

f) Note removal of unused sanitary service to Lot 2, removal back to the main, cut out wye and sleeve.

g) Include a note that developer will do a full width patch of the roadway after utility improvements have been completed.

4. Staff may issue a building permit for one home prior to recording of the final plat. However, prior to issuance of the permit:

a) A utility plan consistent with the required plan outlined in section 3 above, must be submitted for staff review and approval.

b) A 25-foot conservation easement over the required wetland buffer must be submitted for staff review and approval and the easement must be recorded.

5. Prior to issuance of any additional building permits:

a) The final plat must be recorded.
b) The watermain stub between Lots 2 and 3 must be installed or a legal agreement and financial security submitted to the city to ensure installation.

c) A legal agreement and financial security must be submitted to the city to ensure construction and functionality of all stormwater practices as outlined in the approved Stormwater Management Plan.

d) The following documents must be submitted:

1) A letter from the surveyor stating that boundary and lot stakes have been installed as required by ordinance.

2) Proof of subdivision registration and transfer of NPDES permit.

3) An electronic CAD file for public infrastructure in microstation or DXF and PDF format.

4) Final grading and tree preservation plan for each lot. The plan must:

   a. Be in substantial conformance with grading plan dated June 9, 2015, as it pertains to the three new lots on Spring Lane.

   b. Show sewer and water services to minimize impact to any significant or high-priority trees. No trees may be removed for installation of services.

   c. Survey showing location of home and driveway, including all pertinent setbacks. Locations must be in substantial conformance with the grading plan dated June 9, 2015, as it pertains to the three new lots on Spring Lane.

5) A tree mitigation plan. The plan must meet minimum mitigation requirements as outlined in the ordinance. However, at the sole discretion of staff, mitigation may be decreased.
6) Cash escrow in an amount to be determined by city staff. This escrow must be accompanied by a document prepared by the city attorney and signed by the builder and property owner. Through this document the builder and property owner will acknowledge:

- The property will be brought into compliance within 48 hours of notification of a violation of the construction management plan, other conditions of approval, or city code standards; and

- If compliance is not achieved, the city will use any or all of the escrow dollars to correct any erosion and/or grading problems.

If the builder is the same entity doing grading work on the site, the cash escrow submitted at the time of grading permit may fulfill this requirement.

d) Install a temporary rock driveway, erosion control, tree and wetland protection fencing and any other measures identified on the SWPPP for staff inspection. These items must be maintained throughout the course of construction.

e) Install heavy duty fencing, which may include chain-link fencing, at the conservation easement. This fencing must be maintained throughout the course of construction.

f) Submit all required hook-up fees.

6. All lots and structures within the development are subject to the following:

a) Minimum floor elevation is 924.0.

b) Lots must be custom graded. No site work, including tree removal, may occur prior to issuance of building permit.

c) Lots must meet all minimum access requirements as outlined in Minnesota State Fire Code Section 503. These access requirements include road dimension, surface, and grade standards. If access requirements are not met, houses must
be protected with a 13D automatic fire sprinkler system or an approved alternative system.
d) Driveways and paved surface must be located a minimum of 10 feet from the existing hydrant. A property owner may choose, at their cost and upon approval and permitting of the city, to have the hydrant removed and replaced to accommodate a driveway. In this scenario, a new hydrant must be installed. The existing/old hydrant may not be used

7. The city may require installation and maintenance of signs that delineate the edge of any required conservation easement. This signage is subject to the review and approval of city staff.

8. During construction, the streets must be kept free of debris and sediment.

9. The city must approve the final plat within one year of preliminary approval or receive a written application for a time extension or the preliminary approval will be void.

Adopted by the City Council of the City of Minnetonka, Minnesota, on March 6, 2017.

______________________________
Terry Schneider, Mayor

Attest:

______________________________
David E. Maeda, City Clerk

Action on this resolution:

Motion for adoption:
Seconded by:
Voted in favor of:
Voted against:
Abstained:
Absent:
Resolution adopted.
I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a duly authorized meeting held on March 6, 2017.

________________________________________
David E. Maeda, City Clerk
EXHIBIT A

Parcel 1:

Tract M, Registered Lane Survey No. 566, County of Hennepin, Minnesota.
Torrens Property
Torrens Certificate No. 1147048

Parcel 2:

Tract B, Registered Land Survey No. 747, Hennepin County, Minnesota.
That part of Tract C, Registered Land Survey No. 747, lying North of a line drawn parallel with and distant 5 feet South measured at right angles from the North line thereof; Hennepin County, Minnesota.
Torrens Property
Torrens Certificate No. 1374629

Parcel 3:

Lot 2, Block 2, Tonka Court, Hennepin County, Minnesota.
Torrens Property
Torrens Certificate No. 1125342.5
City Council Agenda Item #14B  
Meeting of March 6, 2017

**Brief Description**  
Concept plan review for Newport Midwest at 10400, 10500 and 10550 Bren Road East.

**Action Requested**  
Discuss concept plan with the applicant. No formal action required.

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**Background**

Newport Midwest is proposing to redevelop the existing commercial properties at 10400, 10500 and 10550 Bren Road East. The concept plan contemplates redevelopment of the existing office buildings to construct 240 units of rental housing on the 3.2 acre site. The proposed housing will provide a mix of unit types from studio to 3 bedroom units for a range of income levels. Plans include premium and common-space amenities, outdoor recreational space, underground parking and a small surface parking lot. (See attached plans)

The site is nearly built out with the 3 office buildings and associated surface parking lots. Green space exists adjacent to the buildings and at the periphery of the parking lots. The site is nearly flat with little topographic change and no on-site stormwater treatment facilities in place. An existing trail extends along the northern portion of the site connecting to the broader Opus trail system. Surrounding land uses are primarily office or business warehouse oriented. The site is zoned B-2 limited business district and guided mixed use in the 2030 comprehensive plan.

Adjacent to the site is the future Green Line light rail transit extension and Opus Station. The station platform would be a short walk, 700 feet, from the proposed housing. Construction on the rail line will begin this year with operations anticipated to begin in 2021. The Opus Station area plan identifies the site and other adjacent properties in close proximity to the station as candidates for redevelopment as new housing and employment. In planning for the Green Line extension, a housing analysis was performed for each of the 15 stations to project market demand for housing within ½ mile of the stations within the next 15 years. The analysis projected the market would likely demand over 11,000 housing units for the entire line from Eden Prairie to Minneapolis, of which, 600 housing units were projected for the Opus Station. (See SWLRT Housing Gaps Analysis attachments)

**Key Issues**

City staff has identified the following considerations for any development of the subject properties:
• **Change of land use:** The Opus business park was originally designed as a large mixed use development providing the opportunity for people to live, work and play. (See attached Opus 2 brochure) A change of land use from an employment use to housing is consistent with the vision for Opus and the need for additional housing in close proximity to the Opus Station.

• **Site Plan:** The proposed site plan shows two buildings of 5 and 6 stories. Underground parking would connect both buildings with one common access located near the west end of the surface parking lot. Access to the site is located on a common private driveway at the east property line. Discussion about a single access for both surface and underground parking lots is needed.

A play area is provided for residents along the trail. Other greenspace area provides opportunities for resident’s enjoyment. Internal trails and walkways are connected to the Opus trail system in multiple locations. Comments about the size, location and level of amenity of these areas are appropriate discussion items.

• **Building Character:** Input on building massing and desired character is important. This project could be the first redevelopment project near the Opus Station and will establish a design character for other projects to follow.

**Review Process**

Staff has outlined the following review process for the proposal. At this time, a formal application has not been submitted.

• **Neighborhood Meeting.** The developer held a neighborhood meeting on January 26, 2017. No one attended the meeting.

• **Planning Commission Concept Plan Review.** The planning commission Concept Plan Review is intended as a follow-up to the neighborhood meeting. The objective of this meeting is to identify major issues and challenges in order to inform the subsequent review and discussion. The meeting will include a presentation by the developer of conceptual sketches and ideas, but not detailed engineering or architectural drawings. No staff recommendations are provided, the public is invited to offer comments, and planning commissioners are afforded the opportunity to ask questions and provide feedback without any formal motions or votes.

The commission generally supported the proposal. Commissioners identified the following general items. (meeting minutes are attached).

- Proposed use – change of use from office to high density residential was appropriate. Good fit with the housing market.
Site plan – pedestrian connections and playground were good features; parking lot arrangement and proximity to the west building needed further study.

- **City Council Concept Plan Review.** The city council Concept Plan Review is intended as a follow-up to the planning commission meeting and would follow the same format as the planning commission Concept Plan Review. No staff recommendations are provided, the public is invited to offer comments, and council members are afforded the opportunity to ask questions and provide feedback without any formal motions or votes.

**Since the Planning Commission meeting**

No additional materials or information has been provided.

**Staff Recommendation**

Staff recommends the planning commission provide comment and feedback on the identified key issues and others the planning commission deems appropriate. The discussion is intended to assist the applicant with future direction that may lead to the preparation of more detailed development plans.

Through:
- Perry Vetter, Assistant City Manager
- Julie Wischnack, AICP, Community Development Director

Originator:
- Loren Gordon, AICP, City Planner
ADDITIONAL INFORMATION

Next Steps

- **Formal Application.** If the developer chooses to file a formal application, notification of the application would be mailed to area property owners. Property owners are encouraged to view plans and provide feedback via the city’s website. Through recent website updates: (1) staff can provide residents with ongoing project updates, (2) residents can “follow” projects they are particularly interested in by signing up for automatic notification of project updates; (3) residents may provide project feedback on project; and (4) staff can review resident comments.

- **Neighborhood Meeting.** Prior to the planning commission meeting and official public hearing, an additional public meeting would be held with neighbors to discuss specific engineering, architectural and other details of the project, and to solicit feedback. This extends the timing that has historically been provided in advance of the planning commission review to allow more public consideration of the project specifics.

- **Council Introduction.** The proposal would be introduced at a city council meeting. At that time, the council would be provided another opportunity to review the issues identified during the initial concept plan review meeting, and to provide direction about any refinements or additional issues they wish to be researched, and for which staff recommendations should be prepared.

- **Planning Commission Review.** The planning commission would hold an official public hearing for the development review and would subsequently recommend action to the city council.

- **City Council Action.** Based on input from the planning commission, professional staff and general public, the city council would take final action.

Roles and Responsibilities

- **Applicants.** Applicants are responsible for providing clear, complete and timely information throughout the review process. They are expected to be accessible to both the city and to the public, and to respect the integrity of the public process.

- **Public.** Neighbors and the general public will be encouraged and enabled to participate in the review process to the extent they are interested. However, effective public participation involves shared responsibilities. While the city has an obligation to provide information and feedback opportunities, interested residents are expected to accept the responsibility to educate themselves about the project.
and review process, to provide constructive, timely and germane feedback, and to stay informed and involved throughout the entire process.

- **Planning Commission.** The planning commission hosts the primary forum for public input and provides clear and definitive recommendations to the city council. To serve in that role, the commission identifies and attempts to resolve development issues and concerns prior to the council’s consideration by carefully balancing the interests of applicants, neighbors, and the general public.

- **City Council.** As the ultimate decision maker, the city council must be in a position to equitably and consistently weigh all input from their staff, the general public, planning commissioners, applicants and other advisors. Accordingly, council members traditionally keep an open mind until all the facts are received. The council ensures that residents have an opportunity to effectively participate in the process.

- **City Staff.** City staff is neither an advocate for the public nor the applicant. Rather, staff provides professional advice and recommendations to all interested parties, including the city council, planning commission, applicant and residents. Staff advocates for its professional position, not a project. Staff recommendations consider neighborhood concerns, but necessarily reflect professional standards, legal requirements and broader community interests.
LOCATION MAP

Landon/Domus Group
10400, 10500 and 10550 Bren Road East

This map is for illustrative purposes only.
Bren Road
Minnetonka, MN
FEB.08.2017

AFFORDABLE・FOURTH LEVEL

Collage | architects
Bren Road

Minnetonka, MN

FEB.08.2017

NORTH ELEVATION
Newport Midwest Plan in context with the transitional station area action plan
9. Other Business

A. Concept plan review for Newport Midwest at 10400, 10500, and 10550 Bren Road East.

Chair Kirk introduced the proposal and called for the staff report.

Gordon reported. He recommended that the planning commissioners provide comments and feedback on the identified key issues and others the planning commission deems appropriate. The discussion is intended to assist the applicant with future direction that may lead to the preparation of more detailed development plans.

Powers asked for the ratio of parking stalls to units. Gordon referred the question to the applicant.

O'Connell asked if there is a design overlay for the site. Gordon explained that there is a trip generation overlay for Opus. Wischnack noted that the SWLRT placed an overlay on the site. Chair Kirk thought that an overall design plan would be beneficial.

In response to Chair Kirk's question, Wischnack explained that both sections of the SWLRT would go over Bren Road West on the south side. There would be a lot of bridge replacements with the SWLRT project. The light rail would travel underground at Feltl Road and Smetana Road.

Becky Landon, with Newport Midwest, and Pete Keeley, of Collage Architects, introduced themselves. Ms. Landon stated that she is looking for input before creating the plan for the aesthetic look of the building. She hopes to set a standard. The proposal would include 240 units of which 55 units would be affordable at 50 percent and 60 percent median-income levels. The market-rate units would be just below luxury level. The applicant is looking at two buildings which would be broken up.

Mr. Keeley said that the proposal hopes to have a lot of outdoor spaces and ways for the residents to engage with the trails and pedestrian paths. There would be a front, direct access to each unit with porches that would be set a few feet up from the grade to offset the lights from vehicles on Bren Road and the train. He explained the trail and sidewalk locations. There would be a commons area with fitness room, party room, and office spaces available to be rented. The
access would be from the one-way road system. There would be a private road to the underground parking access. The inside road would be a loop. The proposal went to great lengths to not have surface parking without a cover, but to build the building over the top of the surface parking area. There would be visibility throughout the site. Vehicles would be able to circulate under, behind the building, and back out. This would be family housing. The affordable housing would be utilized mostly for two and three-bedroom units. There would be a defined play area and family lounge. There would be a drop off access adjacent to Eren Road. He asked for comments on whether a second access would work at that location to provide a drop off. The look of the building would be a modern, contemporary building with front porches, balconies, and some animation along the train side. It would be more subdued the further it got from the SWLRT. The base being considered would be brick and stone with a fair amount of siding and metal paneling. There would be a roof deck overlooking a courtyard. The building would be broken up in different areas with two, three, and five stories. There would be bike and dog spas.

Mr. Keely stated that a one-bedroom unit would have one parking stall and two and three-bedroom units would have two parking stalls which is how the ratio ended up at 1.35 stalls per unit.

Knight asked how close a U-Haul truck could get to access the building. Mr. Keely explained that there would be an 8.5-foot area underground for a vehicle to reach the elevator. Otherwise, there would be 70 feet to the door. Stalls near the elevator would be able to be reserved for a period of time. There would be trash and recycling chutes.

Powers asked if noise reduction measures would be taken. Mr. Keely answered affirmatively. A laminated piece of glass would be added to increase the STC of the window frame. The new construction codes and energy codes would provide a 2' x 8' wall and a lot more insulation. The trains are actually pretty quiet. The bells and station noises would be louder than the light rail train. Vibration has not been an issue on any of the lines.

Landon noted that the units that face the light rail are the first to be rented. That has held true for family and senior housing.

Commissioners discussed the proposed parking with Mr. Keely. Mr. Keely stated that the trends are showing that vehicle ownership is dropping dramatically. He noted that there would be the availability to sign leases for off-hour use of surrounding businesses’ parking lots.
Powers asked about safety for pedestrians. Mr. Keely stated that having many eyes on the site by residents having porches and front stoops along with lighting and safe walkways would be beneficial. Wischnack noted that lighting of the Opus trails is part of the city's capital improvement plan.

In response to Chair Kirk's question, Wischnack stated that there would be a fence. The type of fence is being reviewed. Pedestrians would only be able to cross the track at the station.

Gordon confirmed with commissioners that they seemed comfortable with a change in land use from office to residential.

Chair Kirk invited anyone present to comment. There was no response.

Calvert thought that the site is ready for redevelopment. She liked the proposed high-density use. Access to the building that would provide affordable housing has some issues that may need to be resolved. She was glad there would be one, two, and three-bedroom units provided. The proposal would be a visual improvement and be an asset so close to the station.

Knight likes the look of the buildings. Gordon provided that the original plans for Opus included 700 residential units. In the 2030 comprehensive plan, the goal is to add at least 500 units. Major roadwork would be included as part of the light rail project.

Knight liked the play area for little kids. He asked if there was a designated area for older kids. Gordon noted that the trail area would connect the whole area. Shady Oak Beach, Lone Lake, or Hopkins would provide the closest teen areas. The six miles in Opus would be perfect for bikers and scooter users.

Powers thought adding a large number of affordable units and pricing the market rate units just below luxury rates would be smart.

Chair Kirk thought that an awful lot would be going on. He thought scaling it back might provide more of a comfort zone with the parking and access points. He was initially concerned with the affordable units providing a buffer to the light rail for the market-rate units. He liked the common spaces. He supported looking at connecting the site with the walkability of the surrounding area. He favored more visitor parking near the building that would provide affordable housing. He was not as concerned with the access point to the site. He thought that it would be good to have a controlled area and traffic queuing within its own space.
Calvert thought that it would be important that the project appear homogenous and not have the affordable housing building appear different than the other building.

Sewell thought that the project looks great. He favored managing the height. As the starting point for development in the area, it looks great and has a lot of great features.

This concept plan is tentatively scheduled to be reviewed by the city council at its meeting on March 6, 2017.
OPUS STATION WITHIN THE CORRIDOR:
A prestigious employment area connected to the station via an extensive network of trails and centered upon a walkable mixed-use core.

EMPLOYMENT The Opus station is a major employment center located near Highway 169, Highway 62, and Shady Oak Road (see Place Types discussion beginning on p. 1-19). It is the largest employment center in Minnetonka and home to many high-profile businesses including United Health Group, Comcast, and American Family Insurance. The station will be an important stop for the thousands of employees that commute to the Opus Business Park from surrounding areas.

TRAIL CONNECTIONS The area is characterized by a 6-mile trail network which gives the area a park-like feel, and a distinctive looped roadway network that links employment buildings with hotels, retail establishments, and local residential neighborhoods in the surrounding area. The trail system can be accessed off Smetana Road and Shady Oak Road at Red Circle Drive. Along with providing area employees with a space for passive recreation and exercise, the trails provide important connections to areas throughout the business park and beyond, however, it rarely connects to the front doors of the businesses.

NEIGHBORHOODS Residential areas are located within the business park in the north and east areas, including a mix of apartments, condominiums, and townhomes. Additional residential density will occur in the area over time and will generate transit ridership. While these areas are not transit-supportive in nature, they are all linked to the station via the extensive trail network.
Station Location

The Opus station is located in the center of the Opus Business Park, a major employment center with a mix of light industrial, office, housing, hotel accommodations, retail, and restaurants in the station area. The area is characterized by its campus-like setting, circuitous one-way road network, and off-street trail system. The Opus station is anticipated to serve local businesses and residents in the area. This station has strong potential to be a transit stop for reverse commuters.
Where Are We Today?

The following section describes the station area's EXISTING CONDITIONS, including the local context, land uses, transit and transportation systems, pedestrian and bicycle facilities, assets, destinations, and barriers to accessing the station. This analysis of current conditions presents key issues and opportunities in the station area and informs the recommendations for future station area improvements.

NOTE: Existing conditions maps are based on data provided by Hennepin County and local municipalities. The data used to create each map is collected to varying degrees of accuracy and represents infrastructure and conditions at varying points in time. Actual conditions may vary slightly from what is shown.

Land Use

The Opus station area is an important employment center with a mix of industrial, light industrial, and office uses. These are the predominant uses in the area, however, there are other uses that will potentially benefit from LRT transit, including nearby residential, hotel, and retail/commercial uses located near Shady Oak Road and Highways 62 and 169. There is also a fair amount of park and open space located to the north of the Opus station.
**Roadway Network**

The roadway network near the Opus station is a circuitous, one-way road network. It presents challenges to uninitiated motorists, pedestrians, and bicyclists. Roadways are limited and block sizes are large. Major roadways in the area include Shady Oak Road, located about a half-mile to the west of the station, Highway 62, located about a half-mile to the south of the station, and Highway 169, located about a half-mile to the east of the station.

**Transit**

Existing bus service near the Opus station includes bus route #12, which runs along Bren Road West, with bus stops on Bren Road West and Bren Road East near the proposed station platform. In addition to public bus transit, some local businesses offer a circulator bus shuttle service.
Sidewalk, Trails and Bikeways

The sidewalk system in the Opus station area is extremely limited. The off-street multi-use trail system that runs throughout the Opus campus offers connections to most areas and businesses. While trail access is generally good, many businesses lack trail connections to building entries. The existing trail network in the area offers grade separation from roadways, reducing conflicts between trail users and motorists.

Existing Sanitary Sewer

Sanitary sewer infrastructure consists of a collection of gravity flow sewer mains, lift stations, and pressurized forcemains that transport sewage to a wastewater treatment plant (WWTP). An efficient collection system has the capacity to accommodate all of the existing land uses within its particular sewershed. Beyond capacity, the material and age of pipes within a system can also impact a system's effectiveness.

Sanitary sewer infrastructure within the project area is typically maintained by either the City of Minnetonka or by the Metropolitan Council Environmental Services (MCES) Division. MCES maintains a series of interceptor trunk sewers which collect sewage at key locations and convey sewage across community boundaries to regional WWTPs. Wastewater from the station area is treated by the MCES Blue Lake WWTP located in Shakopee.
**Existing Water Main**

Water main distribution systems serve to supply potable water to individual properties and to support fire suppression throughout the community. A well-designed system can maintain adequate pressure to support demand of individual properties and provide high flow rates to fire hydrants/fire suppression systems in emergency situations. Because of the complexity of water distribution networks and the importance of pressure, flow, and water quality, City water system models are used to evaluate a system's adequacy. The material and age of the system's water mains can also be factors in system breaks, leaks, and pressure and flow degradations.

Water pressure and flow rates can be influenced by: the size of water main serving an area, proximity and elevation relative to a water tower, proximity to a trunk water main with high flow capacity, if the main creates a loop, the demand of adjacent land uses, and the condition of the main.

**Stormwater**

Opus station is located in Nine Mile Creek Watershed District. A significant portion of the drainage is directed north into wetlands and then into Nine Mile Creek. The creek is impaired by chloride and fish biology. In addition, there are numerous wetlands throughout the area, many of which receive piped stormwater. The 100-year floodplain from the creek extends into the north portion of the walk zone.

Discharging within one mile of impaired water may trigger additional National Pollution Discharge Elimination System measures which require additional stormwater management. For impaired waters with a Total Maximum Daily Load, the requirements may increase further. Zoning requirements for areas within the 100-year floodplain may limit development/redevelopment potential.

Any development/redevelopment is anticipated to improve existing drainage as a result of enforcing City and Watershed requirements.
Where Are We Going?

The plans and diagrams on the following pages illustrate a range of recommendations for infrastructure improvements, station amenities, and potential redevelopment opportunities within the station area.

The ACCESS AND CIRCULATION PLAN shown in Figure 13-9 provides a high level view of how future transit, automobile, bike, and pedestrian systems will connect to the station area and its surroundings.

Figure 13-10 illustrates the STATION AREA IMPROVEMENTS that will facilitate access to and from the station and catalyze redevelopment in the station area. This includes opening day and long-term station area improvements.

Figure 13-11 focuses on OPENING DAY STATION AREA IMPROVEMENTS only. These recommendations represent the improvements necessary to enhance the efficient function of the transit station, roadways, pedestrian and bicycle connections, and transit connections on opening day in 2018.

Station Area Improvements

The discussion below outlines a range of future station area improvements. While some of the identified improvements may be constructed as part of the LRT project itself, other improvements must be funded, designed and constructed by other entities and will require coordination between the City, County, and Metro Transit as well as local stakeholder and community groups.

ROADWAYS

Opening Day Improvements:

» Rely primarily on the existing street and block network to support pedestrians and cyclists. No new roadways are anticipated for opening day.

» Select roadway changes near the LRT station (noted below as long-term improvements) could be constructed by opening day to provide better traffic flow into and out of the area. Such improvements include the reversal of traffic flow on Red Circle Drive and/or Green Oak Drive. As of December 2013, these improvements are not part of the SW LRT anticipated base project scope and are not slated for opening day implementation (subject to change).

Long-Term Improvements:

» Over time, introduce new roads near the station platform. These new roads should be organized to create smaller blocks for future development and intensification near the transit station as well as enhance connections to the stations. Consider two-way movement near the station on these new roads to calm traffic near the station.

» Other future roadway changes near the LRT station include minor realignment and routing changes to Opus Parkway, Yellow Circle Drive, Blue Circle Drive, Green Oak Drive, Red Circle Drive, Bren Road East and Bren Road West, based upon a recent Opus Area Traffic Study prepared for the City of Minnetonka by WSB & Associates.

PEDESTRIAN CONNECTIONS

Opening Day Improvements:

» Extend the path connections from bus stops, Park and Ride, and Kiss and Ride locations to the proposed LRT station platform.

» Develop a new grade-separated crossing of Bren Road East leading to and from the north end of the station platform.

» Locate wayfinding signage at the station and key decision making points along the path network away from the station to direct people to area businesses, homes, and other destinations.

» Initiate path improvements throughout the network (as shown in Figure 13-9) including pedestrian-oriented lighting and underpass improvements.

Multi-use path connections
TRANSIT CONNECTIONS
Opening Day Improvements:
» Provide new bus facilities near the station platform for connecting bus routes.
» Develop a place for an employer-operated shuttle pick-up and drop-off.

BIKE CONNECTIONS
Opening Day Improvements:
» Provide bike parking to the east of the northern entrance to the platform where it is easily accessible to trail users and is highly visible.
» Explore the potential for bike share facilities at the station and key destinations away from the station to support riding to work from the station.

KISS AND RIDE
Opening Day Improvements:
» Develop a Kiss and Ride/Shuttle loop near the station platform.

PARK AND RIDE
Opening Day Improvements:
» Develop a small temporary Park and Ride facility to the northeast of the station with the intent of redeveloping the site over time.

STATION AMENITIES (Beyond SW LRT Base Project Scope)
Opening Day Improvements:
» Wayfinding — include signage and wayfinding near the station area platform, the Park and Ride/Kiss and Ride facility, and along trails near the station.
» Seating — provide comfortable and durable seating near the station platform and at the Park and Ride facility.

» Lighting — provide adequate lighting for the safety of pedestrians, bicyclists, and motorists near the station platform, at the Park and Ride facility, and near the Kiss and Ride/shuttle drop-off.
» Plaza — provide a public plaza area near the station platform to provide transit users with a paved queue area to wait for LRT trains, gather, and move about the station area.
» Bike Facilities — provide bicycle parking, lockers, and bike share facilities in a highly visible area near the station platform.
» Public Art — provide public art in the station area.

POTENTIAL DEVELOPMENT
Long-Term Improvements:
» See the “Development Potential” discussion on page 13-16 for more on long-term development opportunities.

UTILITIES
» See the “Station Area Utility Plan” beginning on page 13-18 for all utility recommendations.
FIGURE 13-11. OPENING DAY STATION AREA IMPROVEMENTS

- NEW SIDEWALK/SIDEWALK IMPROVEMENT
- NEW ROADWAY
- BIKE PARKING
- WAYFINDING
- PUBLIC ART OPPORTUNITY
- POTENTIAL DEVELOPMENT SITE
- PLAZA SPACE/BUILDING SETBACK AREA

- LRT PLATFORM
- FREIGHT LINE
- BUS STOP
- BUS SHelter
- NEW CROSSING/CROSSING IMPROVEMENT
- KISS AND RIDE
- NEW SIGNALIZED INTERSECTION
- STREETSCEAPE
- PARK AND RIDE
Opening Day Improvements

The following tables and diagrams outline the proposed improvements to be implemented in advance of SW LRT’s opening day in 2018. Table 13-1 and Figure 13-12 show opening day improvements that are part of the SW LRT anticipated base project scope; these improvements will be part of the overall project cost for construction of the LRT line. Table 13-2 and Figure 13-13 include opening day improvements that are recommended as part of the Southwest Corridor Investment Framework and are beyond SW LRT’s anticipated base project scope.

**TABLE 13-1. SOUTHWEST LRT ANTICIPATED BASE PROJECT SCOPE - OPENING DAY STATION AREA IMPROVEMENTS**

<table>
<thead>
<tr>
<th>PLAN KEY</th>
<th>IMPROVEMENT</th>
<th>PROJECT LOCATION</th>
<th>PROJECT NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>LRT Platform</td>
<td>Along the east side of Bren Rd. E.</td>
<td>Includes related LRT infrastructure</td>
</tr>
<tr>
<td>B</td>
<td>Park and Ride</td>
<td>Northeast of station platform</td>
<td>Approx. 90 stall surface lot, leased (includes private shuttle stop/turndown)</td>
</tr>
<tr>
<td>C</td>
<td>Kiss and Ride</td>
<td>Northeast of station platform</td>
<td>Dropoff area and turnaround within Park and Ride lot</td>
</tr>
<tr>
<td>D</td>
<td>Bus Facilities</td>
<td>Bren Rd. W., north of park and ride</td>
<td>New bus bay on Bren Rd W. for 2 bus routes</td>
</tr>
<tr>
<td>E</td>
<td>Roadways</td>
<td>Intersection of Bren Rd. E and Bren Rd. W.</td>
<td>Realigned left turn lane from Bren Rd. W. to Bren Rd. E.</td>
</tr>
<tr>
<td>F</td>
<td>Sidewalk/Trail</td>
<td>Bren Rd. E., west of LRT station platform</td>
<td>Grade separated trail crossing</td>
</tr>
<tr>
<td>G</td>
<td>Sidewalk/Trail</td>
<td>Bren Rd. W., north of park and ride</td>
<td>ADA access ramp to existing grade separated trail crossing of Bren Rd. W.</td>
</tr>
<tr>
<td>H</td>
<td>Bike Facilities</td>
<td>Near station platform</td>
<td>Allowance for bike storage</td>
</tr>
<tr>
<td>I</td>
<td>Wayfinding</td>
<td>Near station platform</td>
<td>Allowance</td>
</tr>
<tr>
<td>J</td>
<td>Landscaping</td>
<td>Near station platform</td>
<td>Allowance</td>
</tr>
<tr>
<td>K</td>
<td>Water*</td>
<td>Varies</td>
<td>New water service and fire hydrant to station</td>
</tr>
<tr>
<td>L</td>
<td>Utilities*</td>
<td>Varies</td>
<td>Adjustment of existing utilities w/in project area</td>
</tr>
<tr>
<td>M</td>
<td>Stormwater management*</td>
<td>Varies</td>
<td>Allowance</td>
</tr>
</tbody>
</table>

Note: Anticipated Southwest LRT Base Project Scope as of December 2013 (subject to change)
* Improvement not symbolized on opening day figures (exact location to be determined as part of the base project scope)

**TABLE 13-2. SOUTHWEST CORRIDOR INVESTMENT FRAMEWORK (TSAAP) - OPENING DAY STATION AREA IMPROVEMENTS**

<table>
<thead>
<tr>
<th>PLAN KEY</th>
<th>IMPROVEMENT</th>
<th>PROJECT LOCATION</th>
<th>PROJECT NOTES</th>
<th>PRIORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Park and Ride</td>
<td>Northeast of station platform</td>
<td>Enhanced planting areas/trees</td>
<td>Secondary</td>
</tr>
<tr>
<td>2</td>
<td>Roadways</td>
<td>Red Circle Drive Reversal</td>
<td>New connections associated with reversing the traffic flow.</td>
<td>Primary</td>
</tr>
<tr>
<td>3</td>
<td>Sidewalk/Trail</td>
<td>Varies</td>
<td>Multi-use trails to complete gaps in trail system w/in 10 min walkshed</td>
<td>Secondary</td>
</tr>
<tr>
<td>4</td>
<td>Intersection Enhancement</td>
<td>Bren Rd. E. and Yellow Circle Dr., southeast of station platform</td>
<td>Grade separated crossings</td>
<td>Secondary</td>
</tr>
<tr>
<td>5</td>
<td>Bike Facilities</td>
<td>Near station platform</td>
<td>Bike parking, lockers, pump station and bike share facilities (beyond SPO improvements)</td>
<td>Primary</td>
</tr>
<tr>
<td>6</td>
<td>Wayfinding</td>
<td>Near station platform and park and ride</td>
<td>Signage and wayfinding (beyond SPO improvements)</td>
<td>Primary</td>
</tr>
<tr>
<td>7</td>
<td>Stormwater management</td>
<td>Near station platform and park and ride</td>
<td>Green infrastructure (beyond SPO improvements)</td>
<td>Primary</td>
</tr>
<tr>
<td>8</td>
<td>Public Art</td>
<td>Near station platform and park and ride</td>
<td>Public art (beyond SPO improvements)</td>
<td>Secondary</td>
</tr>
<tr>
<td>9</td>
<td>Public Plaza</td>
<td>Near station platform</td>
<td>Public plaza with paving, seating, plantings, lighting, and signage (beyond SPO improvements)</td>
<td>Secondary</td>
</tr>
<tr>
<td>10</td>
<td>Sanitary Sewer</td>
<td>Near station platform</td>
<td>Upsize existing 8-inch sanitary sewer to 10-inch minimum in conjunction with LRT rail construction</td>
<td>Primary</td>
</tr>
</tbody>
</table>
Development Potential

OVERVIEW
Key factors at the Opus station that present opportunities for future redevelopment include the presence of older, low-rise, light industrial buildings near the proposed station platform that may be ripe for redevelopment into more intense, mixed-use. The land uses in the Opus station area include a mix of office, light industrial, commercial/retail, residential, hotel, and park/open space uses. Several underutilized industrial sites present opportunities for future redevelopment in the area. The property directly east of and adjacent to the proposed station platform presents an opportunity for higher density and mixed land uses.

Key challenges that should be addressed to facilitate development potential include land uses, additional roadways and existing roadway improvements, smaller block sizes near the station, trail connectivity in the station area, and wayfinding.

LAND USES
Development potential for the Opus station area could include a mix of office, light industrial, residential, hotel, and retail uses.

PLANNING STRATEGIES
Strategies that should be considered to facilitate future development in the station area include the introduction of a finer grain of streets and block sizes to enhance station mobility and set up a framework for higher density development near the station. Streetscape and trail improvements connecting the station area with potential development sites, local destinations, neighborhoods, and bus transit facilities will enhance development potential in the area.

FIGURE 13-14. POTENTIAL DEVELOPMENT SITES

FUTURE LAND USE:
- RETAIL & OTHER COMMERCIAL
- OFFICE
Key Considerations for Change and Development Over Time

Development within the station area should focus on increasing density and mix of uses and creating a walkable street and block network within the Bren Road loop that can connect pedestrians via paths to more remote offices throughout station area. Key considerations should include:

**BUILT FORM AND LAND USE**

» Introduce higher density office, hotel, and commercial development with active street level uses facing the station and key pedestrian routes leading to and from the station.

» Design new buildings in the Bren Road loop to enhance pedestrian access by orienting them towards the street and locating them as close to the street line as possible.

» In employment buildings with manufacturing uses, locate the office components adjacent to pedestrian paths, streets and/or open spaces where they can contribute to street life and promote more “eyes on the street”.

» Should the Merchandise Mart site be redeveloped, ensure new development establishes a new east-west pedestrian connection linking the southern end of the station platform with areas to the east.

» Design and size the Park and Ride facility so that it has the potential to be redeveloped with higher density uses over time.

» Design parking structures to reflect the characteristics of more active building types by screening diagonal ramps, screening parked cars from view, and when next to a street incorporating active uses at street level.

**PUBLIC REALM**

» Restrict outdoor storage within the station area so that it does not detract from the image of the area or discourage new higher density employment uses.

» Initiate pathway improvements including pedestrian-oriented lighting, underpass enhancements, and wayfinding at key decision-making points along all paths leading to and from the station.

**MOBILITY**

» Develop a new walkable street and block pattern on the lands within the Bren Road loop including a new two-way street system connecting Bren Road East with Bren Road West to create an address for new development.

» Extend the existing multi-use path network into the Bren Road Circle from all sides and connect the path extensions to the LRT platform.

» Minimize the impact of parking and circulation on pedestrians by locating parking in structures or to the rear or side of new buildings, and consolidating access and service drives.

» Parking access, loading, and servicing elements should be shielded and located to the rear of the building.

» Limit vehicular access points along Bren Road.
Station Area Utility Plan

OVERVIEW

The station area utility plan and strategies recommended below were developed by considering future transit-oriented development within the station area, as depicted by the Station Area Improvements Plan (Figure 13-10). Minnetonka will need to apply these localized recommendations to the city wide system to ensure that the potential development/ redevelopment will not be limited by larger system constraints. Existing models or other methods can be used to check for system constraints in the station areas.

Minnetonka should also consider reviewing the condition of their existing utilities in the station development area. The station construction would provide Minnetonka an opportunity to address any utilities needing repairs. Once the larger system has been reviewed for system constraints, Minnetonka will be able to accurately plan for necessary utility improvements in their city Capital Improvement Program (CIP). All utilities located beneath the proposed LRT rail or station platform should be encased prior to the construction of these facilities. The cost associated with encasing these facilities is assumed to be a project cost and is not included in potential improvements identified for the City of Minnetonka CIP.

APPROACH

Utility improvement strategies are outlined in this report for the ultimate station area development (2030), as well as improvements which should be considered prior to opening day anticipated in 2018. Although recommendations are categorized in one of these two timeframes, Minnetonka should weigh the benefits of completing more or less of these improvements as land becomes available for future development. Minnetonka should take the utility analysis a level further and model future utilities in their city utility system models.

The proposed development and redevelopment areas were evaluated based on Metropolitan Commission Sewer Availability Charge (SAC) usage rates and estimated flows. Estimated flows for one possible development scenario in this area indicate that internal to the station area, no more than eight inch pipe are necessary to serve the mix of proposed and existing development. Each utility system should still be reviewed to identify capacity and demand constraints to the larger system associated with increase in flows from the proposed developments and existing developments in the area. Minnetonka should anticipate the construction of new municipal utilities in conjunction with new or realigned roadways.

GENERAL RECOMMENDATIONS - SANITARY SEWER

Sanitary sewer recommendations for station area improvements include opportunities for Minnetonka to improve the existing sanitary sewer network, without necessarily replacing existing sanitary sewers. When recommendations for “improving” existing sanitary sewer are noted, Minnetonka should consider the level to which each specific sewer should be improved. Methods of improvement could include: lining the existing sewer, pipe joint repair, sewer manhole repair, relocation, and complete replacement.

The following items should be evaluated prior to opening day of the station, although action may not be required until necessary for development:

- Televising existing sewer mains in the station area and proposed development area to determine the condition of the sewer mains, susceptibility for backups or other issues and evaluate for Infiltration and Inflow (I/I).
- Locations of known I/I. If previous sewer televising records, city maintenance records, or an I/I study have shown problems, the city should consider taking measures to address the problem.
- The age and material of existing gravity and/or forcemain sanitary sewer in the identified station area. If the lines are older than the material’s typical design life or materials which are susceptible to corrosion relative to soils in the area, the city should consider repairing, lining or replacing the mains.
- Locations of known capacity constraints or areas where city sewer models indicate capacity issues. If there are known limitations, the city should further evaluate the benefit of increasing pipe sizes.
- City sewer system models (existing and future). A review of these models with future development would assist Minnetonka in determining if sewers in the project area should be increased to meet existing or future city system needs.
- Existing sewer pipes should be relocated or encased in areas where they cross or are immediately adjacent to the LRT line/station.
GENERAL RECOMMENDATIONS - WATER MAIN

Water main recommendations for station area improvements also include opportunities for Minnetonka to improve the existing water system network. Creating loops in the network can help prevent stagnant water from accumulating along water main stubs, and creating loops of similar sized water main provides the city a level of redundancy in their water network. Redundancy helps reduce the impacts to the community during system repairs, and also helps stabilize the pressure in the network.

The following items should be evaluated prior to opening day of the station, although action may not be required until necessary for development:

- The age and material of the existing mains in the identified station area. If the mains are older than the materials typical design life or materials which are susceptible to corrosion relative to soils in the area, the city should consider replacing the main.
- Locations of previous water main breaks. If water main breaks repeatedly occur in specific areas, the city should consider replacing or repairing the main.
- Locations with known water pressure issues or areas where city models indicate low pressure. If there are known limitations (for either fire suppression or domestic uses), the city should further evaluate the benefit of increasing main sizes.
- Locations with known or potential water quality issues. If there are mains known to be affecting the water quality (color, taste, odor, etc.) of their system, Minnetonka should consider taking measures to address the problem affecting water quality.
- City water system models (existing and future). A review of these models with future development would assist Minnetonka in determining if mains in the project area should be improved to meet existing or future city system needs based on demand constraints.
- Existing water main pipes should be relocated or encased in areas where they cross or are immediately adjacent to the LRT line/station.

GENERAL RECOMMENDATIONS - STORM SEWER

Local storm sewer improvements are recommended to be completed in conjunction with other improvements in the station area. Improvements which will likely require storm sewer modifications include: roadway realignments, roadway extensions, and pedestrian sidewalk/streetscape improvements. Storm sewer improvements may consist of: storm sewer construction, manhole reconstruction, drain tile extensions, storm sewer relocation, and complete replacement. These local storm sewer improvements are included as part of the overall cost of roadway and streetscape improvements recommended in this plan. Where roadway/streetscape improvements are part of the SW LRT anticipated base project scope, associated storm sewer improvements are assumed to be a project cost. Minnetonka should also consider coordinating with the local watershed district and other agencies to review the condition of capacity of existing trunk storm sewer systems serving more regional surface water needs.

STORMWATER BEST MANAGEMENT PRACTICES

There are numerous stormwater best management practices (BMPs) that can be used to address stormwater quality and quantity. As part of this project, BMP guides were developed for four stations (Royalston, Blake, Shady Oak, and Mitchell) which exemplify the range of development intensity and character in the urbanized environment along the Southwest LRT Corridor. The recommendations and practices identified in each of the four BMP guides are applicable to various stations along the corridor.

Potential stormwater management strategies for this station area may be similar to those shown in the BMP guide for the Shady Oak station (see p. 12-28). Minnetonka should consider implementing applicable best management practices similar to those in the Shady Oak Station BMP guide. Stormwater management recommendations should be constructed in conjunction with public and private improvements and future development/redevelopment in the station area.
Station Area Utility Plan (Continued)

STATION AREA UTILITY RECOMMENDATIONS

Utility recommendations (illustrated in Figure 13-15) are based on a localized analysis of proposed development. It is recommended that the City of Minnetonka take this analysis a step further and review system constraints to the existing and future sanitary sewer and water main systems using existing sewer CAD or water CAD models, or other methods of modeling these systems.

Opening Day Recommendations:
1. Encase existing sanitary sewer crossing the LRT rail construction.
2. Encase existing water main crossing the LRT rail construction.
3. Consider upsizing existing 8-inch sanitary sewer crossing Bren Road E. to 10-inch minimum in conjunction with LRT rail construction (confirm with City model).

Long-Term Recommendations:
1. Construct 8-inch minimum sanitary sewer in conjunction with roadway construction of new streets east of the station.
2. Construct 8-inch minimum water main in conjunction with roadway reconstruction/construction of new streets east of the station.
CROSSROADS OF A NEW ERA TODAY.
NEW LIFE IN THE RAW FRONTIER

In the early 1800’s, Minnesota was a vast tract of land inhabited only by various bands of Chippewa and Sioux Indians. Around the middle of the century things started to change. Settlers arrived in increasing numbers at St. Paul Landing, the recently designated political capitol for the large expanse of land between the St. Croix and Missouri Rivers.

After a short stay in St. Paul, many of the settlers moved further up river to the smaller village of St. Anthony, the sawmill town by the falls. St. Paul and St. Anthony, both raw frontier communities, offered the excitement, hustle and bustle characteristic of newly created boom towns.

The trail to points west led from these fledgling cities past Lake Calhoun, Lake Harriet, paralleled Minnehaha Creek and eventually ended in the rich farm land surrounding Lake Minnetonka. Those here for the purpose of homesteading or farming followed this trail westward in search of fertile land.

The area comprising Hopkins, Minnetonka, Edina and Eden Prairie soon was settled with families. Civilization had come to this newly instituted Territory of Minnesota. The areas that were populated by these pioneers eventually became towns and villages that still exist today.
The Township of Eden Prairie and Minnetonka came into existence in 1858. Eden Prairie's name was bestowed on it by Elizabeth Eliet, an author of national fame. She was impressed with the beautiful rolling prairies and likened them to her conception of the Garden of Eden. Others must have agreed with her as the township was officially chartered under the name of Eden Prairie in 1858.

About the same time, the Township of Minnetonka was officially chartered, taking its name from the large lake close by. The lake was originally named Peninsula Lake by Calvin Tuttle and Simon Stevens, earlier pioneers. Governor Alexander Ramsey later renamed it Minnetonka, a Sioux word meaning big water.

Hopkins, then a part of Minnetonka Township, had its beginning roughly around 1870. The Minneapolis and St. Louis Railway purchased right-of-ways across farmers' land for their line to St. Louis, Missouri. Once the line was completed, a station was constructed opposite the home of Harley Hopkins and was given the name of Hopkins. With the added growth brought by the railroad, Hopkins became an entity in its own right and in 1887 the village was formally incorporated and separated from Minnetonka Township.

In 1888, Edina followed suit, electing to make their settlement a separate village from that of Richfield. Andrew and John Craik, immigrants from the Old World and pioneers in the new Territory, had come to Minnesota from Edinburgh, Scotland. They opened a flour mill and named it Edina in honor of their homeland. It is from the Craik brothers' Edina flour mill that the village of Edina took its name.

From their first perilous foothold, these four cities grew and prospered. Today, they offer Minnesota a heritage rich in determination, vision and progress, a history as much a part of the present and future as it is of the past.

At the convergence of these four progressive communities, a new pioneering effort has begun. 410 acres of small truck farms and private estates that once belonged to the Minnesota Pioneers has been acquired by Rauenhorst Corporation. The land, located in Minnetonka, Edina, and Eden Prairie, and bordered by Hopkins, will be the site of a new innovative community geared to our modern way of working and living.
There has long been a need for a new approach to community planning, especially on a large scale. Major cities, unlike smaller communities, are decades behind in responding to our present needs, work habits and life styles. Traffic systems and patterns can no longer handle the growing number of commuters. Present day transportation is producing a pollution problem that was undreamed of back in the 1950's and early 60's. Today's major cities are no longer people oriented.

Mr. Rauenhorst, aware of the direction community planning has taken in the last twenty years and of the problems that have resulted, devised an entirely new approach, one that was people oriented. He called it Opus 2. Opus 2 combines the history of the past, needs of the present and the projected requirements of the future into a self-contained working/living center offering 95% of what is essential to life. It coordinates office, industrial, commercial and residential areas into an integral working/living environment able to provide jobs, recreation, housing, shopping, medical and cultural facilities. It is self-sustaining, making it profitable for companies to locate there, and it is convenient for commuting. Opus, which means creation, is an appropriate name to apply to this unusual approach to community planning.
A SEARCH SPARKS THE BEGINNING

Opus 2 went from concept to reality when Data 100 approached Rauenhorst Corporation to build new Corporate Headquarters, an office and plant facility. Rauenhorst was asked to find a suitable site within a designated area. Twenty-five acres were eventually located west of the Twin Cities bordered by Shady Oak Road, County Road 18 and Crosstown Highway 62. While in the process of acquiring the land for Data 100, Rauenhorst noticed that the adjoining acreage was also available. The area was ideal for the Opus 2 concept. The most important criteria were there: Proximity to the surrounding communities, existing access through roads and freeways and over 400 acres of undeveloped land in a suburban location. Rauenhorst Corporation decided to use this opportunity to implement Opus 2.
PREPARATION AND CONSERVATION

Much in-depth research was required concerning the environmental aspects of Opus 2's impact on the area. Independent studies were initiated to determine the feasibility of the automobile primary road system and the pedestrian traffic secondary road system concept as it related to the land use pattern. An environmental assessment was performed. Informal meetings were held with several different agencies, councils, commissions, and governments at the staff level including: the Nine Mile Creek Watershed District, the Environmental Quality Control Council, the Metropolitan Council, the Hennepin County Highway Department, the planning and engineering staffs of Edina, Eden Prairie, Hopkins, and Minnetonka, the Hennepin County Conservation Department and the Metropolitan Transit Commission.

Input received from these groups helped to determine the strength of each element of the Opus 2 concept and how well it would work with other elements of the plan. One of the main elements Rauenhorst Corporation considered during planning was preservation of the area's natural amenities. Rather than redesign the topography to fit the needs of Opus 2, Opus 2 has been designed to coordinate with the environment that already exists. Great care is being taken to preserve ecosystems such as wooded sections, marshes, knolls, valleys and natural water retention areas that enrich and enhance the environmental setting. It is this care and concern for the unspoiled beauty of the land that makes Opus 2 unique.
Opus 2 is a staged development, taking an estimated ten years for completion. The industrial and office portions of Opus 2, consisting of 2 million square feet, are presently being developed. These will be coordinated with the 55,000 square foot neighborhood convenience shopping center, some residential housing and the 300,000 square foot multi-purpose service center.

Designed to fit today's working/living needs, Opus 2 offers many advantages not found elsewhere. Opus 2's location is nearly perfect for the businessman. Services such as restaurants, hotels, shopping centers, and some of the Twin Cities' greatest recreational facilities are located either in Opus 2 or are just moments away. Opus 2 is serviced by one of the metropolitan area's major arteries, Crosstown Highway 62, which puts the office, commercial and industrial areas of downtown Minneapolis, downtown St. Paul, the suburbs that circle the metropolitan area and the Minneapolis/St. Paul International Airport within minutes of the busy executive. Opus 2 is situated in the heart of the blue and white collar labor markets and is surrounded by four executive residential communities.

Added to this, buildings constructed in Opus 2 are architecturally designed to meld with the environment, avoiding visual congestion and enhancing the natural scenic amenities.

As Opus 2 was being engineered, much thought was given to controlling traffic peaks, thus avoiding rush hour traffic jams. The result is a dual roadway system...
that intra-connects Opus 2. It consists of a one-way primary roadway for standard automobiles and a two-way secondary roadway for pedestrian, bicycle traffic and electric vehicles. The two systems are totally separate and are bridged wherever they intersect. Traffic from the primary system can't cross over or interfere with traffic on the secondary system. Counter-rotating traffic circles and the use of one-way streets in the primary system enable 50,000 vehicles to move in and out of Opus 2 daily without ever encountering oncoming vehicles, traffic signals or stop signs. This transportation system permits easy employee and customer access to all areas of Opus 2 in a continuous and uninterrupted fashion.

Opus 2 is in an ideal location for eventually connecting with mass transportation systems of the surrounding communities of Hopkins, Edina, Eden Prairie, Minnetonka, Minneapolis and St. Paul. Although Opus 2 is presently only minutes from these office, commercial and industrial areas, interconnected mass transportation will further tie Opus 2 into the Metropolitan business community.
LIVING IN OPUS 2

The central feature that blends the office, commercial and industrial portion of Opus 2 with the residential areas is the focal point of the working/living community, the multi-purpose service center. This structure, intended to serve Opus 2 and the surrounding area, will combine a number of uses on the same site. Proposed are high-value specialty shops, cultural facilities such as a community theater, an ecumenical chapel, dining establishments, police, fire and medical auxiliary services, all combined and located in a uniquely designed building.

Situated within casual walking distance of the multi-purpose service center will be a number of neighborhoods, each with its own architectural style and individual characteristics. They will be serviced by the same primary and secondary roadway system that intra-connects the office, commercial and industrial portions of Opus 2.

The treatment of the residential areas will reflect the Rauenhorst Corporation commitment to preserve and enhance the natural environment. Exquisitely manicured grounds will accent the aesthetically designed buildings. Each neighborhood will vary in density and will be convenient to the office, commercial and industrial portions of Opus 2, as well as to the surrounding services, communities, mass transportation systems, parks and recreational areas. The housing will range from rental units to condominiums, providing a way of life that is both distinctive and elegant. Residents will enjoy comfort, beauty, quality and peace of mind living.

Opus 2 living is designed for the discriminating. The over one thousand units planned will provide the ultimate in modern living, offering a new vista in housing experience.
EXCITING CHALLENGES

Numerous challenges are presented by the Opus 2 project; corporate headquarters with adjacent housing, mixed professional, commercial, office, and research facilities, industrial condominiums, preservation of natural amenities, aesthetically designed buildings, new techniques of crime prevention through internal security systems, experimentation with energy supply, the primary/secondary roadway concept, mass transit systems and people movers. These are just a few of the exciting developments planned for Opus 2.

Intense research is presently underway concerning the last category, people movers. Proposed are electric vehicles. They would be advantageous to residents as they would adapt to the dual roadway concept, would cost a fraction of the present sub-compact car, both to purchase and to operate, and they would be non-polluting.

RAUENHORST CORPORATION AND OPUS 2

Opus 2 originated from Mr. Rauenhorst's deep-seated conviction that he and his firm have a responsibility to society to research and create new methods and ideas for living and working. These new ideas are then implemented through the Rauenhorst Corporation concept of Total Responsibility which includes: site selection, architectural design, financing, development, engineering, construction, leasing, management and maintenance—all under one unified contract. As applied to Opus 2, the Total Responsibility concept has played a major role in helping to create a compatible working/living environment, developed and maintained along stringent standards, that will provide 95% of what is essential to life as well as ensure steadily increasing property values for your firm's investment. Therefore, Opus 2 isn't just another development. It's a singular working/living experience at the crossroad of what was, and what ought to be.

OPUS 2—CROSSROADS OF TOMORROW, TODAY.
THE CITY OF MINNETONKA

Critical to the development of an enterprise such as Opus 2 is the understanding, and support of local governmental bodies during the planning, programming, and construction phases. We have been fortunate indeed to have had a cooperative endeavor emerge with a number of such governmental groups, but especially with the City of Minnetonka. Even as we wrote our Opus 2 brochure, events were moving forward with gratifying rapidity. Zoning of our industrial park and commercial areas was obtained, concept plan approval for the housing area of the plan was granted, and an industrial revenue bond issue providing for the timely completion of the industrial/commercial areas was authorized by the City Council.

We at Rauenhorst Corporation extend special thanks and appreciation to the Council, Planning Commission, and Staff of Minnetonka for their assistance in making the promise of Opus 2 a reality today.

[Signature]

Gerald Rauenhorst
SWLRT HOUSING GAPS ANALYSIS

September 2014

PREPARED FOR:

SOUTHWEST LRT
community works

Hennepin
St. Louis Park
City of Hopkins
Metropolitan Council
MnDOT
Urban Land Institute
Family Housing Fund
LISC

PREPARED BY:

Marquette Advisors

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September 1, 2014

Ms. Kerri Pearce Ruch  
Principal Planning Analyst  
**Hennepin County Housing, Community Works & Transit**  
701 4th Avenue South, Suite 400  
Minneapolis, MN 55415

Dear Ms. Pearce Ruch:

We are pleased to present the accompanying Housing Gaps Analysis for the SWLRT corridor. This analysis and related recommendations are based on our review of prior research and data assembly, supplemented by our own primary research and expertise derived through analysis of market conditions, stakeholder interviews, and a detailed review of individual station area land use, development trends, and market conditions. This report contains an assessment of the potential for future residential development for the ½ mile corridor as a whole, and is segmented by station area and by product type. As well, we provide an analysis and discussion of market inefficiencies and expected demand-supply gaps, and strategies for mitigating barriers to development of various housing products along SWLRT over time. Our recommendations are intended to guide future planning and policy related to the corridor-wide housing strategy, development planning, and public investment around each station area in a way that will help to “set the stage” for quality residential and mixed use development which constitutes an optimal mix of housing choices in these areas.

We remain available to answer any questions and for discussion following your review of the document and look forward to finishing our work with you on this important project in the coming weeks.

Sincerely,

**MARQUETTE ADVISORS**

Louis W. Frillman  
President

Brent E. Wittenberg  
Vice President

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INTRODUCTION

Marquette Advisors was retained by the Family Housing Fund as the fiscal agent on behalf of Southwest LRT Community Works, Twin Cities LISC, and the partner cities of Minneapolis, St. Louis Park, Hopkins, Edina, Minnetonka and Eden Prairie to provide a “Housing Gaps Analysis” in reference to the planned Southwest Light Rail Transit (“SWLRT”) Corridor. SWLRT will span approximately 15 miles, with 17 planned stations in Minneapolis, St. Louis Park, Hopkins, Minnetonka and Eden Prairie. The Housing Gaps Analysis is a critical component in developing a corridor-wide housing strategy, the goals and principles of which are outlined below.

SWLRT Community Works Goals:

- Economic competitiveness and job growth
- Promoting opportunities for business and employment growth
- Housing choices
- Positioning the Southwest LRT communities as a place for all to live
- Quality neighborhoods
- Creating unique, vibrant, safe, beautiful, and walkable station areas
- Critical connections
- Improving affordable regional mobility for all users

SWLRT Community Works Guiding Principles for Investment:

- Partner for Effective Planning and Implementation
- Create Great Quality Transit Oriented Development and Achieve Unique, Vibrant Places
- Stimulate Employment and Economic Development
- Provide a full Range of Housing Choices
- Strengthen Communities through Connections and Access to Opportunity
- Maintain and Improve Natural Systems
- Build Healthy Communities
- Enhance Tax Base

The Housing Gaps Analysis utilizes prior research, notably the SW Community Works Housing Inventory, along with station-area plans, maps and related data and research compiled to date through the SW Community Works Corridor Investment Framework.
The primary objectives of the Housing Gaps Analysis are as follows:

The Housing Gaps Analysis provides a review of existing conditions and interprets prior studies, building upon complementary research and data, and engaging a full range of stakeholders in the analysis of the corridor, demographics, land use, growth patterns, and housing market conditions. The Gaps Analysis provides a forward-looking analysis regarding the potential for residential development within the SWLRT corridor, and future housing supply gaps, answering the following key questions:

Work Scope Key Questions

- **Who** will want to live here, and why?
- **How many** households would choose to reside in TOD housing within the SWLRT Corridor?
- What are the **characteristics** of those households, particularly with respect to age, income, household size and employment status?
- What **types of housing** are needed to accommodate this level of growth?
- Furthermore, what are expected future **supply gaps**, comparing what the market is expected to produce with a “full range” of housing choices by affordability level?
- What are **market inefficiencies** and barriers to development (and/or preservation) of a full range of housing choices within the Corridor? And what are some specific **strategies, policies and tools** to mitigate those barriers?
- What is the **impact of SWLRT upon the existing housing stock and resident base?** (i.e. what are risks associated with gentrification?)
- What **tools, policies and strategies** are appropriate in order to set the stage for quality development and the provision of a full range of housing choices for the SWLRT corridor?

"Corridor" Definition: For this Housing Gaps Analysis, the SWLRT Corridor is defined as that area comprising a ½ mile radius around each of the planned LRT stations.
EXECUTIVE SUMMARY

This section describes, in brief, key findings and recommendations derived from the Housing Gaps Analysis. The information presented in this section are meant as a summary of, not a substitute for the body of the report, which contains additional information and detail critical to a full understanding of the analysis, the recommendations provided, and the context within which they were formulated.

Background & Context

Marquette Advisors was retained to provide a Housing Gaps Analysis related to the SWLRT Corridor. The “Corridor” as defined for purposes of this analysis comprises a ½ mile radius surrounding each of the planned LRT stations. The Housing Gaps Analysis is a critical component in the development of a corridor-wide housing strategy by SWLRT Community Works, along with its partner communities (Minneapolis, St. Louis Park, Edina, Hopkins, Minnetonka and Eden Prairie), and a full range of stakeholders. To date, considerable research and planning has already been done, inclusive of the SW Community Works Corridor Housing Inventory and the Investment Framework. The Housing Gaps Analysis interprets and builds upon these work elements and provides further research and analysis, culminating in recommendations intended to guide future planning that will “set the stage” for a “full range of housing choices” within the corridor.
The Housing Gaps Analysis provides recommendations for new residential development for the corridor as a whole, and for individual station areas, and identifies future supply gaps. The report discusses market inefficiencies and addresses the need for creative public/private partnerships that will help to facilitate the provision of a full range of housing choices in the corridor over the long-term.

**Housing Inventory Key Findings**

- Younger & Older Demographics are attracted to the SW Cities & LRT.
- SW Corridor is job rich.
- Limited rental housing options within ¼ mile of proposed stations
- Large Supply of "naturally occurring" affordable housing (unsubsidized rental) - but much of it tends to be older
- Development pipeline is led by the luxury sector.

**Gaps Analysis Work Scope**

- What housing types and values are missing from the Corridor?
- What are the strengths and weaknesses along the SWLRT line?
- Where are there optimal sites for housing development within ¼ mile of station areas?
- Where is there greatest risk of gentrification?
- What tools and strategies will be most useful in achieving the goal of a full range of housing choices?

**Demographics — Key Findings:**

The SWLRT corridor is home to 37,000 residents and 19,000 households. The majority (about 2/3) are renters. Trend is likely to continue, based on demographics, lifestyle, and market factors.

The Twin Cities Metro Area is expected to grow by 11,000 to 13,000 households/year through 2030. 80% of growth is expected to be households without children, and nearly 1/3 of regional growth expected to be single-person households.

Millenials and Baby Boomers are having a major impact on Twin Cities housing market. Both segments are drawn to high-density multifamily housing products which feature “efficiency in living,” and connectivity to work, goods/services, public facilities, and entertainment/amenities. We expect that TOD housing products and SWLRT will appeal to both market segments.
Corridor Employment – Key Findings:

107,000 workers in corridor -- The corridor features a strong corporate presence, with a deep and diverse economic base. The corridor provides a “full range” of jobs, ranging from entry-level part-time positions up to high-level management and executive positions in a wide range of industries.

Corridor workers a target for new TOD housing -- Less than 4% of the corridor’s 107,000 workers also reside within ½ mile of SWLRT presently. New housing products near SWLRT are expected to appeal to corridor workers.

Earnings & housing affordability -- Importantly, we note that a full 20% of the corridor employee-base earns less than $1,250 per month. A household with a single wage-earner at this level could afford a monthly housing payment of just $375 per month. Two workers at this level could afford a monthly housing cost of about $750. Worker earnings were a key factor considered by Marquette Advisors in developing recommendations for housing construction & preservation in the corridor.

Educational Facilities -- Key Findings:

Expect modest impact of housing development upon local schools – Considering demographic trends and expected development patterns, fueled by growth from single-persons households and households without children, TOD housing developments along SWLRT are not expected to have a substantial impact on enrollment at any one educational facility within the corridor.

TOD may boost open enrollment – The development of SWLRT will improve connectivity of residents with schools and, thus, will create opportunities for open enrollment, with students utilizing SWLRT to commute to/from their place of residence to school.

SWLRT housing will likely appeal to school teachers and other staff – The development of new workforce and market rate rental housing, as well as entry-level for sale housing, may in fact be attractive to teachers and other school staff who presently commute longer distances due to an affordability gap between current salaries and corridor housing costs.

Residential Development Outlook – Key Findings:

Market demand = 13,000  Outlook – Key Fin (2015-2030). This represents a gap between existing housing inventory and the number of households who will want to live along the corridor.

Recommended Development Goal = 11,000 new units. Tempered to reflect development constraints: land availability, land use factors, development cost factors, etc. However, at least 20% of these units still not feasible but for public/private partnerships and gap financing.
## SW LRT Corridor – Recommended New Residential Development by Product Type & Station Area -- 2015-2030

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<th>Mid-Mkt</th>
<th>High-End</th>
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<th>30-60% AMI</th>
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** Total: 635 635 936 1,256 6,402 9,922 476 475 364 1,314 11,236

** Future development potential for 21st St. Station Area to be determined.

*Source: Marquette Advisors*
New unit mix - 90% rental, 10% home ownership -- Why? Considers demographics, economics and lifestyle factors. Regional and corridor growth dominated by small households. Market preference for efficient and convenience in housing, with strong connectivity to jobs and “urban” amenities. Approximately 1/3 of new construction recommended affordable up to 100% of AMI.

- 12% (1,300 units) - <60% AMI
- 9% (1,000 units) - 61% to 80% AMI
- 12% (1,300 units) - 61% to 80% AMI

Station Area recommendations for new construction take into account the following factors:

- Current housing inventory, demographic composition and economic base
- Land availability - ownership of undeveloped and/or under-utilized parcels
- Characteristics of surrounding land use (as-is and future expectations)
- Proximity to jobs, types of jobs & incomes levels, proximity to goods/services, public and educational facilities and other modes of transit

Mixed-income residential development a “best practice” related to inclusionary housing in the corridor -- Publicly owned sites present the best short-term opportunity for this type of development.

Housing Preservation – Key Findings:

Affordable housing is a primary asset within the corridor presently – Corridor features an estimated 7,700 units which are affordable to households earning <60% of AMI, representing almost 1/2 of the existing rental stock.

Limited risk of gentrification – Existing supply includes older product mix (1960’s/70’s vintage). Rents in many cases are well below 60% of AMI target. Age/quality and market obsolescence limits potential for major rent increases.

Housing preservation far less expensive than construction of new units – Providing new housing at levels which are affordable to households earning <60% of AMI, even up to 80-100% of AMI, is a significant challenge due to cost factors. Barriers to development are significant. Thus, particular focus should be given to preserving and improving the existing housing stock.
Corridor Strengths – Key Findings:

**Strong demographics and high-quality real estate** – The SW corridor features some of the region’s highest-quality and highest-valued real estate. High-quality housing stock, stable neighborhoods, close to parks and recreational opportunities, shopping and restaurants.

**Strong corporate presence and jobs base** -- There corridor features depth and diversity in its employment base, with 107,000 jobs in the corridor. Proximity of the station areas to major employment nodes bodes well for connectivity and desirability of future TOD housing.

**City staff are experienced and familiar with development tools** – Our analysis and interviews indicates that city planning staff and administration have a firm grasp of redevelopment “tools” and experience in the types of public/private partnerships which will be required to achieve corridor housing goals.

Key Development Challenges:

**Limited vacant land supply and shortage of publicly-owned sites** – Much of the corridor is already built-out. The limited supply of developable land, paired with expected strong market demand for housing (and commercial forms of development) results in escalating land values. This poses the single-most significant barrier to the development of a full range of housing choices in many station areas.

**Land use issues reduce redevelopment potential** - Private ownership; highest and best use issues. Redevelopment is complicated and costly. It requires substantial investment or sale by private land/property owners. The objectives and risk tolerance of current property owners varies substantially.

**Auto-oriented areas, lacking pedestrian/bike friendly amenities & connectivity** – Several of the station areas are presently auto-oriented. Considerable investment in pedestrian/bike connectivity and public realm elements will be required in order to create the type of lifestyle environment preferred by prospective TOD residents.

**Many stations lack street “vibrancy” and supporting commercial/restaurant nodes and public amenities** – The region’s population base has shown a strong preference for housing in mixed-use neighborhoods which provide walkability and easy access to a variety of amenities – shops, restaurants, parks, trails, and recreational features, and entertainment. These elements should be incorporated in station area planning.
Recommendations & Next Steps:

Consensus, “buy-in” and commitment are critical to success – Joint powers agreements and representation of all corridor communities and stakeholder groups will be paramount to achieving. The housing goals set forth by SWLRT Community Works.

Housing preservation strategy needed to invest in quality and sustainability of existing affordable housing stock – The strategy and investment model(s) should include the following elements:

- Deploy capital which invests in the quality, sustainability and long-term affordability of this aging housing stock. This will require dedicated funds and creative partnerships with private owners and non-profit development/management partners.
- Match services with the resident base -- fostering upward mobility within the community’s economy and housing market. Partnerships involving the public sector and varied advocate groups with corporate partners and educational institutions should be developed in order to provide services such as job/life skills education and household economics/financial advisory services and counseling.

Develop “branding” and promotions strategy for SWLRT lifestyle – What is TOD? And what kind of lifestyle will TOD housing and SWLRT provide? Promote market awareness of the benefits to TOD living in SW corridor.

Station area master planning -- Focus on stations with significant public land ownership and near-term development opportunities. This presents an opportunity for a “signature” development on SWLRT which demonstrates all desired “lifestyle” elements and provides a “full range” of housing choices. Success is critical in short-term developments, and sets the stage for future success in other station areas. To ensure success, the master planning process must engage a full range of stakeholders, both public and private. The Corridor Development Initiative (CDI) model is a best-practice and should be an integral component of future station area planning, as it provides a framework for collaboration and consensus building around quality planning.

Develop consensus and adopt housing policy goals – The partner communities should work together to build consensus around the concept of “full housing choice” and preservation and production goals. We suggest the creation of a coordinated SWLRT Housing Policy Overlay Zone, for the area within ½ mile of each LRT station. This area should be established for application of housing goals, policy and oversight. The structure and composition of which should be determined by the stakeholders, as buy-in from all corridor cities is key to success. We recommend that cities maintain development review/approval authority, utilizing their own “toolbox” and strategies which promote housing development and preservation which is consistent with the goals established within the SWLRT housing strategy.
Establish a $200m+ TOD Affordable Housing Fund -- Why? Existing tools/strategies are not enough to have impact at major scale. A dedicated funding source is needed to support construction of 1,300 new units at <60% of AMI and to preserve/improve 7,700 existing units affordable at <60% of AMI.

**Fund Structure:**
- Independently financed pool of funds that provides a return to investors
- More risk tolerant than traditional financing
- Patient financing with longer term payback

**Possible Capitalization:**
- Local foundations & intermediaries
- Family funds and partnerships
- Corporate interests (e.g. major businesses in SW corridor)
- Traditional institutional investment sources (insurance companies, etc)

While Marquette Advisors believes a program which provides a return to investors and generates cash flow for re-investment is the preferred structure, some type of public/private alignment might work under certain governing circumstances. While not a charge of this engagement, Marquette believes that some form of overarching authority driving the Fund would enhance achievement of housing policy and development/preservation goals.

A $200 million fund, properly designed and leveraged, should be able to provide key (and currently missing) capital to drive development and preservation which meets stated housing production and preservation goals.
ASSESSMENT OF PRIOR RESEARCH

A primary objective of this assignment is to answer the following key question: What housing types and values are missing from the corridor to capture future market demand? The following points summarize the varied data elements and trends considered in developing our analysis and estimates regarding the potential for housing development (and preservation) within the SWLRT ½ mile corridor. This is followed by a summary of our findings and estimates of household growth and housing development potential for the corridor as a whole and for each individual station area.

Data Sources and Research Considered

We have reviewed and utilized the SW Community Works Housing Inventory, completed in 2013, which contains extensive data on the existing housing stock, resident and employment base for the corridor. More recently, we were able to review a June 2014 report entitled “Twin Cities Metropolitan Council Area Trends, Preferences, and Opportunities: 2010 to 2020, 2030 and 2040,” prepared for the Met Council Community Development Committee by Arthur C. Nelson, Ph.D., FAICP. This study presents a timely analysis of demographic trends and household characteristics at the metro level and relates these trends to future housing needs in light of changes ongoing relative to our population base and how future households will live and work in the region. Numerous other research, documents and planning studies were reviewed by Marquette Advisors as part of this engagement and are accordingly referenced throughout this report where relevant.

In assessing the potential for housing development (and preservation) within the corridor, Marquette Advisors has considered all relevant data and market factors, such as economic and demographic data and forecasts by the Met Council and ESRI, a nationally recognized econometric forecasting firm. Importantly, we have analyzed the current economic base and employment conditions within the corridor and metro-wide, together with growth forecasts by industry and occupation from sources including the Met Council and MN-DEED.

As well, we have reviewed land use, commuting patterns, and current residential market conditions in the southwest metro area, utilizing Marquette Advisors proprietary multi-family database along with published data and reporting on Twin Cities housing market conditions. We have also utilized prior research such as the SW Community Works Housing Inventory (2013), The Space Between Report (2013), and all station area planning and studies compiled to date, notably the SW Community Works Corridor Investment Framework (“Investment Framework”) and related Transitional Station Area Action Plans (“TSAAP”) from 2013.

Based on our review of the Investment Framework planning documents and our own field research and analysis we have taken into consideration current land use, land availability and cost, and the “ripeness” of sites for development (and/or change in use) in each station area. Our recommendations take into consideration Investment Framework recommendations regarding future land use and housing within the context of other uses, inclusive of retail, office,
industrial, recreational and institutional components, together with our own assessment relative to market and land use trends.

We have also evaluated TOD development trends throughout the Twin Cities and in other markets such as Seattle, Charlotte, Denver, Washington DC and Dallas. We have analyzed housing construction trends along both the Blue Line (Hiawatha) and the Green Line (Central Corridor). We have evaluated national TOD trends through sources such as the Center for Transit Oriented Development and publications and interviews with TOD analysts and policy experts in other markets, including those at the National Housing Conference, Center for Housing Policy, and Lincoln Institute of Land Policy.

**Current Resident Base**

The ½ mile corridor is home to approximately 37,000 residents and 19,000 households. The table on the following page, taken from the *SW Community Works Housing Inventory*, shows the population and household composition within ½ mile of each station site.

**Key findings are as follows:**

- The majority of corridor residents are renters, with 12,425 renter households (66%) and 6,400 homeowners (34%). By comparison, for the Twin Cities Metro Area as a whole, an estimated 70% of households own their homes.

- Approximately 1.3% of Twin Cities Metro Area households reside in the corridor presently. The corridor grew by an estimated 6,800 persons and 3,600 households between 2000 and 2012, capturing only about 3.2% of Metro Area household growth during this timeframe.

- Interestingly, the corridor at this time is somewhat younger, on average, compared to the region as a whole, as 52% of the resident base is under the age of 35, with a relatively large group of persons between the ages of 25 and 34. As well, the corridor features a relatively high concentration of renters, as 66% of corridor households were renters, compared to 36% throughout Hennepin County.
**POPULATION AND HOUSEHOLD GROWTH TRENDS**

**SWLRT STATIONS HALF-MILE RADIUS**

**2000-2017**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<td>Golden Triangle</td>
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<td>18,825</td>
<td>19,176</td>
<td>3,641</td>
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**Sources:** U.S. Census Bureau; ESRI; Maxfield Research, Inc.
**Twin Cities Population & Household Growth Forecasts**

We have considered growth forecasts by both the Met Council and ESRI, and data regarding the composition of the population/household base, in developing estimates of future household growth potential for the SWLRT corridor. It is important to understand not only the pace of growth, but also changes in the composition of the area’s population base over time.

Long-term forecasts by the Met Council predict that the Twin Cities Metro Area (7 counties) will grow by an average of about 13,000 households per year over the next 20 years. By comparison, short-term forecasts by national econometric forecasting firm ESRI suggest that the region will grow by around 11,000 households per year in the between 2014 and 2019. The ESRI (short-term) and Met Council (long-term) forecasts are complementary and integral to our analysis and recommendations. The forecasts indicate that the pace of household growth will likely increase over the long-term. Meanwhile, the short-term projections by ESRI provide significant detail and segmentation by household income, size, type and tenure which we have used in providing detailed development recommendations for specific station areas in the short-term.

An analysis of short-term household growth by age cohort is presented on the following page. The table depicts projected household growth for the seven-county metro area between 2013 and 2018, according to short term forecasts by ESRI. It is interesting to note where the growth is expected to occur, by age cohort, and the aging of the population base. The “Millenials” (a.k.a. Generation Y or “Gen Y”) is having a major impact upon our society, economy and housing markets, as the size of this generation is considerably larger compared to those preceding it. This group was born between the late 1970s and about 2000. Millenials, also known as the “echo boomers” (children of baby boomers), have generated strong demand for apartments throughout the nation and in the Twin Cities market, and this trend continues to date.
### Twin Cities Metro Area

#### Projected 5-Yr Growth Trend -- Households by Age and Income, 2013-2018

<table>
<thead>
<tr>
<th>Households by Age of Householder</th>
<th>&lt;25</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65-74</th>
<th>75+</th>
<th>Metro Total</th>
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<tbody>
<tr>
<td><strong>2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Households</td>
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<td>210,297</td>
<td>242,995</td>
<td>216,170</td>
<td>120,338</td>
<td>101,134</td>
<td>1,140,514</td>
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<tr>
<td>Pct. Metro Household Base</td>
<td>4.2%</td>
<td>17.7%</td>
<td>18.4%</td>
<td>21.3%</td>
<td>19.0%</td>
<td>10.6%</td>
<td>8.9%</td>
<td>100.0%</td>
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<tr>
<td>Median HH Income</td>
<td>$29,358</td>
<td>$58,660</td>
<td>$77,524</td>
<td>$84,842</td>
<td>$74,705</td>
<td>$54,940</td>
<td>$31,117</td>
<td>$63,693</td>
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<tr>
<td>Average HH Income</td>
<td>$38,991</td>
<td>$73,087</td>
<td>$97,129</td>
<td>$108,645</td>
<td>$99,136</td>
<td>$74,806</td>
<td>$44,933</td>
<td>$86,285</td>
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<tr>
<td><strong>2018</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Number of Households</td>
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<td>233,125</td>
<td>153,026</td>
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<tr>
<td>Pct. Metro Household Base</td>
<td>3.9%</td>
<td>17.1%</td>
<td>18.4%</td>
<td>18.9%</td>
<td>19.5%</td>
<td>12.8%</td>
<td>9.4%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Median HH Income</td>
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<td>$72,389</td>
<td>$94,126</td>
<td>$102,896</td>
<td>$92,720</td>
<td>$67,172</td>
<td>$36,103</td>
<td>$79,052</td>
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<tr>
<td>Average HH Income</td>
<td>$43,503</td>
<td>$88,429</td>
<td>$116,433</td>
<td>$127,892</td>
<td>$120,099</td>
<td>$92,585</td>
<td>$55,450</td>
<td>$103,025</td>
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</table>

#### Change, 2013-2018

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<thead>
<tr>
<th>Change, 2013-2018</th>
<th>&lt;25</th>
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<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65-74</th>
<th>75+</th>
<th>Metro Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Households</td>
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<td>16,955</td>
<td>32,688</td>
<td>11,244</td>
<td>55,000</td>
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Sources: ESRI Business Information Solutions; Marquette Advisors

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### Impact of Millennials and Baby Boomers on Housing Choice & Development Trends

**Millenials...**

Young renters (i.e. mid-20's to early 30's) have shown a strong positive response to multifamily housing products in recent years, particularly in urban neighborhoods and well-sited suburban locations, showing a preference for small, but efficient units in close proximity to their place of employment, with strong "walkability" and connectivity elements and good access to urban amenities (recreational, cultural and shops/restaurants in particular).

It is interesting to note the aging of Millennials and the impact of this trend upon the overall Twin Cities resident composition. Between 2013 and 2018 (and beyond), many of these households will be aging into their mid-30's and 40's. **We expect that TOD (SWLRT included) will appeal to many of these same households who may have recently demonstrated a preference for more urban living (Downtown or Uptown Minneapolis neighborhoods for example, which have seen a major increase in upscale apartment developments).**
In the near future, many of these same renters will consider alternative housing that is no longer in the “middle of the action” but still provides good access (via LRT) to those same urban amenities. As well, as the demand and price of the Downtown and Uptown submarkets continues to rise ($2.10-$2.30+ psf today and rising) (generally $1,200-$2,500+ per unit), we expect that more price sensitive renters (and buyers) will seek “urban” housing opportunities outside the Downtown and Uptown markets.

**Boomers...**

At the same time, we note the aging of the large Baby Boom generation and this impact on housing needs. Senior housing and care needs are expected to be significant, particularly in the long-term (10-20 yrs), as large numbers of Twin Cities residents age into their 70s and beyond. Meanwhile, already in the short-term, we expect that older adults and “empty nesters” (many in the age 55-64 cohort) will consider alternative housing arrangements. Many Baby Boomers currently reside in single family homes and will seek out somewhat more “efficient” living arrangements, often times smaller, less maintenance intensive, well-located multifamily housing products in locations which afford them convenient access to amenities and employment. TOD housing products, then, must be sensitive to this trend and the potential to accommodate these groups. As well, the development of new housing products for this group (and seniors over the long term) will also provide opportunities for home-ownership among younger groups (note the growing age 35-44 group, for example) who will purchase the homes of older adults and seniors.

**Key Growth Segments: Households without Children & Single-Person Households**

We have also analyzed data and forecasting regarding the size and type of household growth expected to occur in the Twin Cities Metro Area. The table on the following page is extracted from that report, and shows household growth and composition (with children, without children, and persons living alone) for the 2010 to 2020 and 2010 to 2030 timeframes.

According to the Met Council, households without children are expected to account for approximately 80% of the household growth in the Twin Cities Metro Area between 2010 and 2020. The majority of household growth is expected to be comprised of single persons and couples without children. In fact, 34% of metro area household growth is expected to be single-person households. In the central counties (Hennepin and Ramsey) single-person households are expected to comprise an even greater share of household growth, at 42%.

These trends have a major implication with respect to required housing products in the region during this timeframe, and through 2030. In fact, the Arthur Nelson report concludes that these growth segments will show a strong preference for urban housing, and primarily high-density multifamily residential configurations. From our analysis of demographic data paired with review of housing supply and demand factors, we concur.
Change in Households by Type, 2010-2020, 2030 and 2040

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<th>Metric</th>
<th>United States</th>
<th>Minnesota</th>
<th>Central Council</th>
<th>Non-Central</th>
<th>Central Counties</th>
<th>Non-Central Counties</th>
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<td>HHs with Children</td>
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<td>617</td>
<td>361</td>
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<td>People living alone</td>
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<td>330</td>
<td>230</td>
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<tr>
<td>Change in Households by Type, 2010-2020</td>
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<td>Households 2020</td>
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<td>2,335</td>
<td>1,257</td>
<td>739</td>
<td>518</td>
<td></td>
</tr>
<tr>
<td>Household Growth</td>
<td>13,011</td>
<td>245</td>
<td>139</td>
<td>60</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>HHs with Children</td>
<td>30,657</td>
<td>643</td>
<td>360</td>
<td>205</td>
<td>185</td>
<td></td>
</tr>
<tr>
<td>HHs with Children Change</td>
<td>1,843</td>
<td>27</td>
<td>20</td>
<td>10</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>HHs with Children Share</td>
<td>14%</td>
<td>11%</td>
<td>21%</td>
<td>17%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>HHs without Children</td>
<td>93,899</td>
<td>1,891</td>
<td>807</td>
<td>534</td>
<td>333</td>
<td></td>
</tr>
<tr>
<td>HHs w/o Children Change</td>
<td>11,788</td>
<td>218</td>
<td>110</td>
<td>50</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>HHs w/o Children Share</td>
<td>80%</td>
<td>88%</td>
<td>78%</td>
<td>83%</td>
<td>76%</td>
<td></td>
</tr>
<tr>
<td>People living alone</td>
<td>37,773</td>
<td>705</td>
<td>377</td>
<td>255</td>
<td>122</td>
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</tr>
<tr>
<td>People living alone Change</td>
<td>8,509</td>
<td>120</td>
<td>47</td>
<td>25</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>People living alone Share</td>
<td>48%</td>
<td>48%</td>
<td>34%</td>
<td>42%</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Change in Households by Type, 2010-2030</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Households 2030</td>
<td>143,232</td>
<td>2,568</td>
<td>1,388</td>
<td>798</td>
<td>590</td>
<td></td>
</tr>
<tr>
<td>Household Growth</td>
<td>26,287</td>
<td>476</td>
<td>270</td>
<td>119</td>
<td>151</td>
<td></td>
</tr>
<tr>
<td>HHs with Children</td>
<td>36,358</td>
<td>666</td>
<td>414</td>
<td>214</td>
<td>201</td>
<td></td>
</tr>
<tr>
<td>HHs with Children Change</td>
<td>3,544</td>
<td>50</td>
<td>53</td>
<td>19</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>HHs with Children Share</td>
<td>13%</td>
<td>11%</td>
<td>20%</td>
<td>16%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>HHs without Children</td>
<td>104,874</td>
<td>1,899</td>
<td>973</td>
<td>584</td>
<td>389</td>
<td></td>
</tr>
<tr>
<td>HHs w/o Children Change</td>
<td>22,743</td>
<td>426</td>
<td>217</td>
<td>100</td>
<td>116</td>
<td></td>
</tr>
<tr>
<td>HHs w/o Children Share</td>
<td>87%</td>
<td>88%</td>
<td>80%</td>
<td>84%</td>
<td>77%</td>
<td></td>
</tr>
<tr>
<td>People living alone</td>
<td>45,206</td>
<td>870</td>
<td>438</td>
<td>280</td>
<td>149</td>
<td></td>
</tr>
<tr>
<td>People living alone Growth</td>
<td>14,035</td>
<td>286</td>
<td>107</td>
<td>59</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>People living alone Share</td>
<td>53%</td>
<td>60%</td>
<td>40%</td>
<td>50%</td>
<td>32%</td>
<td></td>
</tr>
</tbody>
</table>

Public and Private Educational Facilities

We evaluated educational facilities in order to a) determine the potential impact of these facilities upon housing demand in the corridor, and b) assess the possible impact of new housing developments in the corridor upon these facilities, particularly in terms of enrollment.

The SWLRT corridor spans five K-12 school districts, including Minneapolis, St. Louis Park, Edina, Hopkins, and Eden Prairie. According to the SW Community Works Housing Inventory, there are 38 public schools located within the 2-mile corridor. However, only four public schools are located within ½ mile of SWLRT stations, including two in Minneapolis (Bryn Mawr Elementary and Anwatin Middle School) and two in St. Louis Park (Park Spanish Immersion Elementary and St. Louis Park High School). Notably, there are 18 private and charter schools located within ½ mile of SWLRT station sites, including several within a 10-minute “walk-shed” which will be easily accessible for pedestrians and cyclists.

Four post-secondary institutions are located within the two-mile corridor. This includes two schools within a ½ mile of stations: Dunwoody College of Technology (Minneapolis) and Minneapolis Community and Technical College. Others within two miles include Hennepin Technical College and ITT Technical Institute, both in Eden Prairie.

The following are key findings from our research:

The proximity of educational facilities within close range of the LRT stations is without question appealing and compatible with residential and mixed-use development nearby. However, considering household growth trends as discussed herein, the composition of household growth (smaller household sizes and predominately households without children), and the suggested housing product mix presented later in this report, we do not expect that TOD housing within ½ mile of the SWLRT stations will have a substantial impact upon student enrollment within any school district or upon any individual school. The development of SWLRT could provide additional opportunities for open enrollment based upon new access by others due to LRT; however, we do not expect that LRT will have a significant impact upon enrollment in any one district or any specific educational facility in the corridor.

Interestingly, we have learned our market research, interviews and assessment of school staffing and salaries, that teachers and school support staff represent a significant potential market for TOD housing in the corridor. By comparing teacher salaries with the cost of housing in the various communities, we note a considerable affordability gap, particularly for younger teachers. From our interviews we are aware that teachers often commute considerable distances to schools in Edina, Minnetonka and Eden Prairie in particular, because they are not able to afford housing in close proximity to their place of employment. Because of this, we expect that workforce and market-rate apartment products, as well as entry-level priced for-sale housing units will appeal to teachers and other school staff working in the SWLRT corridor.
Corridor Employment

There is a strong corporate presence along the corridor, with a deep and diverse mix of jobs. According to U.S. Census data, total employment within ½ mile of SWLRT is estimated at 107,000 workers, comprising approximately 6.7% of total employment (by place of work) in the 7-county Twin Cities Metro Area.

It is also interesting to note that, according to the SW Community Works Housing Inventory, only 3.7% of the 107,000 workers within ½ mile of SWLRT also reside within this same area. This presents a significant opportunity. It is reasonable to expect that a considerably larger share of persons currently employed at businesses located within ½ mile of the line would consider new TOD housing options here in the future. We expect that many of these workers would utilize SWLRT to travel to-from their place of employment. This assumes, however, that an adequate supply of attractive and appropriately-priced housing products are developed within proximity of SWLRT.
## Commuting Patterns (Inflow/Outflow)

**SWLRT Corridor - within 1/2 mile of SWLRT Line**

### 2010

<table>
<thead>
<tr>
<th>Station Area</th>
<th>Total No.</th>
<th>Pct.</th>
<th>Employed in Station Area</th>
<th>Total No.</th>
<th>Pct.</th>
<th>Living and Employed in Station Area</th>
<th>Total No.</th>
<th>Pct.</th>
<th>Living and Employed in Station Area but Living Outside</th>
<th>Total No.</th>
<th>Pct.</th>
<th>Net Job Inflow (+) or Outflow (-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalston</td>
<td>10,208</td>
<td>32</td>
<td>0.3%</td>
<td>10,176</td>
<td>99.7%</td>
<td></td>
<td>1,371</td>
<td>32</td>
<td>2.3%</td>
<td>1,339</td>
<td>97.7%</td>
<td>8,837</td>
</tr>
<tr>
<td>Van White</td>
<td>1,550</td>
<td>6</td>
<td>0.4%</td>
<td>1,544</td>
<td>99.6%</td>
<td></td>
<td>524</td>
<td>6</td>
<td>1.1%</td>
<td>518</td>
<td>98.9%</td>
<td>1,026</td>
</tr>
<tr>
<td>Penn</td>
<td>513</td>
<td>3</td>
<td>0.6%</td>
<td>510</td>
<td>99.4%</td>
<td></td>
<td>832</td>
<td>0</td>
<td>0.0%</td>
<td>832</td>
<td>100.0%</td>
<td>621</td>
</tr>
<tr>
<td>21st Street</td>
<td>211</td>
<td>0</td>
<td>0.0%</td>
<td>211</td>
<td>100.0%</td>
<td></td>
<td>2,390</td>
<td>36</td>
<td>1.5%</td>
<td>2,285</td>
<td>98.5%</td>
<td>141</td>
</tr>
<tr>
<td>West Lake</td>
<td>2,426</td>
<td>36</td>
<td>1.5%</td>
<td>2,390</td>
<td>98.5%</td>
<td></td>
<td>2,390</td>
<td>36</td>
<td>1.5%</td>
<td>2,285</td>
<td>98.5%</td>
<td>141</td>
</tr>
<tr>
<td>Beltline</td>
<td>3,155</td>
<td>33</td>
<td>1.0%</td>
<td>3,122</td>
<td>99.0%</td>
<td></td>
<td>2,934</td>
<td>33</td>
<td>1.1%</td>
<td>2,514</td>
<td>98.7%</td>
<td>608</td>
</tr>
<tr>
<td>Woodcliff</td>
<td>2,973</td>
<td>39</td>
<td>1.3%</td>
<td>2,934</td>
<td>98.7%</td>
<td></td>
<td>1,163</td>
<td>39</td>
<td>1.3%</td>
<td>1,124</td>
<td>98.6%</td>
<td>1,810</td>
</tr>
<tr>
<td>Louisiana</td>
<td>8,469</td>
<td>77</td>
<td>0.9%</td>
<td>8,392</td>
<td>99.1%</td>
<td></td>
<td>1,460</td>
<td>77</td>
<td>5.5%</td>
<td>1,323</td>
<td>94.5%</td>
<td>7,069</td>
</tr>
<tr>
<td>Blake</td>
<td>1,808</td>
<td>30</td>
<td>1.7%</td>
<td>1,778</td>
<td>98.3%</td>
<td></td>
<td>1,838</td>
<td>30</td>
<td>1.6%</td>
<td>1,808</td>
<td>98.4%</td>
<td>30</td>
</tr>
<tr>
<td>Hopkins</td>
<td>5,386</td>
<td>79</td>
<td>1.5%</td>
<td>5,307</td>
<td>98.5%</td>
<td></td>
<td>1,729</td>
<td>79</td>
<td>4.6%</td>
<td>1,650</td>
<td>95.4%</td>
<td>3,657</td>
</tr>
<tr>
<td>Shady Oak</td>
<td>3,058</td>
<td>18</td>
<td>0.6%</td>
<td>3,040</td>
<td>99.4%</td>
<td></td>
<td>623</td>
<td>18</td>
<td>2.9%</td>
<td>605</td>
<td>97.1%</td>
<td>2,435</td>
</tr>
<tr>
<td>Opus</td>
<td>3,018</td>
<td>0</td>
<td>0.0%</td>
<td>3,018</td>
<td>100.0%</td>
<td></td>
<td>95</td>
<td>0</td>
<td>0.0%</td>
<td>95</td>
<td>100.0%</td>
<td>2,923</td>
</tr>
<tr>
<td>City West</td>
<td>7,620</td>
<td>5</td>
<td>0.1%</td>
<td>7,624</td>
<td>99.9%</td>
<td></td>
<td>286</td>
<td>5</td>
<td>1.7%</td>
<td>281</td>
<td>98.3%</td>
<td>7,343</td>
</tr>
<tr>
<td>Golden Triangle</td>
<td>5,649</td>
<td>3</td>
<td>0.1%</td>
<td>5,646</td>
<td>99.9%</td>
<td></td>
<td>100</td>
<td>3</td>
<td>3.0%</td>
<td>97</td>
<td>97.0%</td>
<td>5,549</td>
</tr>
<tr>
<td>E.P. Town Center</td>
<td>5,438</td>
<td>1</td>
<td>0.0%</td>
<td>5,437</td>
<td>100.0%</td>
<td></td>
<td>23</td>
<td>1</td>
<td>4.3%</td>
<td>22</td>
<td>95.7%</td>
<td>5,415</td>
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<tr>
<td>Southwest</td>
<td>2,885</td>
<td>10</td>
<td>0.3%</td>
<td>2,875</td>
<td>99.7%</td>
<td></td>
<td>875</td>
<td>10</td>
<td>1.1%</td>
<td>865</td>
<td>98.9%</td>
<td>2,010</td>
</tr>
<tr>
<td>Mitchell</td>
<td>3,080</td>
<td>1</td>
<td>0.0%</td>
<td>3,079</td>
<td>100.0%</td>
<td></td>
<td>99</td>
<td>1</td>
<td>0.0%</td>
<td>98</td>
<td>99.0%</td>
<td>2,981</td>
</tr>
</tbody>
</table>

### Sources
- US Census
- Maxfield Research Inc.

### Notes
- Graphic taken from *SW Community Works Housing Inventory*
- "Corridor" as defined for purposes of the *SW Community Works Housing Inventory* comprises the full 1/2 mile corridor, including 1/2 mile from each station area, plus all other areas lying 1/2 mile from any point along the LRT line.
We have also completed an analysis of the types of jobs and employee earnings in the corridor and throughout the region. The SWLRT corridor features a heavy concentration of well-paying jobs in the information, finance, and professional services sectors (often referred to as “knowledge”-based jobs). As shown below, according to data from the U.S. Census, 15,312 workers are employed within ½ mile of SWLRT in the Professional, Scientific and Technical Services Sector, representing a full 14% of employment within ½ mile of the line. By comparison, this sector accounts for just 7% of employment region-wide.

<table>
<thead>
<tr>
<th>CORRIDOR-WIDE WORKER PROFILE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORRIDOR-WIDE 1/2 AND ONE-MILE BUFFER</td>
</tr>
<tr>
<td>2010</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Job Category</th>
<th>Half-Mile</th>
<th>One-Mile</th>
<th>Inner City</th>
<th>Metro Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Jobs</td>
<td>107,236</td>
<td>243,385</td>
<td>834,405</td>
<td>1,566,200</td>
</tr>
<tr>
<td>Worker Ages</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age 25 or Younger</td>
<td>25,627</td>
<td>54,463</td>
<td>205,217</td>
<td>345,635</td>
</tr>
<tr>
<td>Age 30 to 64</td>
<td>64,368</td>
<td>150,037</td>
<td>387,359</td>
<td>648,922</td>
</tr>
<tr>
<td>Age 65 or Older</td>
<td>17,041</td>
<td>39,895</td>
<td>141,829</td>
<td>273,683</td>
</tr>
<tr>
<td>Workers Race and Ethnicity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White Alone</td>
<td>93,518</td>
<td>214,861</td>
<td>716,604</td>
<td>1,368,014</td>
</tr>
<tr>
<td>Black or African American Alone</td>
<td>6,226</td>
<td>14,131</td>
<td>55,176</td>
<td>93,194</td>
</tr>
<tr>
<td>American Indian or Alaska Native Alone</td>
<td>2,414</td>
<td>1,433</td>
<td>4,535</td>
<td>6,196</td>
</tr>
<tr>
<td>Asian Alone</td>
<td>5,733</td>
<td>12,536</td>
<td>34,057</td>
<td>71,971</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander Alone</td>
<td>58</td>
<td>145</td>
<td>631</td>
<td>1,101</td>
</tr>
<tr>
<td>Two or More Race Groups</td>
<td>1,224</td>
<td>2,864</td>
<td>10,152</td>
<td>17,678</td>
</tr>
<tr>
<td>Education Attainment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less Than High School</td>
<td>4,922</td>
<td>9,614</td>
<td>36,042</td>
<td>74,089</td>
</tr>
<tr>
<td>High School or Equivalent, No College</td>
<td>17,730</td>
<td>36,369</td>
<td>140,305</td>
<td>272,900</td>
</tr>
<tr>
<td>Some College or Associate Degree</td>
<td>25,937</td>
<td>57,224</td>
<td>200,366</td>
<td>384,984</td>
</tr>
<tr>
<td>Bachelor’s Degree or Advanced Degree</td>
<td>32,814</td>
<td>65,705</td>
<td>249,722</td>
<td>445,602</td>
</tr>
</tbody>
</table>

Note: graphic taken from SW Community Works Housing Inventory

Source: U.S. Census Bureau; Maxfield Research, Inc.

Marquette Advisors
The Health Care and Social Assistance sector is also an important sector within the corridor, accounting for 12% of employment within ½ mile of SWLRT. Manufacturing accounts for 11% of corridor employment, also similar to the Metro Area employment distribution. Our analysis indicates that the SWLRT corridor includes a diverse mix of public and private-sector employment, with workers employed in many industries and at a full range of pay levels.

According to U.S. Census data, the distribution of jobs by monthly earnings within ½ mile of SWLRT is similar to that of the Metro Area as a whole. However, it is interesting to note that the larger 1-mile corridor features a somewhat higher concentration of well-paying jobs, as more than 60% of workers within the 1-mile corridor earned more than $3,333 per month ($40,000+ per year), compared to 52% at the ½ mile buffer and 47% Metro-wide.

Our housing recommendations for the SWLRT corridor, both in aggregate and for individual station areas, are based in part on our examination of both household income data and also the business mix, employment counts and employee earnings. The graphic below and on the following pages shows the number of workers by income level (monthly earnings) for a ½ and 1 mile radii surrounding each station area, and for a ½ and 1 mile buffer surrounding the line for 2005 and 2010. Data is from the U.S. Census.

<table>
<thead>
<tr>
<th></th>
<th>Half-Mile</th>
<th>One-Mile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005</td>
<td>2010</td>
</tr>
<tr>
<td>Royalston</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>2,334</td>
<td>2,844</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>2,828</td>
<td>3,090</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>3,098</td>
<td>4,274</td>
</tr>
<tr>
<td>Total</td>
<td>8,250</td>
<td>10,208</td>
</tr>
<tr>
<td>Van White</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>399</td>
<td>284</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>615</td>
<td>359</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>732</td>
<td>507</td>
</tr>
<tr>
<td>Total</td>
<td>1,726</td>
<td>1,560</td>
</tr>
<tr>
<td>Penn Station</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>378</td>
<td>315</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>112</td>
<td>135</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>167</td>
<td>224</td>
</tr>
<tr>
<td>Total</td>
<td>457</td>
<td>513</td>
</tr>
<tr>
<td>21st Street</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>53</td>
<td>55</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>53</td>
<td>71</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>62</td>
<td>90</td>
</tr>
<tr>
<td>Total</td>
<td>167</td>
<td>211</td>
</tr>
<tr>
<td>West Lake</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>1,051</td>
<td>720</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>690</td>
<td>825</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>650</td>
<td>883</td>
</tr>
<tr>
<td>Total</td>
<td>2,391</td>
<td>2,426</td>
</tr>
<tr>
<td>Total</td>
<td>2,647</td>
<td>2,608</td>
</tr>
</tbody>
</table>

Sources: U.S. Census Bureau; Marquette Advisors

Note: graphic taken from SW Community Works Housing Inventory

Marquette Advisors
Page 22
### EMPLOYMENT BY EARNINGS

**SWLRT STATIONS -- 1/2 and 1 Mile from SWLRT**

2005 to 2010

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2010</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beltline</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>848</td>
<td>662</td>
<td>-186</td>
<td>-21.9%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,182</td>
<td>884</td>
<td>-298</td>
<td>-25.2%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>1,407</td>
<td>1,609</td>
<td>202</td>
<td>14.4%</td>
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<tr>
<td>Total</td>
<td>3,437</td>
<td>3,155</td>
<td>-282</td>
<td>-8.2%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2010</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wooddale</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>810</td>
<td>772</td>
<td>-38</td>
<td>-5.3%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,184</td>
<td>978</td>
<td>-206</td>
<td>-17.1%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>1,333</td>
<td>1,223</td>
<td>-110</td>
<td>-8.3%</td>
</tr>
<tr>
<td>Total</td>
<td>4,767</td>
<td>2,973</td>
<td>-1,794</td>
<td>-37.6%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2010</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Louisiana</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>1,172</td>
<td>1,019</td>
<td>-153</td>
<td>-13.1%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>3,125</td>
<td>3,144</td>
<td>19</td>
<td>0.6%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>3,773</td>
<td>3,432</td>
<td>-341</td>
<td>-9.0%</td>
</tr>
<tr>
<td>Total</td>
<td>8,070</td>
<td>5,369</td>
<td>-2,581</td>
<td>-31.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2010</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Blake</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>1,145</td>
<td>960</td>
<td>-185</td>
<td>-16.1%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,019</td>
<td>656</td>
<td>-363</td>
<td>-35.7%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>1,483</td>
<td>692</td>
<td>-791</td>
<td>-53.7%</td>
</tr>
<tr>
<td>Total</td>
<td>2,647</td>
<td>2,408</td>
<td>-239</td>
<td>-9.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2010</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hopkins</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>2,365</td>
<td>2,238</td>
<td>-127</td>
<td>-5.4%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,688</td>
<td>743</td>
<td>-945</td>
<td>-56.6%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>2,248</td>
<td>2,209</td>
<td>-39</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Total</td>
<td>6,291</td>
<td>5,050</td>
<td>-1,241</td>
<td>-20.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2010</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shady Oak</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>1,920</td>
<td>1,507</td>
<td>-413</td>
<td>-21.5%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>2,337</td>
<td>1,743</td>
<td>-594</td>
<td>-25.4%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>2,929</td>
<td>3,624</td>
<td>695</td>
<td>23.7%</td>
</tr>
<tr>
<td>Total</td>
<td>6,186</td>
<td>6,874</td>
<td>688</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2010</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opus</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>269</td>
<td>234</td>
<td>-35</td>
<td>-13.1%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,031</td>
<td>465</td>
<td>-566</td>
<td>-54.9%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>1,248</td>
<td>2,239</td>
<td>991</td>
<td>87.4%</td>
</tr>
<tr>
<td>Total</td>
<td>2,548</td>
<td>3,018</td>
<td>470</td>
<td>18.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2010</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City West</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>523</td>
<td>2,505</td>
<td>2,982</td>
<td>592.6%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,225</td>
<td>1,751</td>
<td>526</td>
<td>42.9%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>2,358</td>
<td>3,283</td>
<td>925</td>
<td>35.0%</td>
</tr>
<tr>
<td>Total</td>
<td>4,101</td>
<td>7,639</td>
<td>3,538</td>
<td>86.0%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2010</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Golden Triangle</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>607</td>
<td>507</td>
<td>-100</td>
<td>-16.5%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>2,337</td>
<td>1,518</td>
<td>-819</td>
<td>-35.0%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>2,920</td>
<td>3,624</td>
<td>704</td>
<td>23.7%</td>
</tr>
<tr>
<td>Total</td>
<td>5,864</td>
<td>5,449</td>
<td>-415</td>
<td>-7.0%</td>
</tr>
</tbody>
</table>

**Sources:** U.S. Census Bureau; Maxfield Research, Inc.

Note: graphic taken from SW Community Works Housing Inventory
EMPLOYMENT BY EARNINGS
SWLRT STATIONS -- 1/2 and 1 Mile from SWLRT
2005 to 2010

<table>
<thead>
<tr>
<th>E.P. Town Center</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005</td>
<td>2010</td>
<td>Change</td>
<td>2005</td>
<td>2010</td>
<td>Change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>889</td>
<td>798</td>
<td>-91</td>
<td>-10.2%</td>
<td>2,864</td>
<td>2,794</td>
<td>-70</td>
<td>-2.4%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>2,299</td>
<td>1,473</td>
<td>-826</td>
<td>-36.9%</td>
<td>4,639</td>
<td>3,450</td>
<td>-1,189</td>
<td>-26.9%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>2,438</td>
<td>3,167</td>
<td>729</td>
<td>29.9%</td>
<td>5,855</td>
<td>7,486</td>
<td>1,631</td>
<td>27.9%</td>
</tr>
<tr>
<td>Total</td>
<td>5,626</td>
<td>5,438</td>
<td>-188</td>
<td>-3.3%</td>
<td>13,378</td>
<td>13,730</td>
<td>352</td>
<td>2.6%</td>
</tr>
<tr>
<td>Southwest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>2010</td>
<td>Change</td>
<td>2005</td>
<td>2010</td>
<td>Change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>495</td>
<td>683</td>
<td>188</td>
<td>38.0%</td>
<td>1,817</td>
<td>2,117</td>
<td>300</td>
<td>16.5%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>926</td>
<td>804</td>
<td>-122</td>
<td>-13.2%</td>
<td>3,524</td>
<td>2,563</td>
<td>-961</td>
<td>-27.3%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>1,198</td>
<td>3,198</td>
<td>200</td>
<td>16.7%</td>
<td>4,903</td>
<td>5,770</td>
<td>867</td>
<td>17.9%</td>
</tr>
<tr>
<td>Total</td>
<td>2,619</td>
<td>2,885</td>
<td>266</td>
<td>10.2%</td>
<td>10,244</td>
<td>10,450</td>
<td>206</td>
<td>2.0%</td>
</tr>
<tr>
<td>Mitchell</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>2010</td>
<td>Change</td>
<td>2005</td>
<td>2010</td>
<td>Change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>460</td>
<td>313</td>
<td>-147</td>
<td>-32.0%</td>
<td>1,819</td>
<td>1,873</td>
<td>54</td>
<td>3.0%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>798</td>
<td>600</td>
<td>-198</td>
<td>-24.8%</td>
<td>3,064</td>
<td>2,472</td>
<td>-592</td>
<td>-19.3%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>2,289</td>
<td>2,157</td>
<td>-122</td>
<td>-5.3%</td>
<td>5,426</td>
<td>9,009</td>
<td>643</td>
<td>11.9%</td>
</tr>
<tr>
<td>Total</td>
<td>3,547</td>
<td>3,080</td>
<td>-467</td>
<td>-13.2%</td>
<td>10,309</td>
<td>10,414</td>
<td>105</td>
<td>1.0%</td>
</tr>
<tr>
<td>Corridor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>2010</td>
<td>Change</td>
<td>2005</td>
<td>2010</td>
<td>Change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>23,544</td>
<td>22,083</td>
<td>-1,461</td>
<td>-6.2%</td>
<td>45,663</td>
<td>38,498</td>
<td>-7,165</td>
<td>-15.7%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>33,625</td>
<td>28,937</td>
<td>-4,688</td>
<td>-13.9%</td>
<td>80,424</td>
<td>58,736</td>
<td>-21,688</td>
<td>-27.0%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>47,873</td>
<td>56,216</td>
<td>8,343</td>
<td>17.6%</td>
<td>124,155</td>
<td>146,151</td>
<td>22,006</td>
<td>17.7%</td>
</tr>
<tr>
<td>Total</td>
<td>105,042</td>
<td>107,236</td>
<td>2,194</td>
<td>2.1%</td>
<td>250,242</td>
<td>243,385</td>
<td>-6,857</td>
<td>-2.7%</td>
</tr>
</tbody>
</table>

Sources: U.S. Census Bureau; Maxfield Research, Inc.

Note: graphic taken from SW Community Works Housing Inventory

The base of employees working near each of the planned SWLRT stations varies considerably throughout the corridor, not only in terms of the number of workers, but also by type of job and by level of earnings. While there are large concentrations of high-paying jobs in several of the station areas, notably the various Eden Prairie station areas, as well as Louisiana (Methodist Hospital, for example) and Royalston (Downtown Mpls), in these areas and throughout the corridor there is also considerable employment in lower paying positions. This includes entry-level support, clerical and maintenance positions, as well as lower-level service workers which service the various businesses along the corridor (e.g. office cleaning, grounds maintenance, and retail/restaurant workers who serve the businesses which serve area employees and residents).

As well, it is important to remember the connectivity enhancement that SWLRT will provide, linking workers in all industries and all occupations with jobs throughout the corridor and in primary job centers such as the Downtown Minneapolis CBD and even beyond, by way of an integrated LRT network (with connectivity to the Hiawatha and Central Corridors, and other modes of transit). As such, we do not suggest that high-end housing products be situated only near those station areas which feature a high concentration of upper-income employment. Rather, the connectivity and lifestyle efficiencies that SWLRT will provide are expected to create strong market demand for a full range of housing product types at all affordability levels, at various stations along SWLRT. We note that while we expect that
housing affordable at <60% of AMI will garner a strong positive market response at any/all LRT station areas, the economic viability of constructing such units will be a challenge in all station areas due to development costs. This will be particularly challenging in station areas with a limited land supply and/or high land costs. In fact, the provision of housing products affordable at or below 100% of income will in many cases require public subsidy for this same reason.

Presented below is an analysis of worker earnings for persons employed within ½ mile of SWLRT. The table shows the number of workers by monthly earnings (according to 2010 US Census data), as well as estimates of monthly housing costs affordable to them. Note the calculations show the “affordability range” based on 1 or 2 workers per household. Our analysis of demographic data indicates that the majority of corridor households feature just a single worker.

<table>
<thead>
<tr>
<th>Jobs by Monthly Income - ½ Mile from SWLRT line</th>
<th># of Workers by Monthly Earnings</th>
<th>% of Workers</th>
<th>Monthly Housing Cost Affordability Range (based on # of workers per household)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,250/mo. or less</td>
<td>22,063</td>
<td>20.6%</td>
<td>$0-$375</td>
</tr>
<tr>
<td>$1,251 -$3,333/mo.</td>
<td>28,937</td>
<td>27.0%</td>
<td>$375-$1,000</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>56,216</td>
<td>52.4%</td>
<td>$1,000+</td>
</tr>
<tr>
<td>Total</td>
<td>107,236</td>
<td>100.0%</td>
<td><em>Affordable monthly housing cost based on 30% of monthly income.</em></td>
</tr>
</tbody>
</table>

Key Point -- A full 20% of persons presently employed within ½ mile of SWLRT would require housing priced at $750 per month or less, based on their current monthly earnings. (This assumes up to 2 workers per household with a similar job, with each of those workers earning less than $1,250 per month).

The Family Housing Fund (FHF) has also conducted considerable research in the areas of housing cost, employee wages and housing affordability. The graphic on the following page, published by FHF in May 2014 effectively demonstrates the gap in housing affordability and worker earnings for a number of key essential employment positions in the Twin Cities region. The table shows the median wage by type of position, and their maximum monthly housing cost at 30% of income, along with the % of income required to rent an average two-bedroom apartment or purchase a median-priced home. In the case of all workplace positions shown, a single-earner household would have considerable “excess housing cost burden,” in contributing well in excess of 30% of their income toward housing cost.
<table>
<thead>
<tr>
<th>Workplace Position</th>
<th>Median Yearly Salary for Full-Time Worker</th>
<th>Monthly Amount Can Afford for Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assembly Worker</td>
<td>$31,054</td>
<td>$776</td>
</tr>
<tr>
<td>Cashier</td>
<td>$19,635</td>
<td>$491</td>
</tr>
<tr>
<td>Child Care Worker</td>
<td>$22,152</td>
<td>$554</td>
</tr>
<tr>
<td>Counter &amp; Rental Clerk</td>
<td>$20,696</td>
<td>$517</td>
</tr>
<tr>
<td>Dry Cleaner</td>
<td>$26,582</td>
<td>$665</td>
</tr>
<tr>
<td>File Clerk</td>
<td>$20,037</td>
<td>$726</td>
</tr>
<tr>
<td>Home Health Aide</td>
<td>$23,816</td>
<td>$595</td>
</tr>
<tr>
<td>Host/Hostess</td>
<td>$18,158</td>
<td>$454</td>
</tr>
<tr>
<td>Janitor, Cleaner</td>
<td>$24,003</td>
<td>$600</td>
</tr>
<tr>
<td>Landscaper/Groundskeeper</td>
<td>$27,997</td>
<td>$700</td>
</tr>
<tr>
<td>Maid/Housekeeping Cleaner</td>
<td>$21,882</td>
<td>$547</td>
</tr>
<tr>
<td>Nursing Assistant</td>
<td>$28,891</td>
<td>$722</td>
</tr>
<tr>
<td>Parking Lot Attendant</td>
<td>$21,902</td>
<td>$548</td>
</tr>
<tr>
<td>Receptionist</td>
<td>$29,786</td>
<td>$745</td>
</tr>
<tr>
<td>Restaurant Cook</td>
<td>$22,838</td>
<td>$571</td>
</tr>
<tr>
<td>Salesperson, Retail</td>
<td>$20,717</td>
<td>$518</td>
</tr>
<tr>
<td>School Bus Driver</td>
<td>$33,779</td>
<td>$844</td>
</tr>
<tr>
<td>Taxi Driver</td>
<td>$26,562</td>
<td>$664</td>
</tr>
<tr>
<td>Teacher Assistant</td>
<td>$30,201</td>
<td>$755</td>
</tr>
<tr>
<td>Telemarketer</td>
<td>$27,726</td>
<td>$693</td>
</tr>
<tr>
<td>Teller</td>
<td>$25,605</td>
<td>$640</td>
</tr>
</tbody>
</table>

Source: "Working Doesn't Always Pay for a Home" -- Family Housing Fund, Public Education Initiative, updated May 2014.
Review of SW Community Works Corridor Investment Framework & Key Findings

We have reviewed the Investment Framework, finalized in 2013, in regards to the development/redevelopment potential for land surrounding each of the planned 17 stations. Based on our review of Investment Framework planning documents and our own field research and analysis, we find that the supply of land (and cost) will be a primary challenge with respect to the provision of full and optimal housing choice along the line going forward. This varies by station area, of course. However, we note from our work that in the case of many stations there is a very limited supply of developable land.

Further, many of the parcels identified through the Investment Framework for potential future development/redevelopment are privately held and in many cases currently in a productive use, other than housing. Development of housing at SWLRT station areas will in many cases require a change in land use, and it is likely that in many cases housing will simply not be the highest-and-best use due to land value/cost, as continuation in current use or more intensive commercial uses become viable.

Still, we believe there are significant opportunities for housing near multiple stations along SWLRT. However, the residential development potential as identified herein has been tempered due to the issues noted related to land availability, land cost, redevelopment complexity, and highest-best-use challenges.

Based on our analysis to date, we believe there will be a very strong positive market response to new housing products along SWLRT over the next several years. Market economics continue to improve, and infill development is already starting to occur within several of the SWLRT corridor communities. Much of our region’s housing development recently and ongoing is comprised of luxury apartments being constructed in Downtown and Uptown Minneapolis. Suburban development deals are just starting to “pencil out” from a feasibility standpoint, in some locations, due to increasing market demand and rising rental rates. New apartments completed recently or in development now in the corridor communities generally feature rents in the $1.60-$1.90 psf range ($900-$1,900+), compared to $2.10-$2.30+ psf in Downtown Minneapolis ($1,200-$2,500+), which is presently the most active construction market in the Twin Cities region, and one of the busiest in the Midwest region.

From our analysis and expertise, we expect that SWLRT housing will appeal to a diverse group of both renters and home buyers in the future.

- “Gen Y” and empty nesters are likely short-term demand drivers, although we believe “aging” Gen Y renters and Gen X singles, couples and young families also provide substantive target markets in the near term – we note that far fewer new housing options are being provided at the present time for these groups in the region.

- Senior housing demand will also be significant, particularly in the long-term (10-15+ years out) as more of the Baby Boomers age into their late 70s and 80s.
SWLRT CORRIDOR RESIDENTIAL DEVELOPMENT OUTLOOK

Based on this analysis and our professional experience we have developed estimates of "pure market demand" for new housing units within ½ mile of the planned station areas over the long-term (approximately 15 years). The "pure market demand" estimate is the number of units that would be marketable within ½ mile of the LRT stations, prior to consideration of issues such as land availability, land use and highest and best use factors, and development cost constraints.

Next, we developed "suggested residential development goals" for the SWLRT corridor (comprising ½ mile surrounding each station). The development goals are tempered to reflect our detailed analysis of each station area in terms of land availability, land ownership and current use structure, and development cost factors. It is important to note that while the suggested residential development scenarios do account for development/redevelopment challenges, the creation of these unit totals will still require a "heavy lift," inclusive of significant public subsidy and creative public/private partnerships.

Our discussion and estimates of "pure market demand" and "suggested residential development goals" is presented as follows:

**Pure market demand: 13,000 – 15,000 units.** Based on our review of demographic/economic factors, growth forecasts, and our assessment of housing market conditions, we believe that it is very reasonable to expect that there will be market demand for between 13,000 and 15,000 units (or more) within the SWLRT corridor by 2030. This represents about 7% to 8% of projected Metro Area household growth over the next 15 years; which we believe to be a reasonable capture rate based on all factors analyzed. The SWLRT corridor benefits from strong underlying demographics and market dynamics, a deep and diverse economic base, quality public facilities and schools. Further, the connectivity and lifestyle features resulting from development of SWLRT greatly enhance the appeal of housing near the planned stations.

However, while this potential exists, there are significant challenges and barriers to the development of housing along SWLRT and therefore have developed tempered housing development targets for SWLRT station areas.

**Suggested residential development goal: 11,000 units.** We have completed an analysis of each submarket and station area. The following section provides detailed recommendations regarding new housing construction within ½ mile of each station area over the next 15 years. This includes recommendations for new units by product type, affordability level, and approximate timing. Note that the recommended unit count at 11,000 assumes that sufficient gap financing will be available to support a full range of housing products. We estimate a need for at least $65 million in gap financing to support 1,300 new housing units as suggested at price points affordable households earning <60% of AMI. Another $20 million in gap financing could be required to support the recommended new unit inventory affordable to households earning between 60%-100% of AMI. We also opine on the strengths and challenges of each of station area from a housing standpoint and offer suggestions for investment in public realm elements which will enhance livability and the appeal of these locations for housing.
Presented on table on the following page are suggestions regarding a market-appropriate housing product mix by station area. This is followed by a discussion of each station area. For purposes of this analysis we have segmented our product type recommendations by product type and affordability level as follows:

<table>
<thead>
<tr>
<th>Income Range &amp; Max. Housing Cost (based on 2 persons per household) -- 2014</th>
<th>Household Income Range</th>
<th>Max. Monthly Housing Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% to 30% of AMI</td>
<td>&lt; $19,920</td>
<td>$0 - $560</td>
</tr>
<tr>
<td>30% to 60% of AMI</td>
<td>$19,921 - $39,840</td>
<td>$560 - $1,120</td>
</tr>
<tr>
<td>60% to 80% of AMI</td>
<td>$39,841 - $51,150</td>
<td>$1,121 - $1,280</td>
</tr>
<tr>
<td>80% to 100% of AMI</td>
<td>$51,151 - $66,400</td>
<td>$1,281 - $1,660</td>
</tr>
<tr>
<td>100% of AMI +</td>
<td>&gt; $66,400</td>
<td>$1,660+</td>
</tr>
</tbody>
</table>

Source: MN Housing Finance Agency

Our recommendations include a mix of rental housing by affordability range, inclusive of general occupancy and senior rentals, along with homeownership products including for-sale condos, townhomes (including row homes) and single-family “Pocket Neighborhood” product types, which are suggested in the case of multiple station areas.
### SW LRT Corridor -- Projected Phased Residential Development Potential by Station Area

<table>
<thead>
<tr>
<th>Station Area</th>
<th>Short Term (3-5 Yrs)</th>
<th>Mid-Term (6-10 Yrs)</th>
<th>Long Term (10+ Yrs)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalston</td>
<td>1,000</td>
<td>400</td>
<td>400</td>
<td>1,800</td>
</tr>
<tr>
<td>Van White</td>
<td>300</td>
<td>380</td>
<td>420</td>
<td>1,100</td>
</tr>
<tr>
<td>Penn</td>
<td>240</td>
<td>-</td>
<td>-</td>
<td>240</td>
</tr>
<tr>
<td>21st St.</td>
<td>-</td>
<td>-</td>
<td><strong>(to be considered)</strong></td>
<td><strong>(to be considered)</strong></td>
</tr>
<tr>
<td>West Lake</td>
<td>340</td>
<td>160</td>
<td>400</td>
<td>900</td>
</tr>
<tr>
<td><strong>Minneapolis Subtotal</strong></td>
<td>1,880</td>
<td>940</td>
<td>1,220</td>
<td>4,040</td>
</tr>
<tr>
<td>Beltline</td>
<td>140</td>
<td>440</td>
<td>420</td>
<td>1,000</td>
</tr>
<tr>
<td>Wooddale</td>
<td>120</td>
<td>240</td>
<td>240</td>
<td>600</td>
</tr>
<tr>
<td>Louisiana</td>
<td>-</td>
<td>340</td>
<td>460</td>
<td>800</td>
</tr>
<tr>
<td><strong>St. Louis Park Subtotal</strong></td>
<td>260</td>
<td>1,020</td>
<td>1,120</td>
<td>2,400</td>
</tr>
<tr>
<td>Blake</td>
<td>500</td>
<td>244</td>
<td>500</td>
<td>1,244</td>
</tr>
<tr>
<td>Downtown Hopkins</td>
<td>250</td>
<td>160</td>
<td>270</td>
<td>680</td>
</tr>
<tr>
<td>Shady Oak</td>
<td>200</td>
<td>-</td>
<td>300</td>
<td>500</td>
</tr>
<tr>
<td><strong>Hopkins Subtotal</strong></td>
<td>950</td>
<td>404</td>
<td>1,070</td>
<td>2,424</td>
</tr>
<tr>
<td>Opus</td>
<td>-</td>
<td>260</td>
<td>340</td>
<td>600</td>
</tr>
<tr>
<td><strong>Minnetonka Subtotal</strong></td>
<td>-</td>
<td>260</td>
<td>340</td>
<td>600</td>
</tr>
<tr>
<td>City West</td>
<td>-</td>
<td>300</td>
<td>-</td>
<td>300</td>
</tr>
<tr>
<td>Golden Triangle</td>
<td>180</td>
<td>300</td>
<td>-</td>
<td>480</td>
</tr>
<tr>
<td>EP Town Center</td>
<td>160</td>
<td>260</td>
<td>180</td>
<td>600</td>
</tr>
<tr>
<td>Southwest</td>
<td>-</td>
<td>200</td>
<td>-</td>
<td>200</td>
</tr>
<tr>
<td>Mitchell</td>
<td>192</td>
<td>-</td>
<td>-</td>
<td>192</td>
</tr>
<tr>
<td><strong>Eden Prairie Subtotal</strong></td>
<td>532</td>
<td>1,060</td>
<td>180</td>
<td>1,772</td>
</tr>
<tr>
<td>SW LRT Corridor Total</td>
<td>3,622</td>
<td>3,684</td>
<td>3,930</td>
<td>11,236</td>
</tr>
</tbody>
</table>

**Source:** Marquette Advisors
Opus Station Area

FIGURE 13-1. OPUS STATION AREA - LOCATOR MAP

- THE OPUS GROUP
- UNITED HEALTH GROUP
- AMERICAN MEDICAL SYSTEMS
- LONE LAKE PARK

MILEAGE 2

NON-PROFIT INSTITUTION
PARKS & OPEN SPACE
EDUCATION INSTITUTION
RETAIL/ENTERTAINMENT DESTINATION

PROPOSED SOUTHWEST LRT LINE
EXISTING RAIL LINE
10 MINUTE WALKSHED
1/2 MILE STATION RADIUS

SW Community Works Corridor Investment Framework, 2013
Current Housing Supply:

<table>
<thead>
<tr>
<th>Opus Station Area (1/2 Mile Radius)</th>
<th>Current Housing Inventory by Affordability Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average # of Units by Affordability Range (% of AMI)</td>
<td>Total Units</td>
</tr>
<tr>
<td></td>
<td>0%-30%</td>
</tr>
<tr>
<td>Opus</td>
<td>0</td>
</tr>
<tr>
<td>% of Unit Inventory</td>
<td>0%</td>
</tr>
</tbody>
</table>

Sources: SWLRT Housing Inventory; Marquette Advisors

Strengths:

- 402 units within ½ mile which are affordable to households earning 30-60% of AMI, and another 365 units affordable at 60-100% of AMI.

- The Opus Station Area is situated within the Opus Business Park. This area is a major employment center, with more than 3,000 jobs based at businesses within ½ mile of the station and 12,000 within 1 mile. Employment in the area has a strong “white collar” office orientation based in real estate, medical device, health care and technology industries. Major employers in the area include Opus, United Health Group, American Medical Systems and Comcast.

- More than six miles of pedestrian and bike trails in the area.

- Proximity to neighborhood commercial development and restaurants.

Development Challenges:

- Private and fractured ownership limits redevelopment potential, as does high value of land at this location. Very few presently under-utilized sites in this area. The neighboring “Merchandise Mart” site is one possible exception which presents an opportunity for future redevelopment.

- Commercial nature of this area makes change in use to residential unlikely. Future development is more likely to include primarily corporate and multi-tenant office buildings and commercial development.

- Large block size and circuitous street network.

- Pedestrian environment in some portions of the Station Area could use strengthening.
Residential Development Recommendations – Opus Station Area:

Marquette Advisors estimates that approximately **500 to 600 new units** of multifamily housing are viable near Opus Station, likely over the mid- to long-term. Development will depend largely upon land availability and change in use over time in this area. We recommend a mix of housing products approximately as follows:

<table>
<thead>
<tr>
<th>Product Type/Affordability Range</th>
<th>Short Term (3-5 Yrs)</th>
<th>Mid-Term (6-10 Yrs)</th>
<th>Long Term (10-15 Yrs)</th>
<th>Total</th>
<th>Pct.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental &lt;30% of AMI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Rental 30-60% AMI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Rental 60-80% AMI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Rental 80-100% AMI</td>
<td>0</td>
<td>80</td>
<td>40</td>
<td>120</td>
<td>20.0%</td>
</tr>
<tr>
<td>Rental 100%+ AMI</td>
<td>0</td>
<td>180</td>
<td>160</td>
<td>340</td>
<td>56.7%</td>
</tr>
<tr>
<td>For-Sale (entry level-mid market)</td>
<td>0</td>
<td>0</td>
<td>140</td>
<td>140</td>
<td>23.3%</td>
</tr>
<tr>
<td>For-Sale (high-end)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Units</strong></td>
<td>0</td>
<td>260</td>
<td>340</td>
<td>600</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Marquette Advisors

We understand that the “Merchandise Mart” property (industrial facility constructed in 1977) may become available for redevelopment, immediately east of the planned Station. This property contains approximately 15 acres of developable land and should be considered for residential along with complementary commercial uses, including office and retail/restaurant concepts. Given the value of land in this area (subject site last traded in 1995 for $12.7 million), future redevelopment must exhibit considerable increase in density/intensity in use and would most likely contain significant commercial components along with housing.
Merchandise Mart property – approximately 15 acres developable. Possible future redevelopment site.

Investment in Public Realm:

- Work to improve connection of existing trail system in the business park to the planned station area.

- Consider development of circulator transit bus which will help connect area residents and commuters with local businesses and the LRT station.

- Should land become available, construct park & ride facility just north of the LRT platform, as planned, inclusive of a public plaza and gathering area.
Brief Description: 2017 Assessment Report

Recommended Action: Receive the report

Background

The assessing division has completed its work on the 2017 property assessment, and a report on the assessment results is enclosed for council review. Staff will present a brief summary of this report and 2017 property tax information at the March 6, 2017 council meeting, to afford the council the opportunity to ask questions.

Hennepin County will start mailing property tax statements for 2017 the second week of March. City staff will begin mailing market value notices to property owners on March 9th, with the 2017 market value information for property taxes payable in 2018.

Recommendation

Staff recommends the council receive the 2017 report. No formal action is required of the council.

Submitted through:
Geralyn Barone, City Manager
Merrill King, Finance Director

Originated by:
Colin Schmidt, SAMA, City Assessor
2017 Assessment Report

The Assessing Division can be reached at 952-939-8220 or assessor@eminnetonka.com
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Cover photo courtesy of:
Barry McKane as submitted for the City of Minnetonka 2016 Photo Contest
Summary

• The **total estimated market value** for Minnetonka in assessment year (AY) 2017 is $9.14 billion, a **5.2 percent increase** from $8.69 billion in AY 2016. Approximately 70 percent of the total market value comes from residential property, while 30 percent comes from commercial, industrial, and apartment properties. The table below outlines the growth, including new improvements, in the market by major property classifications:

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Average Growth Change</th>
<th>Total Change (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-family Residential</td>
<td>2.8%</td>
<td>$134.5</td>
</tr>
<tr>
<td>Lakeshore</td>
<td>3.9%</td>
<td>$9.5</td>
</tr>
<tr>
<td>Townhouses</td>
<td>7.2%</td>
<td>$34.0</td>
</tr>
<tr>
<td>Condominiums</td>
<td>12.0%</td>
<td>$49.2</td>
</tr>
<tr>
<td>Commercial</td>
<td>2.9%</td>
<td>$44.7</td>
</tr>
<tr>
<td>Industrial</td>
<td>9.6%</td>
<td>$29.6</td>
</tr>
<tr>
<td>Apartments</td>
<td>17.8%</td>
<td>$119.7</td>
</tr>
<tr>
<td>Other Property Types</td>
<td>9.0%</td>
<td>$29.2</td>
</tr>
<tr>
<td><strong>Total Change</strong></td>
<td><strong>5.2%</strong></td>
<td><strong>$450.5</strong></td>
</tr>
</tbody>
</table>

• Comparisons with other cities for AY 2017 indicate most of the western suburban cities are adjusting residential properties by +1.3% to +5.6%. With an overall estimated average of +4.1% for the area. Minnetonka’s **residential adjustment of +2.3%** is slightly below the average of neighboring communities.

• The **volume of sales in the city** in 2016 is **up eight percent from last year**. This follows a twenty-six percent increase in 2015, and is exceeding pre-recession volume levels.

• Apartment growth was very strong again this year. **Values on existing apartments increased over 15.7%**, while the total value change was 17.8% (including new construction). This strong apartment growth continued metro wide.

• **Commercial growth increased** about 2.9% over the past year. **Industrial growth increased about 9.6%** due to an increase in the value of the smaller office/warehouses and flex industrial buildings.

• Assessment staff **closed 149 tax court cases** in 2016 compared with 168 in 2015. Staff continues to reduce the number of open appeals while also managing the ratio of stipulated value to original value.

• There was **$120.3 million in new construction throughout 2016**, versus $109.8 million in 2015. The large increase was evenly divided between new residential, apartment, commercial and cooperative projects. There are a number of projects still under construction or planned for 2017, so new construction is not currently projected to slow down any time soon.

• The 9% growth of “Other property types” was due to land, seasonal, and other miscellaneous properties.
2017 Assessment from a Historical Perspective

The 2017 property assessment for Minnetonka is complete. Property owners will receive a Notice of Estimated Market Value in March. The 2017 property assessment applies to property taxes payable in 2018 and reflects market conditions between October 2015 and September 2016. With values finalized, we have a clear picture of the overall movement in the city’s real estate market.

Minnetonka has typically experienced steady growth in the market value of real property since the early 1990’s. The City of Minnetonka was not immune to the economic downturn that impacted real estate values throughout the entire Twin Cities metro area and most of the nation. The peak of market values previously occurred during the 2007 and 2008 assessment years. As depicted in the chart below, the 2009 assessment saw market decline which continued through the 2013 assessment. With a 4.7% increase in the 2017 assessment, the total estimated market value of real estate in Minnetonka is at $9.14 billion, establishing a new high, above the peak of $8.69 billion in assessment year 2016.

![Chart: Total Estimated Market Value](chart.png)

The previous decline in the overall market value of the city came from both the residential and commercial sectors. In the residential sector, the median value reached its low in AY 2013, with a median value of $273,200. As the chart below shows, the median home values have increased four consecutive years to the 2017 median home value of $332,800.

---

*The Minnetonka data and statistics used in this report are based on the 2017 assessment approved by Hennepin County on February 14, 2017. The data and statistics may not specifically match the 2017 Hennepin County Assessment Report due to the time of year they are calculated or the methodology used in calculating the statistics.*
The commercial markets began to stabilize in AY 2011. After some strong growth in AY 2014 and 2015, it again stabilized in AY 2016 with values increasing by one percent. AY 2017 saw continued growth at four percent. Apartment values have experienced significant growth since AY 2010. After seeing an increase of 19.8% for AY 2016, the total value for this sector in Minnetonka increased by 17.8% for AY 2017.
The property tax capacity of a city is structured by state law and is used to distribute property taxes each year. The total tax capacity is divided among property classes to determine the allocation of the property taxes paid by class. Tax capacity is a function of market value; when the proportions of value by property class within a jurisdiction change, the tax capacity changes. Single-family residential property represents the majority of the total tax capacity in Minnetonka, followed by commercial/industrial, multi-family, and other classes of property. Because the apartment value growth has significantly outpaced the growth of residential and commercial values, its proportion of the total tax capacity has increased relative to other classes when compared to last year.

Assessment year 2014 saw a relatively low proportion of tax capacity for commercial properties, the lowest percentage since AY 2007. For AY 2017, the proportion of tax capacity attributed to residential properties was the lowest it’s been since AY2002 when it was at 54%.
The Residential Market

In Minnetonka, roughly 96% of the 19,766 taxable parcels are residential. The assessing staff uses city-wide comparisons of similar styles, quality, and classes of homes in making the annual property assessment. As described below, this comparison results in the same market value adjustments being made to like properties throughout the city. For example, an average-sized, three-bedroom rambler in the northeastern part of the city is valued based on the actual sale prices of similar ramblers throughout the city, rather than solely by the sale prices of different types of homes in its geographic area.

This system can be applied to all styles of houses (rambler, two-story, etc.) and allows the appraiser a range of judgment in setting the quality class for a particular house. When the quality class has been determined based on the physical characteristics of the home, the appraiser applies a prescribed dollar rate to the square footage of the house. The appraiser also adds or subtracts other dollar adjustments depending upon the specific features and characteristics of the house. Adjustments are also made to the land or location, positive or negative, to reflect the market value of the property. This technique is similar to appraisal techniques used in the private appraisal industry.

Single family properties are grouped into geographic districts for the purpose of conducting the periodic physical appraisal of properties. Quality features are re-examined at that time, along with other characteristics of the house. During the revaluation process, staff continually looks for markets within the geographic districts that can be studied individually to improve accuracy. The current revaluation process is done on a five-year cycle to ensure each property is physically looked at every five years at a minimum.

Staff uses the LOGIS property data system (PDS) computer-aided mass appraisal (CAMA) system to determine the market value for each residential property. This PDS system allows the appraisal staff to revalue each residential property individually on an annual basis. By revaluing both land and improvements on an annual basis, it adds to the accuracy and equity of the assessment process.

Recent Changes

The LOGIS (Local Government Information Systems) consortium continues to make updates as needed. Searching capabilities and data analysis continue to be improved allowing the appraisers to do their work in a more timely fashion. LOGIS is currently in the process of developing an application for electronic notebooks and other mobile devices to increase productivity in the field.

Residential Sale Data

While a larger sample set generally provides greater precision in calculating the market value, staff carefully consider all factors that could affect current market conditions and make adjustments accordingly. While on average, all residential sub-markets increased in value, not every parcel changed the same amount. Because of all of the factors that affect market value, some parcels increased in value above the average, while some increased at a much lower rate. A small percentage of parcels declined in value, typically due to changes in a particular submarket or parcel specific characteristic changes during quintile and/or permit reviews.
As illustrated below, despite the decline in AY 2015, the increased number of sales in AY 2016 and AY2017, represent a higher total sales volume than pre-recession years. This indicates that single family residential sales have returned to a more typical level for the Minnetonka market.

When the sales are compared by different ranges of sale prices, it becomes clear that the increase in sales since the economic recovery has been driven in large part by higher value homes. As the charts below show, three percent of the sales had a sales price of less than $200,000. The largest proportion of sales (46%) had a sales price between $200,001 and $350,000. This is down from around 54% during the recession. 36% of sales had a sales price between $350,001 and $600,000, and 15% had a sales price higher than $600,001. The two higher priced strata of sales combine to account for 51% of sales over the study period. This indicates that not only have the number of sales returned to pre-recession rates, but also generally the distribution of home sales is in the higher valued homes.
This graph illustrates the breakdown of sales for AY2017 by sales price. Sales of homes from $200,001 to $600,000 make up just a little over 80 percent of the sales.

In the residential market highlighted by the chart below, the largest percent increase in values occurred in the Condo market. Single-family residential showed modest gains while the townhome market also showed significant increases in value. Staff believes this is due to the aging of the Minnetonka community and that demographics show an increasing desire to live in a maintenance free property.
Residential market data throughout neighboring jurisdictions are encouraging as well. After conferring with assessing offices throughout the west metro, residential real estate increased in the range of 1.3% to 6.6%. Minnetonka’s increase of 2.3% is below the average of neighboring jurisdictions at 4.1%.

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</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>3.4%</strong></td>
<td><strong>1.9%</strong></td>
<td><strong>4.1%</strong></td>
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*Values based on “R” class single family residential market adjustments

New construction in the residential market has picked up significantly and will continue to do so over the next few years. The biggest project is Legacy Oaks, the former Jondahl property, which is being developed into single family, townhomes, and condominiums. Some of the townhomes and single family homes have been completed. One of the condominium buildings is nearly complete and should be ready to house residents sometime in 2017. There are a number of smaller developments still in the early stages of planning or construction that should be completed within the next year, continuing the residential new construction trend.

For the sixth calendar year in a row, the number of foreclosures is down. As shown in the graph below, the number of foreclosed sales in Minnetonka peaked in 2008. Starting in 2012, the number of foreclosure sales began to approach pre-recession levels and in 2016 the number of foreclosures was lower than the total in 2006. With the increases in value over the last couple of years, fewer homes have negative equity, so the rate of foreclosures should remain stable in the near future.
The Apartment Market

The apartment market led all property types with values increasing a gross amount (includes new construction) of 17.8%. The apartments make up just over 12% of the property value of all housing in Minnetonka. This compares to 11% from last year.

The fundamental indicators for apartment properties showed a solid multi-family market in 2016. Vacancy rates remained very low, market rents continued to increase, and interest rates remained historically low.

Minnetonka apartment values increased a net amount (not including new construction) of 15.7% for the 2017 assessment. The Woodlands Apartment complex sold in August of 2016 for $176,000 per unit. The Woodlands is a Class B (mid-class) quality apartment complex located in the northeastern part of Minnetonka, just west of Highway 169. The complex includes 4 apartment buildings, a clubhouse, and an outdoor pool.

Three new market rate apartments completed construction in 2016 and a fourth is near completion. The first was the Carlson Island Apartments, which is located in the heart of Carlson Center, at the interchange of I-394 and I-494, and is on an island in the middle of Carlson Center Lake. It is a 174-unit Class A, luxury apartment complex with 5 stories above ground and two levels of underground parking. The second was The Overlook, a 100-unit apartment located in the southwest quadrant of Hwy 169 and Minnetonka Boulevard. The third was Chase on the Creek, a 4-story, 106-unit development located at 5709 Rowland Road. A fourth, which was still in progress as of assessment date, is 1700 Plymouth (formerly Highland Bank), located on Plymouth Road across from the Ridgedale Mall. This project will be 115 apartments over retail space. Construction has also begun on Cherrywood Pointe, a 99-unit senior rental on Plymouth Road.
Two Cooperatives new to Minnetonka this year were Applewood Pointe, an 89-unit senior cooperative on Minnetonka Boulevard, and Zvago, a 54-unit cooperative on Stewart Lane (still under construction as of the assessment date).

Several new apartment projects are slated to begin construction in 2017. One such project is a 322-unit apartment complex approved for construction this year called the RiZe located at Opus Park.

According to Colliers International 2016 Fall Market Report, the Twin Cities multifamily investment landscape has witnessed a significant shift from core/core+ to value-add in terms of transaction activity and investor interest. Apartments in the core/core+ category would be typical apartment projects while the apartments in the value add category would be those typical or new projects that have been remodeled, renovated or built new with a broader number amenity packages like fitness facilities, laundry and other concierge services. While 2015 included a number of notable new build and pre-sale transactions to institutional and private equity investors, 2016 would be best characterized as a flock to value-add deals. Cap rates have compressed noticeably on these types of deals. Investors have seen widespread success through implementing value-add programs on older product. Whether the older product calls for in-unit and common area refreshing, or a heavy construction plan to renovate the entire property, buyers are able to push rents to match the required return on investment for the capital outlay.
The Commercial Market

While only four percent of the assessed parcels in Minnetonka are commercial or industrial, these property types have historically comprised a significant share of the tax base. For assessment year in 2017 (taxes payable in 2018), their share is just over 34%. This is down from 35% for the 2016 assessment.

The primary commercial sectors in Minnetonka are office, retail, industrial, and hotel. The chart below shows the makeup of the commercial market.

![Market Value by Commercial Sector](chart)

Changes in market values for these real estate sectors vary due to a number of factors. The different sectors within commercial real estate typically move together, but they can move at different rates depending on demand within the sector. Also the quality and location of the buildings can play an important role in changes in value. Commercial real estate can be more sensitive to socio-economic trends as the general outlook of real estate investors is based on the anticipation of relatively shorter term gains. After the weakened commercial market reflected in the 2009 and 2010 assessments, the assessed values from 2011 to 2013 were stable. Both AY 2014 and AY 2015 saw strong growth in the office and retail sectors, with the industrial market seeing more aggressive gains. AY 2016 saw a more stable market with less growth, and this continued into AY 2017.

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<td>1.7%</td>
<td>2.1%</td>
<td>1.5%</td>
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</table>
Office Market

Continuing the trend from last year, companies are decreasing their overall physical footprints. This reduction is not always reflective of decreasing employee counts, but rather it involves the effort to reduce their real estate occupancy levels and costs, create more collaborative spaces, and respond to changing work styles. Instead of considering the cost per square foot of real estate, businesses are often looking at the cost per employee, as the change in office space design is proving to have more efficient floor plans than traditional spaces. This space efficiency bias has contributed to continued demand for multitenant Class A (the highest quality) office space while reducing the demand for the Class A single tenant space.

In 2016, the City saw Class A values remain level. The small increase on the chart below is attributed to the new construction at the Cargill headquarters. The main growth in the office sector was driven by significant increases in the smaller Class B and Class C offices. Many of the smaller offices saw increases of 10 percent or more. This has a limited effect on the final growth numbers as the amount of value in the Class A properties that did not change tends to temper the overall growth numbers.

![CHANGE IN VALUE BY QUALITY CLASS - OFFICE](image)

There were seven office market transactions in Minnetonka that were included in the analysis for the 2016 valuation. These included the sale of:

- 10301 Wayzata Blvd
- 10159 Wayzata Blvd
- 17717 State Hwy 7
- 13911 Ridgedale Drive

The new construction in the office sector for 2016 was mostly limited to tenant improvements and the remodeling of existing buildings. The Cargill office campus is in the middle of a significant renovation which should add considerable value for the 2018 assessment.
As we look into 2017, we expect a similar trend with new construction. There are no new significant office projects in process at this time although prospects of a new 801 Tower at Carlson Center has been reported in the news. The overall office market is strong and looks to continue into 2017.

**Industrial Market**

Minnetonka is part of the Southwest Industrial sub-market and according to Cushman & Wakefield Northmarq Compass Report, this market segment saw strong activity in 2016. The sales activity was active in all markets, especially the southwest where the older, less functional properties saw new highs. It was the older industrial properties in Minnetonka that pushed the growth to 9.6 percent.

The City is experiencing a strong industrial market with an increasing absorption rate and slightly decreasing vacancy rate. Landlords with less functional space, lower ceiling heights and inferior locations, are seeing strong rents and lower vacancy. As the properties age and the community evolves, the City will likely continue to see redevelopment and creative changes in use of its industrial properties. Functional and well located industrial properties are still in demand by investors.

**Retail Market**

According to Colliers International, overall absorption rates are positive, rental rates are up, and vacancy rates remain flat in the retail property market. Rental rates continue to climb to all-time highs, and national retailers are willing to pay these rates. Overall costs will continue to rise as operating expenses (CAM) and taxes increase. Many assets have changed hands at high prices, leading to higher assessed values and pushing up the tax burden landlords pass on to tenants. National tenants and grocers compete for space, while struggling retailers close stores. Sports Authority and Hancock Fabrics closed seven and three stores in the metro area, respectively. Outside of these store closings, the area continues to be a magnet for new retailers ready to backfill the spaces left behind, especially in prime trade areas.

With online retail popularity, brick-and-mortar retailers are seeking new customer attraction options in order to increase foot traffic. The shopping experience is changing and food and entertainment concepts are playing a significant role in creating a destination. Malls are creating outlots in areas of underutilized parking, and adding restaurants with exterior access to further create a sense of destination. Ridgedale Center has made great strides with the addition of Redstone, Kona Grill, and others in the planning stages.

Minnetonka’s retail market values increased about 1.7% overall in 2016. The hotel sector experienced a much higher increase of about 11.6%, due mostly to the remodel of the Marriott Southwest, and partial construction of the Home 2 Hotel on Clearwater Drive.

The average growth of seven adjacent cities surveyed for the 2017 assessment was 4.0%. Minnetonka’s commercial growth was 1.6%, which is at the low end of the other communities. Plymouth and Edina saw the highest commercial growth of our neighboring cities at 7.1% and 6.5%, respectively.
Serving the Public

The purpose of the assessment process is to make an accurate estimate of the market value of each parcel of property, every year. As assessors, we uphold the Uniform Standards of Professional Appraisal Practice, which state, “An appraiser must promote and preserve the public trust inherent in appraisal practice by observing the highest standards of professional ethics”. The assessing office takes pride in serving the City of Minnetonka not only as public employees, but as appraisers striving to provide impartial, objective, and independent values.

In order to serve the public, there are many quality control processes in place. These quality checks include verifying data during property visits, using statistics to check the accuracy and equitability of our assessment, and working with taxpayers during a review or an appeal.

Property Data

The Minnetonka assessing division maintains a record of every real estate parcel in the city, including its size, location, physical characteristics, and condition. This record is verified and updated every five years during re-inspection, permit inspections, and when a physical review is requested by the property owner. This information is electronic, allowing statistical comparisons of properties by type and location.

It is important to know that assessors use a mass appraisal process for valuing residential property. Mass appraisal uses different techniques than the appraisals used by banks, mortgage companies and others. The mass appraisal system used in Minnetonka involves the comparison of thousands of properties with the residential sales of homes throughout the city.

While differences exist between individual fee appraisals and mass appraisals, they are based on the same fundamental theories of value. Furthermore, any appraisal is only as good as the data the appraiser has available. One primary difference between individual appraisals and mass appraisal is that the individual appraiser typically views the interior of the home. This provides the appraiser with a better sense of the quality and condition of the home, and makes it easier to compare multiple

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<td>St. Louis Park</td>
<td>5.7%</td>
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homes. We encourage citizens to work with the assessment staff to view the interior of homes whenever possible, providing for a fair assessment for all.

Sales Data

Having the local assessment system operate effectively requires as much information about the local real estate market as possible. The assessing division makes a record of all property sales, using the Certificate of Real Estate Value (CRV) filed with the State of Minnesota for each property sale. When necessary, appraisers call the buyers or sellers in a transaction to gain more information about the circumstances of the sales.

In all cases, the sales information collected by the assessing division is closely scrutinized. Evidence that suggests a forced sale, foreclosure, a sale to a relative, or anything other than an arms-length transaction requires the sales to be discarded from the sales study. This is important, because the real estate sales information constitutes the database for the statistical comparisons necessary to make the property assessment.

Sales Ratio Standard

The accuracy of the assessing division’s estimated market values is measured by the sales ratio, which is simply the assessor’s estimated market value divided by the actual selling price. For example, a house having its estimated market value assessed at $285,000 and an actual selling price of $300,000 results in a sales ratio of 95 percent ($285,000 / $300,000 = 0.95). For all jurisdictions in the state, the accepted range for the median sales ratio measurement is 90 to 105 percent. In other words, the median (or midpoint) of the sales ratios for all properties sold should fall within 90 to 105 percent. Minnetonka’s 2017 assessment results in a sales ratio of 95.2 percent.

With some changes to the sales ratio methodology set by the Department of Revenue, the median target ratio has a range to allow for slight variations if necessary. A sales ratio of slightly less than 100 percent is desirable in order to avoid having many properties valued at more than their actual market value. If the median sales ratio were at 100 percent, it would mean that half the properties were assessed at less than market value and half were higher. On the other hand, a sales ratio of 95 percent means half the properties are below 95 percent of actual market value, while the other half remain above that 95 percent threshold. Therefore, the acceptable range is 90 to 105 percent, with a target of approximately 95 percent.

A measure of the equity of the property assessment is the coefficient of dispersion (COD). The COD measures the average deviation from the median or midpoint. The more closely the assessor’s values are grouped around the midpoint, the more equitable the assessment. This is true because relatively few properties have been valued too high, or too low, compared to actual selling prices. For older or heterogeneous areas like Minnetonka, a coefficient of dispersion between five percent and fifteen percent is deemed acceptable with a lower COD indicating a more uniform assessment. Minnetonka’s 2017 assessment reflects a coefficient of dispersion of 6.6 percent.

Review Process

The review process is a key aspect of the mass appraisal system. Because some properties receive statistic-based adjustments to market value, the review allows the assessing staff the opportunity to individually examine certain properties. Where there is evidence a property has been overvalued or valued inequitably, its market value can be readjusted to an appropriate amount.
The Appeals Process

The property appraisal system depends upon an effective opportunity for appeals by individual property owners. Minnetonka’s assessment procedures provide this opportunity through inquiries to and reviews by the assessing staff, and formal appeals to the Local Board of Appeal and Equalization, County Board of Appeal and Equalization, and Minnesota State Tax Court.

Key steps in the market value appeals process are:

1. **Staff Review** – It is important for anyone having questions about their market value or the assessment process to contact the assessing staff. The large majority of property owners’ concerns can be resolved through this administrative review. The last day in which the assessing staff can make changes without having Local Board approval is March 31, 2017.

2. **Local Board of Appeal and Equalization (LBAE)** – The Local Board of Appeal and Equalization will meet on April 10 and April 24, 2017. Staff will attempt to provide complete information regarding each property that is the subject of appeal. This process is greatly helped if property owners contact the assessing division in advance of the meeting if they intend to make an appeal. The Minnetonka City Council appoints local real estate professionals as advisors to the LBAE. A property owner who is not satisfied with the assessing staff’s review may make an appeal to the board. Property owners can reach the assessing division by phone at 952.939.8220 or by email at assessor@eminnetonka.com. Property owners are requested to contact the assessing division by April 1, 2017, in order to notify staff of their intent to appeal.

3. **County Board of Appeal and Equalization (CBAE)** – Property owners may appeal the decision of the LBAE to the County Board of Appeal and Equalization which meets on June 12, 2017. The property owner must appeal to the Local Board first in order to appeal to the County Board. Owners must call in advance to get on the agenda. The deadline for making an appointment with the CBAE is May 17, 2017, and the number to call is 612.348.7050.

4. **State Tax Court** – Property owners may appeal the decision of the CBAE to the State Tax Court. Petitions regarding the 2017 Assessment must be filed by April 30, 2018. Petitioners may choose to appeal directly to the Minnesota Tax Court, and it is common practice for commercial/industrial property owners to take this approach due to the complexity of the issues. For more information, contact the Minnesota Tax Court at 651.296.2806.

In order to provide a more complete understanding about the appeals process, the assessing staff has posted information on the City of Minnetonka website to assist property owners. Staff may be contacted at 952.939.8220.

**Appeal History**

In Assessment Year 2013, there were changes instituted by the Minnesota Department of Revenue with regards to the way changes to the assessment were handled. All changes to property values of parcels that sold during the sales period are required to go before the Local Board of Appeal and Equalization. Previously these values could be changed without going to the Local Board, provided that they were made prior to ten days before the Local Board. The new requirements increase transparency and discourage misuse of the appeals process.
Below is a recap of recent results of market value inquiries and appeals. As shown, the number of properties involved has been a relatively small number of the total parcels in the city. Approximately one-half of a percent of the total number of parcels had changes to the values after the assessment. The overall number of appeals to the local boards increased due to the previously mentioned administrative changes made by the Department of Revenue beginning in 2013.

### LOCAL BOARD APPEAL HISTORY

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*Administrative change instituted by Minnesota Department of Revenue

### Tax Court

In the past seven years, over $7.5 billion of cumulative property value in tax petitions on Minnetonka properties have been filed with the Minnesota Tax Court. These petitions require a substantial amount of time and resources to resolve. Although the time frame has been shortened in recent times, many of these cases may remain on the tax court calendar for multiple years. During the interim, the property owners must continue to pay taxes. If a reduction in value is stipulated, typically more than one year after the initial petition is filed, they receive a refund plus interest.
Commercial Petition Activity

As the commercial market continues to strengthen, staff expects the number of petitions filed to stabilize. Property owners tend to file less petitions when the market is increasing. As the chart above shows, this has been the trend over the past two years.

Residential Petition Activity

While there have always been fewer residential than commercial petitions filed, the number of residential petitions continues to decrease. Often homeowners file on their property because they have missed the LBAE and CBAE process. Many of Minnetonka’s cases are stipulated to an agreed value with the staff appraisers. Like negotiations with commercial properties, development of judicial-ready appraisals for tax court is critical.

The charts below show the distribution of tax court petitions based on the number of petitions, as well as the value of those petitions. Although the vast majority of cases are commercial, apartment petitions do make up a substantial amount of value under appeal.
Despite the large amount of value under petition, the assessing division continues to seek ways to increase productivity in handling the tax court process. The number of closed cases for the 2016 calendar year is down 11% much of which is due to the declining number of cases filed over the last two years. The goal is to resolve cases sooner to ease the scheduling burden and ultimately reduce any refunds given back to the petitioners.

As the graph below shows, the staff’s aggressive posture of closing cases has not sacrificed quality or led to greater reductions in property values. The line in the graph below represents the percent of value retained on an appeal. If staff stipulates a $1,000,000 property to $900,000, the City retained 90% of the value, giving back 10%. The goal of the assessing division is to minimize the amount of value given back, which in turn improves the stability of the tax base for the city. As the line graph shows, staff continues to limit the amount of value given back which translates into fewer refunds and greater stability.
Public Information and Citizen Relations

The city provides public information in a number of ways to keep Minnetonka residents informed about the market value process, methods for appeal, and current property tax rates. Staff regularly updates the city’s web page with current information and annually posts the assessment report on the City of Minnetonka website. Information regarding the Property Tax Refund, the Senior Citizens Property Tax Deferral, as well as information on foreclosure prevention counseling can be found on the City’s website.

The assessing division staff uses several methods to ensure that all who contact the city about market values or property taxes receive a prompt, courteous response. A record-keeping system tracks inquiries about market values to see that those inquiries are appropriately guided through the review process. Every property owner that requests a staff review of their market value receives a response from the city assessing staff.

The assessing staff has worked diligently to provide clear information to property owners about a property tax system that is complex and often difficult to understand. Each spring, assessing staff sends introductory letters to residents in reappraisal neighborhoods. These have been well received by property owners and help increase the number of reappraisals the assessing division is able to conduct in these neighborhoods.

Assessing Staff

The assessing staff consists of the City Assessor, one Commercial Appraiser, two Principal Appraisers, one Residential Appraiser and one Assessment Specialist.

Colin Schmidt- City Assessor  Colin has been with the City of Minnetonka for two and a half years and has 29 years of experience in the assessment field. As the City Assessor he is responsible for finalizing and approving the assessments every year along with overseeing and directing the assessing staff. He also works to resolve tax court cases as they are scheduled. Colin currently holds the Senior Accredited Minnesota Assessor designation as awarded by the Minnesota State Board of Assessors. It is the highest designation awarded to assessors by the Minnesota State Board of Assessors.

Michele Gelo- Commercial Appraiser  Michele has been with the City of Minnetonka for the past 14 years. As the Commercial Appraiser, she works primarily with apartments, retail and cooperative properties. Within the last year, Michele has attained the Senior Accredited Minnesota Assessor designation from the State Board of Assessors by successfully completing the Income Case Study Exam.

Amy Weber- Principal Appraiser  Amy has been with the City of Minnetonka for the past 17 years. Her primary role is the appraiser of single family residential, condos and townhomes throughout the city. Amy currently holds the Certified Minnesota Assessor designation but is in the final steps towards attaining her Accredited Minnesota Assessor designation as awarded by the Minnesota State Board of Assessors.
A Thor- Principal Appraiser  A has been with the City of Minnetonka for about one and a half years. A has a total of three and a half years of experience in the assessing field. His primary role is the valuation of single family residential, condos and townhomes throughout the city. A recently received the Accredited Minnesota Assessor designation from the Minnesota State Board of Assessors by completing all of the requirements including an oral exam administered by the members of the Minnesota State Board of Assessors.

Melanie Putz- Residential Appraiser  Melanie just started with the City of Minnetonka, but prior to joining the staff at Minnetonka, she was working in Swift County, Minnesota as an Appraiser. Her primary role will be the valuation of single family residential, condos and townhomes throughout the city. She was recently awarded her designation of Certified Minnesota Assessor by the Minnesota State Board of Assessors in the fall of 2016. Melanie is planning to take continuing education classes towards the goal of obtaining her Accredited Minnesota Assessor Designation.

Denise Ostlund- Assessing Specialist  Denise has been with the City of Minnetonka for the past 19 years and has worked in the assessing division for the last 10 years. Her role in the assessment office is the handling and coordinating of all the special assessments, homesteading and other administrative functions regarding special property tax classifications. Although she does not value properties for the City of Minnetonka, she currently has a Certified Minnesota Assessor designation as awarded by the Minnesota State Board of Assessors.

Along with each designation, the Minnesota State Board of Assessors requires certain standards are met with respect to the amount of continuing education hours based on our designations. Certified Minnesota Assessors are currently required to complete 40 hours of continuing education while Accredited Minnesota Assessors and Senior Accredited Minnesota Assessors are required to complete 50 hours of continuing education. This ensures that each appraiser is continually learning more about the profession, staying current with market trends and valuation expectations.
Appendix: Statutory Requirements

General

Minnesota law establishes specific requirements for the property tax system, including the assessment of property (M.S. Chapter 273). Starting with the 2011 pay 2012 assessment, the homestead credit was eliminated and replaced with the homestead market value exclusion. The homestead market value exclusion reduces the taxable market value for each eligible property instead of providing a direct credit against the taxes owed. Because the exclusion is a reduction in the value subject to tax, it also affects tax rates of all properties. Since this change, there is no state paid credit and the entire local property tax levy is funded by property taxpayers in the jurisdiction. The law now requires the following:

1. All real property is to be valued at market value, which is defined as the usual or most likely selling price. Special qualified exclusions such as the homestead market value exclusion and the veteran’s exclusion are subtracted from the market value to arrive at the taxable value.

2. Property is classified according to state law, and the tax capacity is calculated based on the following tax capacity rates.

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### 2017 ASSESSMENT CALENDAR

<table>
<thead>
<tr>
<th>DATE</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 16</td>
<td>Informational articles mailed as part of the March <em>Minnetonka Memo</em></td>
</tr>
<tr>
<td>February 27</td>
<td>City Council appoints advisors to the Local Board of Appeal and Equalization</td>
</tr>
<tr>
<td>March 2</td>
<td>County Auditor's target date for mailing 2016 property tax statements</td>
</tr>
<tr>
<td>March 6</td>
<td>City Council receives the 2017 Assessment Report</td>
</tr>
<tr>
<td>March 13</td>
<td>City Assessor's target date for mailing the 2017 value notices</td>
</tr>
<tr>
<td>March 31</td>
<td>Property owners are requested to file a formal appeal to appear at the Local Board of Appeal and Equalization</td>
</tr>
<tr>
<td>April 10 + April 24</td>
<td>Local Board of Appeal and Equalization</td>
</tr>
<tr>
<td>April 30</td>
<td>Last day for property owners to file State Tax Court petitions for the 2016 assessment (payable 2017)</td>
</tr>
<tr>
<td>June 12</td>
<td>Hennepin County Board of Appeal and Equalization</td>
</tr>
</tbody>
</table>
Tax Capacity Rates for Property Taxes Payable in 2017

Residential Homestead:
- First $500,000 of value: 1.00%
- Amount over $500,000: 1.25%

Rental Housing:
- First $500,000 of value: 1.00%
- Amount over $500,000: 1.25%
- 4 or more units: 1.25%

Commercial/Industrial Preferred:
- First $150,000 of value: 1.50%
- Amount over $150,000: 2.00%

Seasonal Residential:
- First $500,000 of value: 1.00%
- Amount over $500,000: 1.25%

3. The tax capacity is multiplied by the tax rate (the total of county, school, city and miscellaneous levies) to determine the amount of property tax.

4. Finally, any credits, such as those for agricultural preserve, are then subtracted to yield net taxes due.

The annual property assessment focuses on the very first step of this process – establishing an estimated market value for each parcel of property. Market values are assessed locally by the city or township assessor, if there is one, or by the county assessor. The work of the local assessor is monitored by the county assessor, whose work in turn is monitored by the Minnesota Department of Revenue. The Minnesota Department of Revenue is authorized by law to adjust the property assessment to help ensure county-wide and state-wide equalization of property assessments.

As a result, Minnetonka and other Hennepin County cities must regularly report to the county assessor, who has established the standard that local property assessments reach at least 95 percent target ratio of actual market values to sale prices. At times, local assessments have been adjusted by the county assessor or the State of Minnesota to meet this standard.

State law also requires that each individual property be inspected by the assessor at least once every five years. As a result, Minnetonka and other cities set up rotating appraisal schedules to ensure that this requirement is met.
6C - Strategic Planning - Imagine Minnetonka summary and recommendations report

In order to avoid misperception, on page 17 the Resource Trend – Excess commercial office space text has been modified so as not to appear as either an advocate for, or adversary against corporate acquisitions.

The following line shall be deleted:

> Corporate consolidations, e.g. 3G Capital and General Mills, are making office space redundant.

An updated page 17 reflecting that change is attached.

13E - Off-sale liquor licenses for Minnesota Fine Wine & Spirits, LLC, (DBA Total Wine) 14200 Wayzata Blvd.

Attached is correspondence received after the council packet was distributed.

14A - Preliminary and final plats for a five lot subdivision at 5325 County Road 101, 5311 Tracy Lynn Terrace, and 5320 Spring Lane

Attached are pages from the January 5, 2017 Planning Commission meeting minutes that were inadvertently left out of the council packet.

14C - 2017 Assessment Report

The city assessor has provided a corrected graph for page 9 of the report. The correction was made to the graph on the bottom of the page titled “2017 Percentage Change in Values by Property Type.” The correction is to the center bar graph for condos. All percentages in this graph were updated due to an underlying math error in the original.
The Imagine Minnetonka futurists predict:

1. **Excess commercial office space** — It is not a lack of resources that will create public policy issues for Minnetonka in the next decade, but an excess capacity of commercial office space. Minnetonka is the location of several high-end corporate offices (i.e. United Health, Cargill and Emerson). Several trends are combining to empty out this type of space:

   - **Decline in upper end employment.** By some estimates, even traditionally “safe” white collar jobs are requiring twenty percent fewer employees.

   - **Decrease in office sizes.** The average square feet/person required by companies had decreased due to increased efficiencies\(^2\), remote work, and work-from-home options for employees.

   - **Some employers are choosing to leave the suburbs and move back downtown, closer to the amenities that young professionals value.**

   Back-of-envelope calculations show that these trends will place between 300,000 and 600,000 square feet of office space on the Minnetonka market with low demand for similar use in-fill.

The Imagine Minnetonka Steering Committee advises:

2. **Climate change** — especially heavier rain and storms and longer and dryer periods between them — will impact Minnetonka’s woods and wetlands. As the climate changes, Minnetonka needs to be vigilant about mitigation, adaptation, and proactive resource management. For example, the Minnehaha Creek Watershed has experienced multiple floods due to extreme rain events. In 2014, the cost was $1.2M.\(^3\)

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\(^2\) By 2017, North American offices will average 151 square feet per worker, according to real estate data provider CoreNet Global. That’s down from 176 square feet in 2012 and 225 square feet in 2010. The rule of thumb for creative open space that startup and small technology companies seek has been decreasing from 200 to 250 square feet to as low as 100 to 150 square feet of “usable” office space per person. Source: The Mehigan Company, http://mehiganco.com/wordpress/?p=684

\(^3\) http://www.minnehahacreek.org/project/weather-extreme-trends
Memorandum

To: City Council

From: Loren Gordon, AICP, City Planner

Date: March 6, 2017

Subject: Change Memo for March 6, 2017

13A – Preliminary and final plats for a five lot subdivision at 5325 County Road 101, 5311 Tracy Lynn Terrace, and 5320 Spring Lane

See attached January 5, 2017 planning commission meeting minutes which were omitted from the packet.
B. Preliminary plat and final plats for a five-lot subdivision at 5325 County Road 101, 5311 Tracy Lynn Terrace, and 5320 Spring Lane.

Chair Kirk introduced the proposal and called for the staff report.

Thomas reported. She recommended approval of the application based on the findings and subject to the conditions listed in the staff report.

O’Connell asked if approving the proposal would result in two approved plans. Thomas explained that if the currently proposed plat would be approved and recorded with Hennepin County, then that would take precedence over what was approved in 2015, as it was never filed with the county.

Chair Kirk understood that the seven-lot, R-1A subdivision could be proposed in the future.

Curt Fretham, of Lakewest Development, applicant, stated that the proposal would create lots that adhere to R-1 requirements on Spring Lane. He is rethinking the overall plan. He was available for questions.

The public hearing was opened.

Roger Omlid, 5321 Tracy Lynn Terrace, stated that 5311 Tracy Lynn Terrace has been vacant for five years. He wants it to be torn down or redeveloped. The house has shingles falling off of it and it looks terrible. He does not want an eyesore next to his house.

Dave Moore, of Edina Realty, working with Lakewest Development, stated that he supports the proposal. The fire hydrant would no longer be a hindrance to the driveway. He appreciates working with staff.

Audrey Omlid, 5321 Tracy Lynn Terrace, stated that she lives next door to an unattractive house that is falling down. It brings down the property values of surrounding neighbors. It looks horrible. Bushes are overgrown and the driveway is ripped up. She and additional neighbors are mad about it.

Thomas explained that city staff have investigated previous complaints about the repair of the house. No violations of the nuisance ordinance were observed. The city cannot require a house to be torn down if it is not a structural hazard. Environmental health staff will inspect 5311 Tracy Lynn Terrace prior to the city council meeting to provide an updated report. The property owner would be required to remedy a code violation if one exists.
Thomas explained that the fire marshal requires a 10-foot clearance around a fire hydrant from driveways and paved surfaces. If the proposed driveway and building meet the 10-foot clearance requirement, then the fire hydrant does not need to be moved. If a property owner wants to move the fire hydrant, then the cost for relocation would be the responsibility of the property owner.

No additional testimony was submitted and the hearing was closed.

Powers stated that it is reprehensible that the house has been vacant for five years and in disrepair.

Knight felt that the approval for three lots is straight forward. Calvert agreed.

**O’Connell moved, second by Calvert, to recommend that the city council adopt the resolution approving the preliminary and final plats for a five-lot subdivision generally located at the southeast quadrant of the County Road 101 and Excelsior Boulevard intersection with modifications to the resolution provided in the change memo dated January 5, 2017.**

**Powers, Calvert, Knight, O’Connell, and Kirk voted yes. Odland was absent. Motion carried.**

This item is tentatively scheduled to be reviewed by the city council at its meeting January 23, 2017. Commissioners encouraged staff to inspect the site for nuisance violations and report the results to the city council.
Sorry last minute. Please add to change memo.

Hi Julie,

Please find attached a letter signed by Nancy Rosenberg on behalf of Big Top Liquors. Mrs. Rosenberg would like that the attached letter be included in the Mayor and Councilmembers' packets in advance of tonight's City Council meeting.

Please let me know if you have any questions or need further information. I will be available on my cell for the rest of the afternoon at 612-770-3916. I look forward to seeing you tonight.

Thank you very much.

Jon Applebaum
BIG TOP LIQUORS
12937 Ridgedale Drive
Minnetonka, MN 55305

March 6, 2017

Re: Off-sale liquor license for Minnetonka Fine Wine & Spirits, LLC (d/b/a Total Wine) at 14200 Wayzata Blvd. (the “License”)

Dear Mayor and Councilmembers,

As you know, the City of Minnetonka is a great place to live, work and raise a family. The high quality of life that Minnetonka residents experience is just one reason why businesses like Big Top Liquors are attracted to operate in Minnetonka. In addition, Minnetonka businesses are highly sought after because of its thriving business community and Minnetonka’s culture of warmly welcoming new companies into the City.

Total Wine is a good operation and has been a pleasure to work with. Total Wine will add significant value to our community, its residents and local businesses.

This letter will confirm that Big Top Liquors supports the City granting Total Wine the License.

Thank you very much.

Respectfully,

[Signature]
Nancy Rosenberg
Corporate Officer of Big Top Liquors
This graph illustrates the breakdown of sales for AY2017 by sales price. Sales of homes from $200,001 to $600,000 make up just a little over 80 percent of the sales.

In the residential market highlighted by the chart below, the largest percent increase in values occurred in the Condo market. Single-family residential showed modest gains while the townhome market also showed significant increases in value. Staff believes this is due to the aging of the Minnetonka community and that demographics show an increasing desire to live in a maintenance free property.
Veterans Exclusion

The 2008, the State legislature amended the homestead law that provides a market value exclusion for all or a portion of property owned and occupied as a homestead by a military veteran who has a service-connected disability of 70 percent or more (M.S. 273.13 subd. 34). To qualify, a veteran must have been honorably discharged from the United States armed forces and must be certified by the United States Veterans Administration as having a service-connected disability. A veteran who has a disability rating of 70 percent or more qualifies for a $150,000 market value exclusion, and must reapply annually, if not considered permanent.

A veteran, who has a total (100 percent) and permanent disability, qualifies for a $300,000 market value exclusion. To receive this valuation exclusion, a property owner must apply to the assessor by July 1 of the assessment year. The exclusion is a one-time application, and the property continues to qualify until there is a change in ownership. If a disabled veteran qualifying for a valuation exclusion predeceases the veteran’s spouse, and if upon death of the veteran, the spouse holds the legal or beneficial title to the homestead and permanently resides there, the exclusion carries over to the benefit of the veteran’s spouse for eight additional assessment years or until such time as the spouse remarries, sells, transfers, or otherwise disposes of the property, whichever comes first.

For the 2017 assessment year, there were 70 properties in Minnetonka that received this exclusion, totaling $14,595,300 in value being excluded for taxes payable in 2017.

This Old House

Since 1993, state law has provided for a deferral of a portion of the market value added to older homes through new improvements (M.S.273.11 subd. 16). Since its inception, the “This Old House” law underwent many revisions. The law was phased-out beginning with the 2003 assessment, and no additional properties can be enrolled in “This Old House.” All excluded values have been phased in for the 2017 assessment and there will be no more parcels receiving this exclusion going forward.