Agenda
Minnetonka City Council
Regular Meeting, Monday, July 25, 2016
6:30 P.M.
Council Chambers

1. Call to Order
2. Pledge of Allegiance
3. Roll Call: Ellingson-Allendorf-Acomb-Wiersum-Bergstedt-Wagner-Schneider
4. Approval of Agenda
5. Approval of Minutes: None
6. Special Matters: None
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 use of Hennepin County Affordable Housing Incentive Funds by Homes Within Reach
    B. Southwest Corridor Housing Strategy
    C. Appointment of a hearing officer for administrative citation hearing program
    D. Sixth amendment to site lease with New Cingular Wireless PCS, LLC for Ridgedale Water Tower
    E. Labor agreement between the city of Minnetonka and Teamsters #320 – Police Sergeants
    F. Resolution repealing and replacing Resolution No. 2016-051 for a conditionally-permitted accessory apartment at 13800 Spring Lake Road
11. Consent Agenda - Items Requiring Five Votes: None
12. **Introduction of Ordinances:**
   
   A. Ordinance regarding Temporary Family Health Care Dwellings
      
      Recommendation: Introduce the ordinance and refer to the planning commission

13. **Public Hearings:**
   
   A. On-sale liquor licenses for MTKA Pizza, LLC (Station Pizzeria), at 13008 Minnetonka Boulevard
      
      Recommendation: Continue the public hearing to August 22, 2016 (4 votes)

   B. Temporary on-sale liquor license for The Rotary Club of Minnetonka Foundation, 14350 County Road 62
      
      Recommendation: Hold the public hearing and grant the license (5 votes)

   C. Off-sale liquor licenses for Minnesota Fine Wine & Spirits, LLC (DBA Total Wine), 1005 Plymouth Road
      
      Recommendation: Open the public hearing and continue to September 12, 2016

14. **Other Business:**
   
   A. Concept plan review for The Enclave at Regal Oak, 3639 Shady Oak Rd
      
      Recommendation: Discuss concept plan with the applicant. No formal action required.

   B. Concept plan for a 75-unit apartment building at 2828 and 2800 Jordan Avenue
      
      Recommendation: Discuss concept plan with the applicant. No formal action required.

15. **Appointments and Reappointments:** None

16. **Adjournment**
City Council Agenda Item #10A  
Meeting of July 25, 2016

**Brief Description**  
Resolution approving use of Hennepin County Affordable Housing Incentive Funds by Homes Within Reach

**Recommendation**  
Adopt the resolution

**Background**

The Hennepin County Housing and Redevelopment Authority (HCHRA) Board of Commissioners created the Affordable Housing Incentive Fund (AHIF) Program to work with municipalities, other government and nonprofit agencies, private and nonprofit housing developers, and lenders to encourage the preservation and/or creation of long-term affordable housing throughout Hennepin County.

In 2015, the AHIF program awarded a $150,000 loan to Homes Within Reach to fund the development of scattered site units affordable to households at or below 50 percent of area median income. Additionally, in 2016, they awarded Homes Within Reach another $289,000. These funds will provide assistance with land acquisition, rehabilitation, and holding costs. The funds from both funding awards will be used to acquire and rehabilitate approximately eleven homes, with a portion of the funds being used in Minnetonka. In order for Homes Within Reach to use the AHIF funds in the city, a resolution must be adopted at the time the funds are expended allowing the participation of the HCHRA in the project.

**Recommendation**

Staff recommends the city council adopt a resolution for the 2015 and 2016 funds (pages A1 to A2) authorizing Hennepin County Affordable Housing Incentive Funds in Minnetonka by Homes Within Reach.

Submitted through:  
Geralyn Barone, City Manager  
Julie Wischnack, AICP, Community Development Director

Originated by:  
Alisha Gray, Economic Development and Housing Manager
Resolution No. 2016-

Resolution approving use of Hennepin County Affordable Housing Incentive Funds by Homes Within Reach

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

Section 1.  Background.

1.01.  The Hennepin County Housing and Redevelopment Authority (HCHRA) in Resolution No. 15-HCHRA-0012 has approved the use of a $150,000 Affordable Housing Incentive Fund loan and in Resolution No. 16-HCHRA-0019 a second $289,000 Affordable Housing Incentive Fund loan for Homes Within Reach contingent upon the city of Minnetonka’s consent to the HCHRA’s participation in the project.

1.02.  The purchase of eleven homes by Homes Within Reach, of which some of the homes will be located within the city of Minnetonka and the rest within suburban Hennepin County, will preserve the supply of affordable housing in the city by providing permanent affordability.

1.03.  The grant from the HCHRA will complete the financing required for the project to go forward.

Section 2.  Council Action.

2.01.  The City Council approves the participation of the Hennepin County Housing and Redevelopment Authority in the Homes Within Reach project.

Adopted by the City Council of the City of Minnetonka, Minnesota, on July 25, 2016.

________________________________________________________________________

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 July 25, 2016.

______________________________
David E. Maeda, City Clerk
City Council Meeting Agenda Item #10B
Meeting of July 25, 2016

Brief Description Southwest Corridor Housing Strategy

Recommendation Adopt the Resolution

Background

Preparation of light rail transit related housing studies has been an iterative process, starting in 2012. Initially, there was an in-depth inventory of existing housing options along the proposed light rail line. After the inventory was completed, a “gaps” analysis was completed to help identify the types of housing that should be created. Hennepin County presented that information to the city in September of 2013. After the gaps analysis, the housing strategy was developed to identify how cities along the line would work toward implementing appropriate housing improvements along the line.

Housing Strategy

The Southwest LRT Community Works Steering Committee endorsed the creation of an overall housing strategy for the Southwest Corridor in May of 2012. The overall purpose was to understand the future housing demand along the corridor and tools necessary for providing a full range of housing choices in station areas. The purpose of the strategy is to help fulfill the group’s vision, goals and investment guiding principles to position corridor communities as places for all to live, providing a full range of housing choices, especially within a half-mile of the light rail line. The overall work plan can be found on pages A1-A3.

The strategy document (see pages A4-A27) explains the need for a consistent approach for cities along the line and sets out the goals for affordability and the targets for ranges of affordability. The document provides implementation strategies in a variety of areas including: preservation of affordable housing, housing policy changes, financial tools, and marketing.

At the city council’s June 20 study session, Kerri Pearce Ruch from Hennepin County presented the key components of the Corridor Housing Strategy and led a discussion on how Minnetonka may use the strategy in its housing planning, particularly in the station areas. The city’s economic development advisory commission and planning commission members were invited to join the city council at this meeting. Below is a summary of the councils and commissioners’ comments from the June 20 meeting.
Southwest Corridor Housing Strategy

- There was general consensus among the group that the document was well written and that the purpose and goals aligned with Minnetonka’s desire to provide a full range of housing choices along the corridor.

- Ms. Pearce Ruch mentioned that the housing strategy may be helpful to cities as they start discussing the need for housing choices as part of comprehensive and strategic planning processes.

- Ms. Pearce Ruch explained that the housing study is meant to help guide the city with discussions about housing options but the acceptance of the document is not binding. Cities may choose to incorporate some or all of the strategies based on what meets the needs of their communities.

Financing Mechanisms

- The group asked which funding mechanisms are being considered to assist with the development of a mix of housing units along the corridor and how the city could start laying the groundwork at the legislature to secure funding. Ms. Pearce Ruch responded by stating there is a task force working on analyzing various funding mechanisms and there is more work to be done at the next legislative session. Some of the funding options being explored included corridor-wide tax increment financing, fiscal disparities sharing, tax credits, and other forms of value capture. She recognized that the funding mechanisms presented in the study may not be viable but the task force is examining all possibilities.

- Mayor Schneider expressed opposition to legislation that would allow using fiscal disparities contributions as a potential funding source. Ms. Pearce Ruch explained that the task force is exploring all potential options and cities will be able to choose the financial tools that are the appropriate for their communities.

Affordability

- The group requested clarification on the definition of affordable housing and asked for an example of a recent college graduate entering the workforce. Ms. Pearce Ruch referred to page 13 of the study. Depending on the degree earned, a college student may enter the workforce with a starting salary of $24,000-$49,000 annually. Using this example, the maximum rent that is considered affordable would range from $622 - $1,244 for a 4-person household (the range would be lower for a one-person household). The median income along the corridor is estimated at $50,580.
Next Steps

A housing workgroup (cities along the line, including the county) will meet to develop a work plan to move the implementation strategies forward. This will include tracking progress on the corridor-wide strategy implementation and continuing to engage regularly with policymakers and stakeholders. In addition, the steering committee will seek city/county support for the four key objectives that include:

- Encouraging the integration of tools in zoning, development plan, review, and funding allocation decisions.
- Incorporating the Corridor Housing Strategy in development or updates to housing policies and comprehensive plans.
- Determine mix of unit types and affordability.
- Seek city goals for preservation and new construction at various affordability levels for each station area, to apply corridor targets.

Recommendation

Staff recommends the city council adopt the resolution (see pages A28-A30) accepting the Southwest Corridor Housing Strategy and incorporating the strategy into housing planning for the city of Minnetonka. The cities of Eden Prairie, St. Louis Park and Hopkins have passed similar resolutions.

Submitted through:
    Geralyn Barone, City Manager

Originated by:
    Julie Wischnack, AICP, Community Development Director
    Alisha Gray, Economic Development and Housing Manager
Other Supplemental Information

Southwest Corridor-wide Housing Inventory (2013)

Southwest Corridor Investment Framework (2013)

Southwest Corridor Housing Gaps Analysis (2014) – See page 9 for Opus/Shady Oak Stations

Southwest LRT New Starts Submittal (2014)

June 20, 2016 Study Session Packet
## Objective 1: Develop New Housing Opportunities

<table>
<thead>
<tr>
<th>Implementation strategy</th>
<th>Partners currently working on this</th>
<th>Potential partners</th>
<th>Timeframe</th>
<th>Primary or secondary</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leverage private and philanthropic investments locally, regionally and nationally, along the corridor through a TOD Housing Fund</td>
<td>HC; ULI-MN/FHF</td>
<td></td>
<td>on-going</td>
<td>primary</td>
<td></td>
</tr>
<tr>
<td>Link development prospects to Regional Pre-development Funders Roundtable to assist developments in navigating complex financing challenges</td>
<td>ULI-MN/FHF</td>
<td>cities/HC/developers</td>
<td>on-going</td>
<td>primary</td>
<td>HJC suggestion: target public funds to 60% AMI and below, perhaps with special focus on 30% AMI and below.</td>
</tr>
<tr>
<td>Participate in the development of private/public TOD Housing Fund</td>
<td>HC; ULI-MN</td>
<td>Greater MN Housing Fund/Family Housing Fund/LISC</td>
<td>on-going</td>
<td>primary</td>
<td></td>
</tr>
<tr>
<td>Work with private lenders to evaluate underwriting criteria for TOD projects</td>
<td></td>
<td>LISC; ULI-MN</td>
<td>2016-2017</td>
<td>secondary</td>
<td>- need for continued community engagement - see other workplan items below - HJC suggestion: make station areas at least as affordable as remainder of the city</td>
</tr>
</tbody>
</table>

| | | |
|-------------------------|--------------------------|
| Develop and adopt a clear and consistent vision, goals and affordability targets for housing development within a half-mile of LRT stations | cities | 2016-2018 | primary | - need for continued community engagement - see other workplan items below - HJC suggestion: make station areas at least as affordable as remainder of the city |
| Increase developers’ knowledge of city and county expectations in advance, rather than negotiating on every project | cities; LISC; ULI-MN | 2016-2018 | |
| Maintain and enhance policies around station areas to promote increased density and include a mix of uses consistent with federal and regional transportation policies | cities | on-going | primary | |
| Provide flexibility to allow less parking around transit areas | cities | on-going | |
| Implement infrastructure recommendations from the Southwest Corridor Investment Framework to provide connectivity in and around station areas and maximize development potential at station sites. | HC; cities | developers | on-going | primary | |
| Engage large corridor employers to strategically invest in the preservation and production of housing opportunities for low-to-moderate income employees | Louis Smith/SW Investment Partnership | on-going | secondary | |
| Engage employer groups in the corridor on workforce housing needs | Louis Smith/SW Investment Partnership | 2016-2017 | |
| Encourage employers to participate in private/public TOD Housing fund or other strategies to increase mixed income housing | Louis Smith/SW Investment Partnership | on-going | |
### Objective 2: Preserve Existing Housing Opportunities

<table>
<thead>
<tr>
<th>Implementation strategy</th>
<th>Partners currently working on this</th>
<th>Potential partners</th>
<th>Timeframe</th>
<th>Primary or secondary</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain and improve the quality of existing aging rental and ownership housing stock</td>
<td>cities, HC, funders</td>
<td>on-going</td>
<td>primary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focus primarily on properties that are at values and rents affordable for low to moderate income people</td>
<td>cities, HC, funders</td>
<td>on-going</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop programs together with regional partners that provide for strategic acquisitions, low-interest loans and public-private partnerships</td>
<td>cities, HC, funders</td>
<td>on-going</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work with owners to match lower income residents with unsubsidized affordable housing units and create a structure to maintain that affordability</td>
<td>cities, HC, funders</td>
<td>on-going</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review existing affordability agreements for subsidized properties</td>
<td></td>
<td></td>
<td>2016</td>
<td>secondary</td>
<td></td>
</tr>
<tr>
<td>Determine length of contracts and assess conversion risk</td>
<td>HRAs</td>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop policies to preserve legally binding affordable housing units along the Corridor</td>
<td>HRAs</td>
<td>2016-2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engage owners early in maintaining affordability and extending agreements</td>
<td>HRAs, cities</td>
<td>on-going</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay particular attention to preserving units affordable to the lowest-income households: 30% AMI and below, up to 60% AMI. Prioritize preservation at lowest income levels.</td>
<td>HRAs, Cities, HC</td>
<td>on-going</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Track use of Housing Choice vouchers along the corridor and actively work to preserve units accepting vouchers.</td>
<td>FHF, Housing Link?</td>
<td>on-going</td>
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### Objective 3: Expansion and Improvement of Technical, Financial and Regulatory tools

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<thead>
<tr>
<th>Implementation strategy</th>
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<th>Potential partners</th>
<th>Timeframe</th>
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<th>Notes</th>
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</table>
**Objective 4: Market the corridor**

<table>
<thead>
<tr>
<th>Implementation strategy</th>
<th>Partners currently working on this</th>
<th>Potential partners</th>
<th>Timeframe</th>
<th>Primary or secondary</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide marketing resources and expertise to promote the corridor and its housing vision to developers, employers, schools and future residents</td>
<td>SW Community Works</td>
<td>Cities</td>
<td>on-going</td>
<td>primary</td>
<td></td>
</tr>
<tr>
<td>Develop metrics to track progress towards unit targets over time, using existing partners and resources</td>
<td>Hennepin County</td>
<td></td>
<td>2016</td>
<td>primary</td>
<td></td>
</tr>
<tr>
<td>See non-and for-profit developers with proven expertise in providing quality long-term affordable housing to the lowest income households</td>
<td>Cities</td>
<td></td>
<td>on-going</td>
<td>secondary</td>
<td></td>
</tr>
</tbody>
</table>

**Other Workplan Items**

<table>
<thead>
<tr>
<th>Partners currently working on this</th>
<th>Potential partners</th>
<th>Timeframe</th>
<th>Primary or secondary</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engage the community to inform housing goals, challenges and opportunities.</td>
<td>Cities; LISC; CBOs (community-based organizations)</td>
<td>on-going</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collaborate on comp plan update strategy related to SW Corridor</td>
<td>Cities, SWCW, Met Council</td>
<td></td>
<td>2016-2018</td>
<td></td>
</tr>
</tbody>
</table>
Corridor Housing Strategy
A plan to support and encourage a full range of housing choices in METRO Green Line Extension station areas

January 2016

www.hennepin.us/southwestlrt
This map is furnished “AS IS” with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this map.
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ACKNOWLEDGEMENTS

About the strategy

In May 2012, the Southwest LRT Community Works Steering Committee endorsed the creation of a housing strategy for the Southwest Corridor and directed the program’s Housing Workgroup to carry out the development process. The purpose of this strategy is to help fulfill the Southwest Community Work’s vision, goals and investment guiding principles to position corridor communities as places for all to live, providing a full range of housing choices, especially within a half-mile of the METRO Green Line Extension.

Southwest LRT Community Works Vision

Collaborate and partner so that Southwest Corridor becomes a premier destination that is accessible, livable and vibrant.

About the Housing Workgroup

The Housing Workgroup for Southwest LRT Community Works comprises staff from all six corridor cities, Hennepin County, Family Housing Fund, Twin Cities LISC, Minnesota Housing, Metropolitan Council, the Southwest Corridor Project Office and ULI-Minnesota.

Workgroup members have collaborated on background research and funding to support development of a corridor housing strategy for the Southwest Corridor (METRO Green Line Extension). It is acknowledged that there may be many ways for communities to meet local and regional housing goals and that each community, through its elected and appointed leaders, will have its own legitimate priorities, funding and policy choices and may seek different balances at different points in time.

We present this document to identify options for strategies and goals and to provide considered staff input on a coordinated approach. There is no single or particular vision of urban development, and corridor communities have leeway to adopt various policies necessary to achieve their valid interests. It is also recognized that multiple factors go into investment decisions and locations for constructing or renovating housing units.
Southwest LRT Community Works Adopted Goals

**Economic competitiveness and job growth**
*promote opportunities for business and employment growth*

**Housing choices**
*position the Southwest LRT communities as a place for all to live*

**Quality neighborhoods**
*create unique, vibrant, safe, beautiful, and walkable station areas*

**Critical connections**
*improve affordable regional mobility for all users*

Housing Workgroup members

Tara Beard, Metropolitan Council  
Cathy Bennett, ULI-Minnesota  
Theresa Cunningham, City of Minneapolis  
Margo Geffen, Hennepin County  
Elise Durbin, City of Minnetonka  
Kathryn Hansen, Southwest Project Office  
Margaret Kaplan, Minnesota Housing  
Molly Koivumaki, City of Eden Prairie  
Tania Mahtani, City of Eden Prairie  
Alysen Nesse, City of Eden Prairie  
Gretchen Nicholls, Twin Cities LISC  
Kerri Pearce Ruch, Hennepin County  
Joyce Repya, City of Edina  
Elizabeth Ryan, Family Housing Fund  
Brian Schaffer, City of Minneapolis  
Michele Schnitker, City of St. Louis Park  
Libby Starling, Metropolitan Council  
Stacy Unowsky, City of Hopkins  
Katie Walker, Hennepin County

For additional information on Southwest LRT Community Works, its members, partners and initiatives, as well as contact information, please visit [www.swlrtcommunityworks.org](http://www.swlrtcommunityworks.org).
BACKGROUND

Southwest LRT Community Works and its funding partners have been working together since 2012 to inventory existing housing options in the corridor, understand what the future housing demand may be and the likely demographics of people interested in living along the corridor. In addition, the work includes developing a deep understanding of the current and potential local, county, state and federal technical and financial resources to support a full range of housing choices. Informing this work was a series of stakeholder engagement activities in 2015 to gather feedback from groups including funders, developers, housing advocates, city councils and commissions, along with Southwest Corridor-specific studies listed in the box below.

Additionally, individual cities have undertaken housing studies, outlined tools and strategies in their comprehensive plans and set individual housing goals. These efforts, along with other resources and technical assistance, have been compiled and taken into consideration to inform a Southwest Corridor Housing Strategy along the Green Line Extension. Southwest LRT Community Works envisions this corridor strategy as a complement to other housing planning and policy work. It provides objectives, suggested housing targets and potential implementation strategies that are options to help Corridor stakeholders work towards a full range of housing choices in LRT station areas.

Recent Southwest Corridor housing studies

Southwest Corridor-wide Housing Inventory (2013)
a chronicle of existing housing and demographics along the corridor

Southwest LRT New Starts Affordable Housing Rating Evaluation Summary, MZ Strategies (2013)
an outline of existing SW Corridor Cities plans and programs that support affordable and workforce housing that can be applied to the LRT Corridor

Southwest Corridor Investment Framework (2013)
Transitional Station Area Action Plans for each of the 17 station areas, including recommendations on likely sites for housing development

Southwest Corridor Housing Gaps Analysis (2014)
projects future housing demand, provides market analysis and outlines recommendations and tools to achieve a full range of housing choices.

Southwest LRT New Starts Submittal (2014)
updated information on costs, ridership and land use/economic development both current and future, as part of the federal LRT funding process
Why a coordinated housing strategy?

The Southwest LRT Corridor is well known as job-rich, with over 270,000 jobs expected by 2030. Housing will play a key role in maximizing economic development and supporting job growth along the Southwest Corridor, as well as in helping the LRT line to be successful. Workers who can live close to their jobs save money in transportation costs; a full range of housing choices within station areas will help support a balanced employment base; and lifecycle housing in communities and increased housing density around transit stations will support the LRT line with consistent or increased ridership.

However, studies along Southwest Corridor point to the majority of new housing being high-end /luxury development. This leads to a concern that without a coordinated strategy, development in station areas may not produce a full range of housing choices, either by cost or unit size and type. Recent studies by the Dukakis Center for Urban and Regional Policy of 42 neighborhoods and 12 metropolitan areas revealed that when transit is added, housing stock becomes more expensive. These and other studies indicate that existing and future housing located strategically near light rail transit experiences a rise in value and rents at a more rapid pace than the general market. This increase helps to spur economic development and at the same time has a tendency to reduce the opportunities for lower-to-moderate income people and transit-dependent individuals who may desire and benefit most by living in station areas. Rising housing costs generally hit low-income working households the hardest, which elevates the risk of involuntary displacement for people already living in those areas, who may no longer be able to afford to own or rent due to the increase in values.

Why work together?

Creating a full range of housing choices is a difficult challenge, yet it will be one measure of the success of Southwest LRT (METRO Green Line Extension) and the communities it serves. Collaboration is key to adequately addressing the challenges, particularly in developing affordable housing.

A collaborative approach increases the corridor’s ability to be competitive and adds leverage to secure public and philanthropic resources. It also sends a positive message to the development community that the corridor cities are “all-together” in supporting a mix of housing choices, and helps to create alignment to achieve regional housing goals.

“Ensuring that there is a full range of housing choices with access to transit in our cities builds economic prosperity and competitiveness by attracting and retaining residents to support key employers.”

— Family Housing Fund, “Working Doesn’t Always Pay for a Home”

“...we must act now to ensure that the housing built in these locations provides for a mix of incomes or a once-in-a-lifetime opportunity will be lost.”

— Center for Transit Oriented Development, “TOD 201: Mixed-Income Housing and Transit”
Successful collaboration and shared benefits

A Housing Strategy for the Southwest Corridor may enable corridor cities, Hennepin County and other public and private partners to do more — better — together than they can do alone. For instance, it may help them to:

Create and sustain healthy communities

By providing a full range of housing choices all along the Southwest corridor, cities will be better able to create and sustain the livable, vibrant neighborhoods that contribute to overall city well-being. Housing that is affordable to a mix of incomes around all station areas increases choices for residents looking to live near work, family or educational opportunities. It also reduces transportation costs and creates equity in communities.

Provide lifecycle housing for existing residents

Whether it’s housing for young people just out of college, move-up housing for growing families or housing options for seniors looking to age in place, the right mix of housing can help cities retain residents and build strong, stable communities. A Corridor Housing Strategy will help cities respond to the needs of their existing residents and accommodate community needs.

Achieve individual city goals:

The Housing Strategy will assist cities in meeting their individually adopted housing goals and may allow them to increase their Housing Performance Score to qualify for resources from the Metropolitan Council including the Livable Communities Demonstration Account program (LCDA) and other sources.

Leverage resources

Southwest Corridor cities and Hennepin County can use the housing strategy to leverage additional public and private resources, compete better for limited grant funds and philanthropic dollars and attract greater private development than any entity may be able to do in acting alone.

Increase economic competitiveness

There is an economic case for providing the best opportunities for access to quality housing for those with modest incomes. If essential workers along the corridor cannot afford to live there anymore, it impacts not just individual cities but also the economic growth and competitiveness of the corridor and entire region.
Offer consistency of approach

Quality developers have a limited capacity to pursue projects. Project costs increase when inconsistent visions, goals and processes result in developers spending substantial time pursuing needed capital and regulatory approvals. By contrast, developers may be drawn to a redevelopment-ready area that has a collaborative housing approach and consistency of vision. This reduces the complexities of development, helps to solve problems and manages development risks. A corridor Housing Strategy can provide clarity and consistency to the local and national development community, allowing cities and the County to take full advantage of unique transit-oriented development (TOD) opportunities and to be creative in development near transit that will grow the tax base now and into the future.

Sustain and improve the Southwest LRT New Starts Score

The Federal Transit Administration (FTA) considers policies, planning and programs that support development and retention of affordable housing along transit corridors. In its most recent New Starts ranking, the FTA spoke highly of the coordinated planning efforts and programs along Southwest Corridor, noting that “The region appears to have one of the most comprehensive sets of affordable housing initiatives in the country.” FTA ranked Southwest LRT “high” based on coordination and planning efforts around affordable housing, but ranked it only “medium-low” based on the formula for counting legally-binding affordable housing along the corridor. In order to make the LRT project as competitive as possible for federal funding, FTA will be looking for further action, such as adoption of a corridor housing strategy, when it reviews Southwest LRT for the Full Funding Grant Agreement.

How was the strategy created?

The Southwest LRT Community Works Steering Committee has adopted goals and guiding principles for investment that ground the work of this Housing Strategy. They provide the overarching strategy goal, as well as the basis for recommended targets for constructing and preserving housing and implementation strategies.

This document aims to provide one measure of what a “full range of housing choices” means within a specific time period. It also lays out a menu of implementation strategies and action steps as well as identifies key partner roles. While no one entity is likely to take on all of the implementation strategies, cities along the corridor can work together to share resources and information and use the strategies that best meet their community’s needs.
HOUSING GOAL AND AFFORDABILITY TARGETS

The Housing Gaps Analysis examined each station area and suggested development scenarios. These included potential numbers for new construction and also identified existing rental units in need of preservation. These scenarios form the baseline for unit targets along Southwest corridor by 2030, ten years after METRO Green Line Extension LRT service begins operations.

The Gaps Analysis suggests that if housing development is left solely to market forces, new development around station areas will be market-rate and luxury rental options — not the mix of housing types desired by corridor communities. Therefore, this housing strategy pays particular attention to tools and resources that support affordable housing development and preservation.

The Gaps Analysis also took a fiscally constrained approach to affordable housing recommendations in the corridor, which means that affordability targets may be lower than measures of affordability need. However, the implementation strategies include options to bring new resources to affordable housing development and preservation. Success with these strategies could allow additional units above the baseline targets to be created.

There is a need for a variety of options in terms of housing unit sizes, for-sale as well as rental opportunities and affordability levels. A key reason for this is the desire to retain community residents as their housing needs change and evolve over a lifetime. Larger housing sizes, especially three- and four-bedroom units, may be of particular need, as well as senior housing and entry-level home ownership opportunities. Additionally units for those earning 30% of area median income are particularly needed.

These baseline targets may be modified over time to respond to market conditions and new housing policy direction, including 2018 comprehensive planning. While cities are not expected to plan for all of their affordable housing need to be located in areas within a half-mile METRO Green Line Extension stations, this LRT transit investment provides unique opportunities to increase the likelihood that all income levels have access to TOD housing.
Southwest LRT Community Works Housing Goal: *Position the Southwest LRT communities as a place for all to live.*

Southwest LRT Community Works guiding principle for investment: *Provide a full range of housing choices.*

**New Construction:** Add 11,200 new units within ½ mile of the Corridor, including 3,520 units affordable for low to moderate income households (up to 100% AMI), with 2,265 of those units affordable to those at 80% AMI or below by 2030. This target also includes 1,314 new home ownership units, with 950 of those affordable to entry-level and mid-market owners.

**Preservation:** Preserve 3,800 unsubsidized affordable (<60% AMI) rental units by 2030, out of 6,700 unsubsidized affordable units within ½ mile of the Corridor.

**Affordability targets for new construction:**

<table>
<thead>
<tr>
<th>Rental</th>
<th>0–30% AMI</th>
<th>31–60% AMI</th>
<th>61–80% AMI</th>
<th>81–100% AMI</th>
<th>&gt;100% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6.4%</td>
<td>6.4%</td>
<td>10%</td>
<td>12.5%</td>
<td>64.7%</td>
</tr>
</tbody>
</table>

**Homeownership**

<table>
<thead>
<tr>
<th>64% 120% AMI or less</th>
<th>36% 120% AMI +</th>
</tr>
</thead>
</table>

**Corridor Preservation Target**

Unsubsidized affordable rental = 6700 units

- 43% Remaining unsubsidized
- 57% Preservation target

**Defining “affordable”:**

- **Area Median Income (AMI)** is a calculation that funders and policymakers use to gauge affordability.

- Affordable housing is typically defined as housing that is affordable to low- or moderate-income families.

- Affordable housing costs should, in general, comprise no more than 30% of household income.
Allocating housing along the Southwest Corridor

The affordable housing strategy targets for Southwest LRT Corridor represent about about 35% of Metropolitan Council’s Need Allocation for the five Corridor cities.

Southwest Corridor Housing Strategy new development target rental housing: 2,265 units affordable at 80% AMI or below*

- 0 – 30% AMI: 635 units
- 31 – 60% AMI: 635 units
- 61 – 80% AMI: 995 units
- 81 – 100% AMI: 1,255 units
- > 100% AMI: 6,402 units

Total units: 9,922

Metropolitan Council allocation of need for affordable housing within five of six corridor cities 2021–2030: 6,495*

City-wide allocation of need for affordable housing in five of six corridor cities, per Metropolitan Council

- 0 – 30% AMI: 3,124 units
- 31 – 50% AMI: 1,443 units
- 51 – 80% AMI: 1,928 units

Total units: 6,495

*new development is allocated to the five corridor cities with METRO Green Line Extension LRT stations: Eden Prairie, Hopkins, Minneapolis, Minnetonka and St. Louis Park. Edina is a corridor city but does not have a LRT station within its boundaries.

About allocation of need:

The Metropolitan Council developed a process of forecasting the region’s need for housing units affordable to low- and moderate-income households. Local governments use these “need” numbers to aid them in fulfilling their affordable housing planning responsibilities.
Note on Edina: No Southwest LRT stations are located in the City of Edina. However, a small portion of Edina falls within 1/2 mile of the Blake and Downtown Hopkins stations. Portions of Edina also fall within 1 mile of the Shady Oak, City West and Golden Triangle stations. Affordable housing development in Edina can contribute to affordable housing availability in the larger Southwest LRT Corridor area.

How much do people pay for “affordable” housing?

$82,833

Area median income (AMI) for a family of four in the Minneapolis/St. Paul/Bloomington Metropolitan Statistical Area (MSA)

Based on area median income (AMI) for a four-person household*

<table>
<thead>
<tr>
<th>Monthly rent</th>
<th>AMI</th>
<th>Annual income</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 – $621</td>
<td>0 – 30%</td>
<td>up to $24,850</td>
</tr>
<tr>
<td>$622 – $1244</td>
<td>31% – 60%</td>
<td>$24,851 – $49,740</td>
</tr>
<tr>
<td>$1,245 – $1,598</td>
<td>61% – 80%</td>
<td>$49,741 – $63,900</td>
</tr>
<tr>
<td>$1,599 – $2,071</td>
<td>81% – 100%</td>
<td>$63,901 – $82,833</td>
</tr>
</tbody>
</table>

$50,580 Corridor household median income**

Southwest Corridor median income for workers

<table>
<thead>
<tr>
<th>Household income</th>
<th>Percent of corridor workers</th>
<th>Affordable monthly rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,250 and less</td>
<td>21%</td>
<td>$375</td>
</tr>
<tr>
<td>$1251 – $3333</td>
<td>27%</td>
<td>$376 – $1,111</td>
</tr>
<tr>
<td>$3,334 and greater</td>
<td>52%</td>
<td>&gt; $1,112</td>
</tr>
</tbody>
</table>

* United States Department of Housing and Urban Development 2014
** Southwest Corridor-wide Housing Inventory, 2013

Affordable rents, based on sample occupations and their average salaries

$776 assembly worker
$595 home health aide
$772 nursing assistant
$755 teacher assistant
$844 school bus driver
$571 restaurant cook
$640 bank teller

Source: Family Housing Fund, Southwest Housing Gaps Analysis, 2014

Edina citywide allocation of need: 878 units
0 – 30% AMI: 365 units
31 – 50% AMI: 234 units
51 – 80% AMI: 279 units
Why set corridor affordability targets?

The diverse cities along the corridor are each taking steps to plan for land uses; they also have housing strategies and goals outlined in their comprehensive plans. In addition, all of the corridor cities work toward housing goals that were negotiated with the Metropolitan Council. So what are the benefits of setting affordability targets together? There are many, including the following:

Respond to regional and federal funders

- **Federal Sustainable Communities Grant**: In 2011, Hennepin County was a sub-recipient of a federal Sustainable Communities Grant. Combined with Living Cities resources through Corridors of Opportunity, the Southwest Corridor was tasked with developing a set of measurable unit goals for housing along the corridor.

- **Corridors of Opportunity Transit Recipients need to address Fair and Affordable Housing**: In September 2011, the Corridors of Opportunity Policy Board adopted several recommendations for regional transit corridors to address Fair and Affordable Housing in their overall TOD strategies. The primary recommendation was for the adoption of measurable, corridor-wide goals and strategies to ensure sufficient housing, both new production and preservation, to serve a full range of incomes.

The Sustainable Communities grant and Corridors of Opportunity program have both ended. However, their guidance and best practices are still applicable for work in the Southwest Corridor. There are also important funding opportunities in the future, both for the LRT project and for competitive development resources.

Competitiveness for Federal Transit Administration (FTA) funding of infrastructure

In 2013, the FTA released new guidance for scoring transit projects that includes existing and future plans for affordable housing. The FTA seeks to “ensure that as service is improved over time, there is a mix of housing options for existing and future residents.” In anticipation of the METRO Green Line Extension’s FTA application for the Full Funding Grant Agreement (FFGA), commitment and progress toward meeting affordable housing goals is essential, as this will be viewed competitively against other regions seeking the same limited funds.

Alignment with Metropolitan Council Housing Policies

A coordinated strategy along the corridor that aligns with Metropolitan Council’s housing policies, including the Housing Policy Plan (2014), will help cities in planning, tracking progress and addressing regional housing needs. Metropolitan Council has allocated new affordable housing need numbers, and will be negotiating affordable and life-cycle housing goals with participating cities in the future. A corridor-wide strategy that aligns with regional housing policies will help cities improve their competitiveness when seeking council resources.
Align development policies and resources throughout the corridor

Corridor-wide affordable housing targets, developed in collaboration and tied to existing city plans and Metropolitan Council allocation of need, will allow partners to focus efforts and public resources to identified gaps. Collaboration between partners will allow sharing of tools and information, while preserving each entity’s unique identity and role in housing creation.

Track progress over time

Similar to the work being done along the METRO Green Line’s Central Corridor, an affordable housing target in the Southwest Corridor will allow cities, Hennepin County and funders to track progress over time to help determine whether the corridor is moving towards its policy goals. Having specific numeric targets allows measurement against a baseline and can also help identify where targets may need adjustment due to market trends or development activity.

Promote fair housing

The Fair Housing Act of 1968 prohibits discrimination in housing and also requires recipients of federal funding to affirmatively further fair housing. A housing strategy may assist all Southwest Corridor communities in reducing barriers to and promoting fair housing and equal opportunity, while recognizing that each community will be balancing many policy options and may have multiple ways to meet its fair housing requirements.
ACHIEVING THE GOAL

Corridor-wide objectives

To promote the corridor-wide goal and housing unit targets, Southwest LRT Community Works supports four objectives. Each objective has related implementation strategies, which are offered as options among a range of tools, in support of the corridor-wide objectives. Through public/private partnerships, the implementation strategies detailed below may help achieve the objectives.

Objective 1
Develop new housing opportunities

Create new housing that includes a mix of unit types with values and rents affordable to people with a full range of incomes. Focus on creating mixed income neighborhoods as well as opportunities for mixed income projects. Support opportunities in home ownership as well as rental units.

Implementation strategies

Develop coordinated mixed-income (inclusionary housing) policies.

• These policies would apply to new housing development within corridor cities, particularly in areas targeted for new transit oriented development.

• Seek support for policy adoption by corridor cities.

Leverage private and philanthropic investments locally, regionally and nationally, along the corridor through a TOD Housing Fund.

• Link development prospects to Regional Pre-development Funders Roundtable to assist developments in navigating complex financing challenges.

• Participate in the development of private/public TOD Housing fund.

• Work with private lenders to evaluate underwriting criteria for TOD projects.

Engage large corridor employers to strategically invest in the preservation and production of housing opportunities for low-to-moderate income employees.

• Engage employer groups in the corridor on workforce housing needs.

• Encourage employers to participate in private/public TOD Housing fund or other strategies to increase mixed income housing.
Develop and adopt a clear and consistent vision, goals and affordability targets for housing development within a half-mile of LRT stations.

- Increase developers’ knowledge of city and county expectations in advance, rather than negotiating on every project.

Maintain and enhance policies around station areas to promote increased density and include a mix of uses consistent with federal and regional transportation policies.

- Provide flexibility to allow less parking around transit areas.

Implement infrastructure recommendations from the Southwest Corridor Investment Framework to provide connectivity in and around station areas and maximize development potential at station sites.

Utilize creative tools and resources to engage the public and policy leaders around key development opportunity sites.

Objective 2
Preserve existing housing opportunities

Preserve and enhance existing subsidized and unsubsidized housing stock to reduce the involuntary displacement of residents with low to moderate incomes. Develop preservation criteria for unsubsidized housing stock. Maintain opportunities to use Housing Choice vouchers in corridor units.

Implementation strategies

Review existing affordability agreements for subsidized properties.

- Determine length of contracts and assess conversion risk.
- Develop policies to preserve legally binding affordable housing units along the Corridor.
- Engage owners early in maintaining affordability and extending agreements.
- Pay particular attention to preserving units affordable to the lowest-income households: 30% AMI and below, up to 60% AMI. Prioritize preservation at lowest income levels.
- Track use of Housing Choice vouchers along the corridor and actively work to preserve units accepting vouchers.
Maintain and improve the quality of existing aging rental and ownership housing stock.

- Focus primarily on properties that are at values and rents affordable for low to moderate income people.
- Develop programs together with regional partners that provide for strategic acquisitions, low-interest loans and public-private partnerships.
- Work with owners to match lower income residents with unsubsidized affordable housing units and create a structure to maintain that affordability.

Objective 3
Expansion and Improvement of Technical, Financial and Regulatory tools

Utilize existing resources and develop new resources to achieve corridor housing targets by seeking funding sources and technical expertise to support the development and preservation of a full range of housing choices. Modify regulatory tools to support housing development and preservation. Actively seek opportunities for land-banking, land trusts, and use of public land for affordable housing development. Examine legislative changes to language that inhibits higher-density home ownership opportunities.

Implementation strategies
Evaluate corridor cities’ interest in exploring the costs/benefits, mechanics and legislative authority for joint-financing mechanisms such as corridor-wide tax increment financing (TIF), fiscal disparities sharing, and other forms of value capture.

- Identify opportunity for large-scale TIF agreement rather than project-by-project TIF.
- Expand housing tax increment with a particular focus on TOD locations.
- Explore changes to fiscal disparities policy that would allow net payer cities to receive credit that could be used towards housing development.
- Explore creative financing tools for mixed income projects (e.g. 4% tax credits, mezzanine loans) in collaboration with Community Development Financial Institutions (CDFIs).
Objective 4
Market the corridor

Create a marketing plan to attract developers and new residents and draw existing residents and employees to TOD neighborhoods and a TOD lifestyle.

Implementation strategies

Provide marketing resources and expertise to promote the corridor and its housing vision to developers, employers, schools and future residents.

Develop metrics to track progress towards unit targets over time, using existing partners and resources.

Seek non- and for-profit developers with proven expertise in providing quality long-term affordable housing to the lowest income households.

Implementation strategies

Implementation strategies are offered as options among a range of tools in support of the corridor-wide objectives. Through stakeholder feedback, implementation strategies have been grouped into primary and secondary categories. Primary strategies have seen strong interest or agreement in terms of their usefulness in achieving the corridor-wide goal.

Additionally, strategies are identified as "corridor-wide" or "city/county-specific." Corridor-wide strategies can be pursued collaboratively, while city/county-specific ones pertain to authorities held by cities or Hennepin County.

Primary Strategies

- Evaluate corridor cities’ interest in exploring the costs/benefits, mechanics and legislative authority for joint financing mechanisms such as corridor-wide tax increment financing (TIF), fiscal disparities sharing, and other forms of value capture. (corridor-wide)

- Maintain and improve the quality of existing aging rental and ownership housing stock. (corridor-wide)

- Leverage private and philanthropic investments locally, regionally and nationally, along the corridor through a TOD Housing Fund. (corridor-wide)

- Provide marketing resources and expertise to promote the corridor and its housing vision to developers, employers, schools and future residents. (corridor-wide)
• Develop metrics to track progress towards unit targets over time, using existing partners and resources. *(corridor-wide)*

• Develop and adopt a clear and consistent vision, goals and affordability targets for housing development within a half-mile of LRT stations. *(city/county specific)*

• Implement infrastructure recommendations from the Southwest Corridor Investment Framework to provide connectivity in and around station areas and maximize development potential at station sites. *(city/county specific)*

• Maintain and enhance policies around station areas to promote increased density and include a mix of uses consistent with federal and regional transportation policies. *(city/county specific)*

**Secondary Strategies**

• Develop coordinated mixed-income (inclusionary housing) policy language. *(corridor-wide)*

• Review existing affordability agreements (subsidized properties). *(corridor-wide)*

• Engage large corridor employers to strategically invest in the preservation and production of housing opportunities for employees with low to moderate incomes. *(corridor-wide)*

• Utilize creative tools and resources to engage the public and policy leaders around key development opportunity sites. *(city/county specific)*

• Seek non- and for-profit developers with proven expertise in providing quality long-term affordable housing to the lowest income households. *(city/county specific)*

• Explore creative financing tools for mixed income projects (e.g. 4% tax credits, mezzanine loans) in collaboration with Community Development Financial Institutions (CDFIs). *(city/county specific)*

**Partners in implementation**

Creating a full range of housing choices in the Southwest Corridor can be enhanced through partnership and cooperation between the public sector and private partners, each with unique perspectives and implementation roles.

**Southwest LRT Community Works**

The primary role of this partnership is as a convener of policymakers and technical staff, including housing staff. Southwest LRT Community Works can offer guidance and technical assistance to partners as well as track progress on the Corridor-wide Housing Strategy.
Cities
Cities are on the front line in housing development and preservation and are key players in land use and zoning control necessary to achieve individual and corridor housing goals. It will be important to align the corridor strategy with local housing planning and comprehensive plan efforts and to provide tools and resources to support a full range of housing options—all while recognizing different development markets and constraints on city resources to support housing, along with other TOD infrastructure needs.

Hennepin County
The county is a funder of affordable housing, primarily through AHIF and TOD grants. It also provides staff support to Southwest LRT Community Works. This strategy can be one of the factors considered in how the County allocates these funds.

Metropolitan Council/Southwest Project Office
The Metropolitan Council provides regional guidance on the Housing Policy Plan; works with cities on planning housing need through comprehensive plan implementation; negotiates housing goals; provides technical assistance on tools and policies; and provides funding to support affordable housing development through the Livable Communities program. The Southwest Project Office provides LRT project information to support developers/city infrastructure coordination requirements.

Developers
For-profit and non-profit developers have a crucial role in investing in the development and preservation of housing units in the Southwest Corridor. Developers can work with cities and other partners to meet affordability targets and create station-area developments consistent with the strategy. They also provide critical input regarding market conditions, challenges and opportunities as they relate to implementing strategies along the corridor.

Employers
Corridor employers have a strong interest in recruiting and retaining top talent. Housing can be a key component in developing a stable workforce. Identifying ways to have continued dialogue with employers will be important to identify workforce housing needs.

Funders
Private, public and philanthropic funders play a key role in providing critical resources to support investment in a mix of housing types along the corridor. It will be critical to continue dialogue on financing criteria that support a mix of housing types in station areas and ensure that resources are aligned for preservation and creation of affordable housing along the corridor. Examples include: private financial institutions, public financial institutions, foundations/intermediaries, syndicators, and entities involved in site acquisition.
Advocates

Housing advocates have provided valuable feedback on the development of this Strategy and will continue to play an important role in identifying tools and resources for affordable housing development. The advocacy community can also help connect the Southwest Corridor Housing Strategy with larger housing policy agendas moving forward.

Next steps

Housing Workgroup

• Develop a work plan to move implementation strategies forward.
• Track progress on corridor-wide strategy implementation.
• Engage regularly with policymakers and stakeholders to ensure the housing strategy reflects current goals and market conditions.

Seek city/county support for the four key Corridor-wide Objectives

• Encourage integration of strategy tools within zoning and development plan review.
• Encourage use of strategy goals as a factor in funding allocation decisions.
• Incorporate and align the Corridor Housing Strategy in the development of or updates to individual housing policies and comprehensive plans.

Determine mix of unit types and affordability for the corridor

• Ask cities to identify station area mix of housing units, types and values.
• Pay particular attention to targets for larger unit sizes, senior housing and housing affordable to 30% AMI and below.
• Calculate amount of public/private subsidy necessary to fully achieve the housing targets.

Seek city goals for preservation and new construction at various affordability levels for each station area, to apply to corridor targets

• Adopt corridor targets that are consistent with city goals.
• Align with comprehensive plans.
• Embed station area targets in city housing plans, taking into account affordable housing targets as well as market-rate unit needs.
Southwest Corridor Housing Strategy
Compiled by Southwest LRT Community Works’ housing workgroup

Southwest LRT Community Works partners
Hennepin County
Hennepin County Regional Railroad Authority
Eden Prairie
Minnetonka
Hopkins
Edina
St. Louis Park
Minneapolis
Metropolitan Council
Urban Land Institute Minnesota
Minneapolis Park and Recreation Board
Minnehaha Creek Watershed District
SouthWest Transit

Hennepin County
Southwest LRT Community Works
701 Fourth Ave. S., Suite 400
Minneapolis, MN 55415

swcorridor@hennepin.us
Phone: 612-348-9260
www.southwestlrtcmmunityworks.org
Resolution No. 2016-

Resolution accepting the Southwest Corridor Housing Strategy and incorporating the strategy into housing planning for the City of Minnetonka.

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

Section 1. Background.

1.01. The Hennepin County Board of Commissioners adopted resolution No. 09-0596 in 2009 to establish the Southwest LRT Community Works program in consultation with the cities of Eden Prairie, Edina, Minnetonka, Hopkins, St. Louis Park, and Minneapolis, and other Southwest LRT partners.

1.02. The Southwest LRT Community Works Steering Committee, composed of Southwest LRT Community Works partners from cities and other agencies along the Southwest corridor, was formed in 2010 to provide overall guidance and direction for the Southwest LRT Community Works Project.

1.03. The Southwest LRT Community Works goals and guiding principles for investment call for positioning the Southwest communities as a place for all to live and providing a full range of housing choices.

1.04. The Southwest LRT Community Works Steering Committee endorsed the creation of a corridor-wide housing strategy in May 2012, consisting of a housing inventory, gaps analysis and strategy document to support housing development along the Southwest LRT corridor.

1.05. Representatives from the City of Minnetonka have been active participants in the Southwest Housing Workgroup, which provided oversight and guidance for the development of the Housing Strategy, the Technical Implementation Committee, which provided feedback on the Strategy and the Community Works Steering Committee, which provided overall policy direction and guidance.

1.06. The Southwest Community Works Steering Committee accepted the Corridor Housing Strategy at its January 2016 meeting and referred the document to member cities and partner organizations for individual action as appropriate.

1.07. There are numerous benefits that may come from working collaboratively, including increasing the corridor’s ability to be competitive, adding leverage to secure public and philanthropic resources, sending a positive message to the development community about the desire for a mix of housing choices, and aligning to achieve regional goals.

1.08. The Federal Transit Administration (FTA) in its most recent New Starts Guidance, now considers policies, planning and programs that support
development and retention of affordable housing along transit corridors as part of its project evaluation criteria for funding.

1.09. The Southwest Corridor Housing Strategy contains objectives that can inform housing planning, including comprehensive plan updates, in Southwest LRT Corridor communities as well as suggested implementation strategies that may assist in creation of a full range of housing choices around Southwest LRT stations, increasing LRT ridership and supporting economic development and healthy communities.

Section 2. Council Action.

2.01. The City of Minnetonka accepts the Southwest Corridor Housing Strategy as a document to provide input and options for ongoing collaborative housing work, and directs staff to incorporate the Southwest Corridor Housing Strategy into community planning efforts in the City of Minnetonka, as appropriate. The City of Minnetonka recognizes that the acceptance of this document does not imply endorsement of all of the strategies identified in the document and that not all of the strategies may be applicable to the city of Minnetonka.

Adopted by the City Council of the city of Minnetonka, Minnesota, on July 25, 2016.

________________________
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 July 25, 2016.

__________________________________________
David E. Maeda, City Clerk
Brief Description: Appointment of a hearing officer for administrative citation hearing program

Recommended Action: Approve the appointment

Background

In 1995 the city council approved an ordinance establishing an administrative citation hearing program. The administrative hearing process offers an alternative to the regular court system to review alleged violations of city ordinances. The process is intended to be more informal and less intimidating to alleged violators. Approximately five to ten hearings occur annually.

The city of Minnetonka has an agreement with the city of Wayzata to administer the citation hearing program for their city. Recently, Wayzata requested a hearing officer for a dangerous dog citation and there was some difficulty in finding an available hearing officer from the current list. Section 1310.035 of the city code requires the council to periodically approve a list of attorneys to be used as hearing officers. This list was last updated in 2015.

Last fall, Paula Callies contacted the city clerk and expressed interest in serving as a hearing officer for the administrative citation hearing program. She serves as the city attorney for the cities of Loretto and Dundas, MN.

Staff is recommending Ms. Callies be appointed as a hearing officer and added to the list of existing hearing officers.

Recommendation

Approve the appointment of Paula Callies as a hearing officer for the administrative citation hearing program.

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

Originated by:
David Maeda, City Clerk
Brief Description: Sixth amendment to site lease with New Cingular Wireless PCS, LLC for Ridgedale Water Tower

Recommended Action: Approve the sixth amendment to site lease

Background

New Cingular Wireless PCS, LLC currently leases space on the Ridgedale water tower for 13 antennae and related equipment. New Cingular has installed 12 antennae and has requested an amendment that would allow it to install the 13 antenna under the current lease, plus an additional 2 antennae, for a total of 15.

Public works and its consultant, SEH Engineering, have reviewed and approved the technical aspects of the proposal, as contemplated by City Council Policy No. 12.5. City staff has negotiated a proposed lease, which is attached. Rent for 2017 will be $56,257.50 with a five-percent annual escalator.

Recommendation

Staff recommends that the city council approve the sixth amendment to site lease agreement.

Submitted through:
   Geralyn Barone, City Manager
   Merrill King, Public Works Director
   Brian Wagstrom, Public Works Director

Originated by:
   Corrine Heine, City Attorney
SIXTH AMENDMENT TO SITE LEASE AGREEMENT

THIS SIXTH AMENDMENT TO SITE LEASE AGREEMENT ("Sixth Amendment"), dated as of the latter of the signature dates below (the “Effective Date”), is by and between the CITY OF MINNETONKA, a Minnesota municipal corporation and having a mailing address of 14600 Minnetonka Boulevard, Minnetonka, MN 55345 ("Landlord") and New Cingular Wireless PCS, LLC, a Delaware limited liability company, as successor in interest to AT&T Wireless Services of Minnesota, Inc., having a mailing address of 575 Morosgo Drive, Atlanta, Georgia 30324 ("Tenant").

Recitals

A. Landlord and Tenant entered into a Site Lease Agreement dated September 24, 2001, as amended by a First Amendment to Site Lease Agreement on April 1, 2002, a Second Amendment to Site Lease Agreement on May 9, 2002, a Third Amendment to Site Lease Agreement on November 12, 2002 (which is inaccurately titled as the Second Amendment to Site Lease Agreement, due to a scrivener’s error), a Fourth Amendment to Site Lease Agreement on December 22, 2011, and a Fifth Amendment to Site Lease Agreement on April 21, 2015 (collectively, the “Agreement”), whereby Landlord leased to Tenant certain Premises ("Leased Premises"), therein described, on the Ridgedale Water Tower located at 13001 Wayzata Boulevard, Minnetonka, Minnesota 55345.

B. Landlord agrees to allow Tenant to modify and add equipment to the water tower as set forth in Exhibit A attached hereto.

C. Landlord and Tenant agree to increase the rent to compensate Landlord for the additional equipment set forth in Exhibit A being added to the tower.

D. Landlord and Tenant, in their mutual interest, wish to amend the Agreement as set forth below

Amendment Terms

In consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Antennas Allowed. The Agreement is amended to allow the installation of two (2) additional antennas, connecting appurtenances, and other related ancillary equipment, for a total of 15 antennas, consistent with attached Exhibit A-1. Landlord’s execution of this Sixth Amendment will signify Landlord’s approval of Exhibit A-1. Exhibit A-1 hereby replaces Exhibit A to the Agreement. Within 90 days after completion of the installation of the three (3) additional antennas, Tenant must provide Landlord with a new Exhibit A-1(As-Built), which must depict the as-installed locations of all antennas, connecting appurtenances and other related ancillary equipment installed pursuant to the Agreement, as amended, and Exhibit A-1(As Built) shall replace Exhibit A-1 attached to this Sixth Amendment.

2. Rent. Tenant must pay an additional fee of Seven Thousand Two Hundred and 00/100ths Dollars ($7,200.00) for the year 2016, prorated to the date that Tenant commences installation of the Improvements. The payment for the prorated rent increase for the remainder of 2016 is due when Tenant commences installation of the Improvements. Annual rent for the year 2017 for a maximum of 15 antennae and appurtenances, including the equipment listed in Exhibit A, will
increase to Fifty-Six Thousand Two Hundred Fifty-Seven and 50/100ths Dollars ($56,257.50) (which amount is inclusive of the annual 5% increase as required by the Agreement), and must thereafter be paid as provided for in the Agreement. Additionally, Tenant will pay all costs for the structural modifications to the tower to support Tenant’s proposed equipment listed in Exhibit A of this Sixth Amendment, if any are needed.

4. **Effect of Amendment.** Except as expressly set forth in this Sixth Amendment, the Agreement, as previously amended, is unmodified and remains in full force and effect.

5. **Capitalized Terms.** All capitalized terms used but not defined herein shall have the same meanings as defined in the Agreement.

6. **Condition.** This Sixth Amendment is contingent upon the Tenant reimbursing the Landlord for its reasonable expenses in reviewing and approving this Sixth Amendment and the Tenant’s plans for construction.

**LANDLORD:**
City of Minnetonka, a municipal corporation

By: ________________________________
Name: Terry Schneider
Its: Mayor

By: ________________________________
Name: Geralyn Barone
Its: City Manager

**TENANT:**
New Cingular Wireless PCS, LLC
A Delaware limited liability company

By: AT&T Mobility Corporation
Its: Manager

By: ________________________________
Print Name: ________________________________
Its: ________________________________

Date: ________________________________

Date: ________________________________
ACKNOWLEDGMENTS

LANDLORD’S ACKNOWLEDGMENT

STATE OF MINNESOTA  
)  
) ss.  
COUNTY OF HENNEPIN  
)

The foregoing instrument was acknowledged before me this _____ day of _______________, 2016, by Terry Schneider, mayor of the City of Minnetonka, a Minnesota municipal corporation, on behalf of the corporation.

______________________________
Notary Public

STATE OF MINNESOTA  
)  
) ss.  
COUNTY OF HENNEPIN  
)

The foregoing instrument was acknowledged before me this _____ day of _______________, 2016, by Geralyn Barone, city manager of the City of Minnetonka, a Minnesota municipal corporation, on behalf of the corporation.

______________________________
Notary Public

TENANT’S ACKNOWLEDGMENT

STATE OF _________  
)  
) ss.  
COUNTY OF _________  
)

The foregoing instrument was acknowledged before me this _____ day of _______________, 2011, by ________________, the ________________ of AT&T Mobility Corporation, the Manager of New Cingular Wireless PCS, LLC, a Delaware limited liability company, on behalf of the entity.

______________________________
Notary Public
Exhibit A-1
AT&T MOBILITY
PROJECT: 3C/4C LTE
AT&T SITE ID: MNL09021
FA#: 10107422
PACE#: MRUMW12880
PTN#: 3511796530

RIDGEPOINT
MINNETONKA, MN 55305

I hereby certify that this plan specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.
I hereby certify that this plan specification, or report was prepared by me or under my direct supervision and that I am a duly licensed professional engineer under the laws of the State of Minnesota.

ISAAC ODLAND

PROJECT SPECIFICATION

1. CONTRACTOR SHALL ENSURE ALL WORKING PERMIT AS REQUIRED PER MUNICIPAL REQUIREMENTS.
2. CONTRACTOR SHALL INSTALL A 10' x 15' TRENCH SEPARATION BETWEEN THE PROPOSED LTE UPG AMENITY AND EXISTING AMENITY.
3. PRIVATE USE AREA APPROXIMATELY ONLY.
4. ATTACH AN WRAP CENTER FOR CANTILEVER.
5. FOR ADDITIONAL USE PER LTE USE LINES FOR 1.5 INCH TO MAKE 0.33.
6. FOR ADDITIONAL USE PER LTE USE LINES FOR 1.5 INCH TO MAKE 0.33.

NOTE:

WOOD FENCE
COMPOUND FENCE
TRENCH AREA
PROPOSED ICE SHORE
EXISTING ICE SHORE

C-1
I hereby certify that this plan specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

ISAAC ODLAND
C-2
I hereby certify that this plan specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.
I hereby certify that this plan specification or report was prepared by me or under my direct supervision and that I am a duly licensed professional engineer under the laws of the State of Minnesota.

AT&T TO VERIFY REQUIRED SHELTER ON PLATFORM EQUIPMENT.

PROJECT DESCRIPTION

1. [Text]

2. [Text]

NOTE:

[Additional text on the diagram]
I hereby certify that this plan specification, or report was prepared by me or under my direct supervision and that I am a duly licensed professional engineer under the laws of the State of Minnesota.
I hereby certify that this plan specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.
I hereby certify that this plan specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.
I hereby certify that this plan specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

T-5
I hereby certify that this plan specification, or report was prepared by me or under my direct supervision and that I am a duly licensed professional engineer under the laws of the State of Minnesota.

ISAAC ODLAND

E-1
I hereby certify that this plan specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.
I hereby certify that this plan specification, or report, was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.
I hereby certify that this plan specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.
I hereby certify that this plan specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.
SECTION 09 97 15
COATING SYSTEMS FOR TELECOMMUNICATION EQUIPMENT

PART 1 GENERAL

1.1 SUMMARY
A. Section includes painting and painting repair work associated with the installation of antennas, coaxial
  cables, and other common components with direct attachment to water tank facilities.

1.2 REFERENCES
A. Society for Protective Coatings (SSPC):
  1. Volume 1: Good Painting Practice
  2. Volume 2: Systems and Specifications

1.3 SUBMITTALS
A. Product Data: Submit data sheets for each coating system.

PART 2 PRODUCTS

2.1 MATERIALS

A. Manufacturers:
  2. Tenneco Company www.tenneco.com

PART 3 EXECUTION

3.1 EXAMINATION
A. Visually evaluate surface preparation by comparison with pictorial standards of SSPC-VIS-1-89.

3.2 PREPARATION
A. Remove all surface contaminants in accordance with SSPC-SP1 Solvent Cleaning.
  1. Do not use hydrocarbon solvents on surfaces to be coated with water-based coatings.
B. Clean and remove all rust, slag, weld spatter, weld scale, mill scale, and loose paint.
C. Protect areas adjacent to welding & grinding operations to prevent damage of surrounding intact paint system.
D. Ferrous Metal: SSPC-SP6 Commercial Blast Cleaning
E. Galvanized Steel: SSPC-SP7 Brush Off Blast
F. Antenna Covers, Coaxial Cable, Non-metallic Substrates and Previously Painted Surfaces: Scantily to
degrees SSPC-SP8 with a non-hydrocarbon solvent.
G. Surface profile shall be in accordance with manufacturer's product recommendation.
H. Re-blast all surfaces:
   1. Where rusting has recurred.
   2. That do not meet the requirements of these specifications.

3.3 APPLICATION
A. Coatings shall be applied in accordance with manufacturer’s printed instructions.

Coating Systems for Telecommunication Equipment
09 97 15 - 1

B. Surfaces to be coated shall be clean, dry, and free of airborne dust and contaminants at the time of
  application and while films are forming.
C. Finish coat shall be uniform in color and sheen without streaks, laps, runs, sags or missed areas.
D. Shop Painting: Tape-off (1 inch minimum) surfaces that will be in the Heat-Affected Zone during field welding.

3.4 REPAIR OF AREAS DAMAGED BY WELDING
A. Prepare the damage by one of the following methods as directed by the Engineer.
   1. Abrasive-blast to SSPC-SP6.
   2. Mechanically clean to SSPC-SP1.
B. Feather edges to provide smooth coating transition.
C. Apply prime coat to bare metal surface.
D. Mask off rectangular area around prime coat.
E. Apply finish coat.

3.5 QUALITY CONTROL
A. Measure dry film thickness with a magnetic film thickness gauge in accordance with SSPC-PA2.
B. Visually inspect dried film for runs, sags, dry spray, overspray, embedded particles and missed areas.
C. Repair defective or damaged areas in accordance with Articles 3.02 and 3.03.

END OF SECTION

Coating Systems for Telecommunication Equipment
09 97 15 - 2
Brief Description: Labor agreement between the city of Minnetonka and Teamsters #320 – Police Sergeants

Recommended Action: Approve the agreement

Background

Staff has negotiated a labor agreement with the Teamsters Public and Law Enforcement Employees Union Local #320, which represents the city’s police sergeants. City staff and Teamsters #320 representatives have reached agreement on a two-year contract for 2016 – 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 XI. Uniforms

Uniform allowances for those sergeants assigned by the chief to the investigative unit will increase from $750 to $950 annually and, new with this contract, the communications manager will receive $500 per year.

Article XVIII. Health Insurance

The city’s contribution to the employee’s cafeteria benefits program will increase in 2016 from $830 to $880 dollars. The health insurance portion of the contract remains open for negotiating 2017 contributions. This adjustment is equal to other non-union and union groups with settled contracts.

Article XXVII. Wellness/Fitness

Article XXVII is a voluntary program that on an annual basis, employees may choose to receive incentive pay by participating in wellness/fitness testing. This program was initially developed by the Chief of Police as part of the 2014 contract with the intent of reducing cost pressures elsewhere in the budget, such as Workers Compensation claims. Sergeants will continue to be eligible for 0.5% of base pay by meeting established fitness goals and can earn an additional 1.0% (0.5% in 2015) of base pay for exceeding those goals. The fitness test will continue to be conducted annually.

Article XXVIII. Leadership Program

Article XXVIII is a new voluntary program to enhance leadership skills for sergeants. The program is designed to further develop sergeant expertise in topical areas such as
organizational operations, strategic direction, leadership, internal and external professional development, innovation and change, communications and utilization of institution strengths that can be utilized to develop the Sergeants group as a whole. Employees that volunteer for the program will be eligible for 1.9% of base pay by participating in the program. It is our intent that this enhanced skill development will allow the city to continue to advance all aspects of law enforcement and assist with the anticipated succession planning issues facing this unit over the next several years (as 10 of the 13 members will be eligible for retirement in 5 years).

Appendix A – Wages

In 2016 the annual base wage increase is 1%, 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 2016, the market adjustment is 0.77%, for a total wage increase of 1.77%. In 2017, the base wage increase is 1.5% plus any applicable market adjustments.

Additional Amendments

Several housekeeping changes are made to state statute required liability insurance coverage levels and renewing a Memorandum of Agreement for a severance pay provision that gives retiring sergeants an option of converting up to 50% of unused sick leave for the payment of employer sponsored health insurance in lieu of a severance payout.

Recommendation

The city council is requested to approve the 2016 – 2017 labor agreement between the city of Minnetonka and the Teamsters Public and Law Enforcement Employees Union Local #320 – Police Sergeants. This agreement allows the city to maintain a competitive salary and benefit package, as well as keep benefits standardized across employee groups.

Submitted through:
Geralyn Barone, City Manager

Originated by:
Perry Vetter, Assistant City Manager
LABOR AGREEMENT

between

CITY OF MINNETONKA
Minnetonka, MN

and

MINNESOTA TEAMSTERS PUBLIC AND LAW ENFORCEMENT EMPLOYEES’ UNION, LOCAL #320

Representing
POLICE SERGEANTS

December 20, 2013 through December 17, 2015
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LABOR AGREEMENT
between
CITY OF MINNETONKA
and
MINNESOTA TEAMSTERS PUBLIC AND
LAW ENFORCEMENT EMPLOYEES’ UNION, LOCAL NO. 320

ARTICLE I. PURPOSE OF AGREEMENT

This Agreement is entered into between the City of Minnetonka, hereinafter called the EMPLOYER, and the Teamsters Local No. 320 representing the Minnetonka Police Sergeants hereinafter called the UNION.

It is the intent and purpose of this Agreement to:

1.1 Assure sound and mutually beneficial working and economic relationships between the parties hereto;

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

1.3 To set forth herein the basic and full agreement between the parties concerning rates of pay, hours, and other conditions of employment.

The EMPLOYER and the UNION through this Agreement shall continue their dedication to the highest quality police service and protection to the residents of Minnetonka. Both parties recognize the Agreement as the pledge of this dedication.

ARTICLE II. RECOGNITION

The EMPLOYER recognizes the UNION as the exclusive representative under Minnesota Statutes, Section 179A.03, Subd. 8, for all Police Sergeants and Communications Manager. The UNION agrees that it does not represent the Chief, the Captains or any other supervisory or confidential employees.

ARTICLE III. DEFINITIONS

3.1 Union means the Teamsters Local No. 320 representing the Minnetonka Police Sergeants.

3.2 Employee means a member of the bargaining unit as defined in Article II.

3.3 Department means the Minnetonka Police Department.

3.4 Employer means the City of Minnetonka.
3.5 Chief means the Chief of the Minnetonka Police Department.

3.6 Compensatory Time means time off in lieu of pay.

3.7 Emergency means a situation or condition as so defined by the Chief.

3.8 Union Officer means officers elected or appointed by the Teamsters Local No. 320.

3.9 Basic Monthly Rate means the employee's monthly rate of pay or salary exclusive of any incentive, special or overtime pay.

3.10 Scheduled Work Day means a consecutive work period, including rest breaks and lunch breaks.

3.11 Shift means an employee's scheduled work days and days off.

ARTICLE IV. DISCRIMINATION

Neither the EMPLOYER nor the UNION shall discriminate against any employee covered by the Agreement because of the employee's membership or non-membership in the UNION.

ARTICLE V. EMPLOYER SECURITY

The UNION agrees that during the life of this Agreement they will not cause, encourage, participate in or support any strike. Violations of the Article shall be grounds for disciplinary action up to and including discharge without recourse to the Grievance Procedure of this contract.

ARTICLE VI. EMPLOYER AUTHORITY

The EMPLOYER and the UNION agree that certain hours, salaries and conditions of employment are established by City ordinances, City resolutions, and rules and regulations of the Minnetonka Police Department. This Agreement supplements hours, salaries, and other conditions of employment to the extent to which they are not in conflict. If in conflict, the law, ordinance, resolution or rule or regulation shall prevail.

The EMPLOYER retains the full and unrestricted right to operate and manage all manpower, 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 functions not specifically limited by this Agreement.

Any terms and conditions 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 VII. SPECIAL MEETINGS

The EMPLOYER and the UNION agree to meet and confer on matters of interest to both parties upon the request of either party. Special meetings shall be held within ten (10) calendar days after receipt of the request. Employee representatives of the UNION will not be paid extra compensation, if the meeting is called by the UNION.

ARTICLE VIII. HOURS OF WORK

8.1 The sole authority for work schedules is the EMPLOYER.

8.2 The normal work week in the Police Department is an averaged forty (40) hours.

ARTICLE IX. WAGES AND SALARIES

9.1 During the term of this Agreement, the EMPLOYER shall pay to members of the UNION wages in accordance with the salary schedule attached as Exhibit A.

9.2 Employee assignments are made at the sole discretion of the Chief of Police. Employees in the following assignment shall be paid a differential as follows:

- Sergeant assigned to the Investigative Division $290/month

An employee assigned special duties under the Professional Development Program and who is no longer eligible for holiday pay pursuant to Article XIV, Sections 14.1 and 14.3 of this Agreement shall be paid a differential of $290/month for the duration of the assignment unless otherwise specified in this Agreement.

ARTICLE X. ADDITIONAL HOURS

10.1 Except as specified in the Labor Agreement, the Police Sergeant pay rates established in Exhibit A include compensation for overtime, call back time, standby time and management duties.

10.2 Employees may be compensated for special off duty details at a rate of one and one-half (1½) times the base hourly rate of pay.

10.3 Effective July 1, 1996, employees required by the EMPLOYER to work assigned supervisory coverage as an extension of their scheduled shift or as an additional shift for which no adjustment in the schedule is made will receive either compensation or compensatory time at a rate of one and one-half (1½) times the base hourly rate of pay at the discretion of the employee.

10.4 COURT TIME. Employees who are required at the direction of the City Attorney, County Attorney, the Attorney General's Office, or other appropriate authority, to appear
in court during off duty hours shall receive a minimum of two and one-half (2½) hours of pay at one and one half (1½) times their normal basic hourly rate of pay either in cash or in compensatory time, at the option of the employee.

Reporting early for a scheduled work day or an extension of a work day for court duty does not qualify for this minimum.

10.5 Employees who are required to stand by for court appearances shall receive a minimum of two and one-half (2½) hours straight time either in cash or compensatory time, for all time they are directed to stand by. If notification of court cancellation is not given by 5:00 p.m. of the preceding business day, the employee will receive two and one-half (2½) hours pay at their normal basic hourly rate of pay, either in cash or in compensatory time, at the option of the employee.

10.6 If a court appearance is required of an employee during the employee's off-duty time and the court appearance is canceled, the employee will be given a notice of cancellation by 5:00 p.m. of the preceding business day. If notification is not given by 5:00 p.m. of the preceding business day, the employee will receive two and one-half (2½) hours pay at one and one-half (1½) times their normal basic hourly rate of pay either in cash or in compensatory time, at the option of the employee.

10.7 CALL-BACK TIME. Employees who are called back to duty during off duty hours shall receive a minimum of two (2) hours pay at one and one-half (1½) times their normal basic hourly rate of pay, either in cash or in compensatory time, at the option of the employee.

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 (1½) times their normal basic hourly rate of pay, either in cash or in compensatory time, at the option of the employee.

An extension of, or early reporting for, a scheduled work day, does not qualify for call-back time minimum if that time is paid as overtime.

ARTICLE XI. UNIFORMS

11.1 Sergeant(s) assigned to the Investigative Unit:

A. Uniform allowances for the Sergeants assigned to the Investigative Unit, except if assigned only for training purposes, will be at the annual rate of seven hundred and fifty dollars ($750), nine hundred and fifty dollars ($950). Uniform allowances for the Communications Manager will be at the annual rate of five hundred dollars ($500).

B. Sergeant assigned to the Investigative Unit shall maintain a full uniform.
C. Clothing damaged in the line of duty, through no fault of the employee, shall be replaced or repaired by the EMPLOYER at the discretion of the Chief.

11.2 The City shall provide each Sergeant with a complete uniform and shall provide replacement for elements of the uniform as necessary. The components of the uniform, procedures for provision of the uniform and for replacement of the uniform shall be governed by policies established by the City. The City will also provide maintenance of the uniforms in accordance with policies established by the Department. These policies may be modified at the City's discretion.

11.3 The EMPLOYER shall provide each employee with a City-owned approved service firearm and pay the cost of normal maintenance and repair of each employee's approved service weapon.

ARTICLE XII. PERFORMANCE MANAGEMENT PROGRAM

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

12.1 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.).

12.2 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 2.5% (two 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 2.5% base pay; 92% achievement = 92% of 2.5% base pay, etc.).

12.3 Compensation for organizational and departmental performance pay will be paid in lump sums at the same time it is awarded to non-organized personnel. Adjustments in pay for overtime hours earned during the year to account for these performance payments will be paid at the end of the year.

ARTICLE XIII. LIABILITY INSURANCE

The EMPLOYER shall procure and maintain a policy of commercial general liability insurance,
including errors and omissions, at its expense, insuring employees from all claims covered by such policy or policies in the sum of one million dollars ($1,000,000) two million dollars ($2,000,000) per occurrence.

ARTICLE XIV. HOLIDAYS

14.1 All employees assigned to the Patrol Division shall receive two (2) floating holidays which 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. Employees assigned to the Patrol Division shall receive ten (10) days pay in lieu of additional holidays or eight (8) hours of compensatory time for additional holidays to be scheduled with the EMPLOYER.

14.2 Employees assigned to the Investigative Unit or other administrative assignments shall receive two (2) floating holidays and the following days off:

Holidays are designated as:

- New Year's Day: January 1
- Martin Luther King's Day: 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

14.3 Employees who are required to work on a holiday shall be paid at time and one-half (1½) their base hourly wage rate for all of the hours of any shift that begins on a designated holiday, as noted in Article XIV, 14.2.

ARTICLE XV. VACATIONS

15.1 Regular full-time employees hired prior to January 1, 1998 shall be eligible for earned vacation leave of the following basis:

From the beginning of continuous employment through the fifth (5th) year of continuous employment, each regular full-time employee shall earn vacation at the rate of five-sixths (5/6) of a day per month or ten (10) working days per year.

From the beginning of the sixth (6th) year and on through the fifteenth (15th) year of continuous employment, each employee shall earn vacation at the rate of one and one-fourth (1¼) days per month or fifteen (15) working days per year.
From the beginning of the sixteenth (16th) year and on through the twentieth (20th) year, each employee shall earn vacation at the rate of twenty (20) working days per year. From the beginning of the twenty-first (21st) year, each employee shall earn twenty-five (25) days.

15.2 Regular full-time employees hired after January 1, 1998 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, each regular full-time employee shall earn vacation at the rate of five-sixth (5/6) of a day per month or ten (10) working days per year.

From the beginning of the sixth (6th) year through the tenth (10th) year of continuous employment, each employee shall earn vacation at the rate of one and one-fourth (1¼) days per month or fifteen (15) working days per year. During each of the following years of continuous employment, each employee shall earn vacation at the rates as specified:

- 11th yr: one and one-third (11/3) days per month or sixteen (16) working days per year.
- 12th yr: one and two-fifths (12/5) days per month or seventeen (17) working days per year.
- 13th yr: one and one-half (1½) days per month or eighteen (18) working days per year.
- 14th yr: one and three-fifths (13/5) days per month or nineteen (19) working days per year.
- From the fifteenth (15th) year of continuous service and on, each employee shall earn one and two-thirds (1 2/3) days per month or twenty (20) working days per year.

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

<table>
<thead>
<tr>
<th>Rate Earned</th>
<th>Maximum Accrual</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 hours/yr</td>
<td>200 hours</td>
</tr>
<tr>
<td>120 hours/yr</td>
<td>225 hours</td>
</tr>
<tr>
<td>128-160 hours/yr</td>
<td>250 hours</td>
</tr>
<tr>
<td>200 hours/yr</td>
<td>275 hours</td>
</tr>
</tbody>
</table>

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

ARTICLE XVI. GRIEVANCE PROCEDURE

16.1 This grievance procedure is established for the purpose of resolving disputes involving
the interpretation and/or application of this Agreement.

16.2 Employees with a grievance may choose to be represented by the UNION.

16.3 The EMPLOYER will recognize UNION members selected by the UNION as the grievance representatives of the bargaining unit. The UNION shall notify the EMPLOYER in writing of the representative and of their successors, when so named.

16.4 A grievance is defined as a dispute over the interpretation or application of this Agreement.

16.5 Grievances shall be resolved in the following manner:

**STEP 1.** An employee claiming a violation concerning the interpretation or application of this Agreement shall, within ten (10) business days after such alleged violation, present such grievance to the employee's immediate supervisor designated by the EMPLOYER. The EMPLOYER shall give a final answer to such Step 1 grievance within ten (10) business days. If a grievance is not resolved in Step 1, such grievance shall be placed in writing by the UNION referred to in Step 2 within ten (10) business days after the EMPLOYER'S final answer in Step 1.

**STEP 2.** The written grievance shall be presented to the Minnetonka Chief of Police by the UNION. The Chief of Police shall give the employee the EMPLOYER'S Step 2 answer within ten (10) business days after receipt of such Step 2 grievance. If a grievance is not resolved in Step 2, such grievance shall be referred to Step 3 within ten (10) business days following the EMPLOYER'S final Step 2 answer.

**STEP 3.** The written grievance shall be presented to the City Manager or other EMPLOYER representative by the UNION. The City Manager or other EMPLOYER representative shall give the EMPLOYER'S answer within fifteen (15) business days after receipt of such Step 3 grievance. If a grievance is not resolved in Step 3, such grievance shall be referred to Step 4 by the UNION within ten (10) business days following the EMPLOYER'S final Step 3 answer.

**STEP 4.** Unresolved grievances are subject to the arbitration provisions of Minnesota Statutes, Section 179A.21. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the provisions of this AGREEMENT. The arbitrator shall consider and decide only the specific issues submitted in writing by the EMPLOYER and the UNION and shall have no authority to make a decision on any other issue not so submitted to the arbitrator. The arbitrator shall be without power to make decisions contrary to or inconsistent with or modifying or varying in any way the application of laws, rules or regulations having the force and effect of law. The arbitrator shall submit the decision in writing within thirty (30) days following close of the hearing or the submission of briefs by the parties, whichever is later, unless the parties agree to an extension. The decision shall be based solely upon the arbitrator's interpretation or
application of the express terms of this AGREEMENT and on the facts of the grievance presented.

16.6 All documents, communications and records dealing with a grievance shall be filed separately from the personnel files of the involved employees.

16.7 Any grievance not referred in the prescribed manner by the UNION or the employee within the specified time limits stated for each grievance step shall be considered waived.

16.8 The time limits established in the Article may be extended by mutual consent of the EMPLOYER and the UNION and shall be in writing.

16.9 All fees and expenses for the arbitrator's services and proceedings shall be borne equally by the EMPLOYER and the UNION, provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be charged equally.

16.10 With respect to Statutes under the jurisdiction of the United States Equal Employment Opportunity Commission, an employee pursuing a statutory remedy is not precluded from also pursuing an appeal under this grievance procedure.

ARTICLE XVII. PROBATIONARY PERIOD

All original appointments shall be probationary and subject to a probationary period of 2,080 hours after appointment. All promotional appointments shall be probationary and subject to a probationary period of 1,040 hours. Any extended leave periods will extend the probationary period by the amount of the leave. During the probationary period, the City may remove an employee whose performance does not meet the required work standards. Such removals are not subject to Article XVI.

ARTICLE XVIII. INSURANCE

18.1 HEALTH.

For each benefit-earning employee electing health insurance coverage through the EMPLOYER-sponsored cafeteria benefits program, the EMPLOYER'S contribution toward that employee's benefits program is eight hundred thirty dollars ($830) eight hundred eighty dollars ($880) per month in plan year 2015-2016.

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 the plan year. 2014.

The Insurance Article is open for negotiations in 2015 2017.

18.2 LIFE. The EMPLOYER agrees to pay the full cost of a thirty-five thousand dollar ($35,000) life insurance policy for each employee covered by this Agreement covered in the policy.

18.3 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.

18.4 LONG TERM DISABILITY. 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.

ARTICLE XIX. RETIREE HEALTH SAVINGS PLAN

19.1 All employees are required to participate in the Retiree Health Savings Plan (RHSP).

19.2 EMPLOYER CONTRIBUTION. All employees will receive an annual contribution by the Employer equal to 0.5% of base pay. The deposit will occur in the month of December at a time to be determined by the Personnel Division.

ARTICLE XX. POST LICENSE FEE

EMPLOYER will pay for each employee the license fee for that license required by MSA 626.046, Subd.1.

ARTICLE XXI. SAVINGS CLAUSE

This Agreement is subject to the laws of the United States, the State of Minnesota and the signed municipality. In the event any provision of this Agreement shall be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such Provisions shall be voided. 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 voided and of no effect. All other provisions shall continue in full force and effect. The voided provision may be renegotiated at the request of either party.
ARTICLE XXII. DUES CHECK OFF

The EMPLOYER shall deduct each payroll period an amount sufficient to provide the payment of regular dues established by the UNION from the wages of all employees authorizing such deduction in writing, and remit such deductions to the appropriate officer designated by the UNION. The UNION agrees to indemnify and hold the City of Minnetonka harmless against any and all claims, suits, order 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 XXIII. DISCIPLINE

23.1 The EMPLOYER will discipline, suspend or discharge employees only for just cause. Discipline may be in one or more of the following forms:

A. Oral reprimand;
B. Written reprimand;
C. Suspension;
D. Demotion; or
E. Discharge.

23.2 Suspensions, demotions, and discharges will be in written form.

23.3 Written reprimands, notice of suspensions, and notice of discharge, which are to become part of an employee's personnel file, shall be read and acknowledged by signature of the employee. Employees will receive a copy of such reprimand and/or notices.

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

23.5 An employee who is the subject of an investigation that may result in a disciplinary action to that employee may have a member of the UNION present during questioning. It will be the responsibility of the employee to make a request for a representative. An employee's waiver of union representation shall be in writing.

23.6 Discharges will be preceded by a five (5) day suspension without pay.

23.7 Grievances relating to this Article shall be initiated by the UNION in Step 2 in the grievance procedure under Article XVI.

ARTICLE XXIV. SENIORITY

24.1 Seniority shall be determined by the employee's length of continuous employment with the police department and posted in an appropriate location. Seniority rosters may be maintained by the Chief on the basis of time in grade and time within specific
classifications.

24.2 During the probationary period a newly promoted employee may be demoted at the sole discretion of the Employer. During the probationary period, a promoted employee may be placed in his/her previous position at the sole discretion of the Employer.

24.3 Classification seniority is determined by date of promotion.

24.4 Patrol division sergeants will bid shifts by seniority.

ARTICLE XXV. LAYOFF

25.1 Except in those instances where senior employees are not qualified to perform remaining work, seniority shall determine the order of layoff.

25.2 Layoff shall be by classification within the department in inverse order of classification seniority. However, an employee about to be laid off shall have the right to bump (displace) the least senior employee in the applicable police officers or dispatchers unit, provided the Employer determines the employee exercising bumping rights has previously held the position and is adequately qualified to perform the duties of the classification into which s/he is moving and s/he has greater seniority than the bumped employee.

25.3 Recall from layoff shall be by inverse order of layoff. An employee's name shall be retained on the recall list for two (2) years, at which time all rights to recall shall terminate.

ARTICLE XXVI. SEVERANCE POLICY

26.1 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:

26.11 Elimination of their classification or position by the City.

26.12 Separation from City employment with 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.

26.13 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.
26.2 Employees shall be entitled to severance pay equal to the greater of:

26.21 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

26.22 One-third of the employee’s accumulated sick leave at the appropriate pay rate.

26.3 Employees eligible for severance pay in accordance with Section 26.1 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 XXVII. WELLNESS/FITNESS

Each employee who voluntarily chooses to participate in this wellness/fitness program and meet employer established goals annually by October 31st of each year will receive 0.5% of base pay in additional compensation. Employees who exceed fitness goals by October 31st of each year will receive an additional 0.5%1.0% of base pay in additional compensation. Payment of the additional wellness/fitness compensation will be made no later than the last pay period of the year. The Chief will establish a wellness/fitness program by June 30, 2014. 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.

ARTICLE XXVIII. LEADERSHIP PROGRAM

The Leadership Incentive Pay Program is a voluntary program under the direction of the Police Chief designed to enhance leadership skills, promote personal growth and performance for all employees who have successfully completed the applicable probationary period. Employees who successfully complete the requirements of the program will receive 1.9% of base pay in additional compensation. The program will operate on an annual basis, from the first payroll date of the year to October 31st of each year and payment for this compensation will be made no later than the last pay period of the year. Since the program is voluntary, employees will not be compensated for off duty time in which they are involved in researching, planning or preparing for components of the program. The program will be directed by the Chief and will be in compliance with all local, state and federal laws.

ARTICLE XXIX. DURATION

The Agreement shall be effective as of December 20, 2014 and shall remain in full force and effect until December 18, 2015, or until a successor Agreement is reached, whichever is later.

In witness thereof, the parties hereto have executed this Agreement on this ___ day of ______________________, 2014.
FOR THE CITY OF MINNETONKA

Terry Schneider, Mayor

Geralyn Barone, City Manager

Perry Vetter, Asst. City Manager

Date __________________

FOR TEAMSTERS LOCAL NO. 320

Mike Kopp, Business Agent

David Riegert, Union Steward

Darrin Rain, Union Steward

Date __________________
EXHIBIT A AND MARKET ADJUSTMENT

For 2014 the parties agreed to a 1% base pay rate increase and a 0.34% market adjustment for a total 1.34% wage increase. 2016 a 1.00% base pay rate increase and a 0.77% market adjustment for a total of 1.77% total wage increase as calculated in Exhibit A.

A one and one-half percent (1.50%) base pay rate increase in 2017 plus any applicable market adjustments. Market adjustments will be calculated according to the following methodology and wage schedule:

The parties agree to a one percent (1%) base pay rate increase in 2015 plus market adjustments according to the following methodology and wage schedule

POLICE SERGEANTS PAY RATES - City of Minnetonka
Start = 92% of 2 yr rate
6 mos = 94% of 2 yr rate
1 yr = 97% of 2 yr rate

<table>
<thead>
<tr>
<th>Sergeant - 2014</th>
<th>Start</th>
<th>6-Months</th>
<th>1-Year</th>
<th>2-Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
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<td>$84,905.60</td>
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<td>$90,334.40</td>
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<td>Monthly</td>
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<td>Hourly</td>
<td>$39.96</td>
<td>$40.82</td>
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<table>
<thead>
<tr>
<th>Sergeant - 2015</th>
<th>Start</th>
<th>6-Months</th>
<th>1-Year</th>
<th>2-Years</th>
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<td>Hourly</td>
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<table>
<thead>
<tr>
<th>Sergeant - 2016</th>
<th>Start</th>
<th>6-Months</th>
<th>1-Year</th>
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<th>6-Months</th>
<th>1-Year</th>
<th>2-Years</th>
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<tbody>
<tr>
<td>Annual</td>
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<td>$89,460.80</td>
<td>$92,310.40</td>
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<td>Monthly</td>
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COMMUNICATIONS MANAGER PAY RATES – City of Minnetonka
Start = 92% of 2 yr rate
6 mos. = 94% of 2 yr rate
1 yr = 97% of 2 yr rate

<table>
<thead>
<tr>
<th>Communications Manager – 2014</th>
<th>Start</th>
<th>6-Months</th>
<th>1-Year</th>
<th>2-Years</th>
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<tbody>
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<table>
<thead>
<tr>
<th>Communications Manager – 2015</th>
<th>Start</th>
<th>6-Months</th>
<th>1-Year</th>
<th>2-Years</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Monthly</td>
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<td>$34.16</td>
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<table>
<thead>
<tr>
<th>Communications Manager – 2016</th>
<th>Start</th>
<th>6 Months</th>
<th>1 Year</th>
<th>2 Years</th>
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</thead>
<tbody>
<tr>
<td>Annual</td>
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<td>Monthly</td>
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<td>Hourly</td>
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<td>$33.69</td>
<td>$34.76</td>
<td>$35.84</td>
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</table>

<table>
<thead>
<tr>
<th>Communications Manager – 2017</th>
<th>Start</th>
<th>6 Months</th>
<th>1 Year</th>
<th>2 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
<td>$69,617.60</td>
<td>$71,136.00</td>
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<td>$75,670.40</td>
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<tr>
<td>Hourly</td>
<td>$33.47</td>
<td>$34.20</td>
<td>$35.29</td>
<td>$36.38</td>
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</table>

Market Adjustment

There are two (2) components to the City’s MERIT system. The performance management program described in Article XII ensures performance is recognized and compensated over and above the base pay rate. The market adjustment outlined below ensures that Minnetonka’s pay scale keeps pace with comparable cities.

For 2014**, 2015** base pay rate for Minnetonka sergeants will be multiplied by the negotiated base pay increase. Using 2014**, 2015** League of Minnesota Cities salary data for the cities of Brooklyn Park, Burnsville, Eagan, Eden Prairie, Edina, Lakeville, Maple Grove, Plymouth, St. Louis Park and Woodbury, the average weighted mean of these cities (excluding Minnetonka) will be multiplied by the negotiated base pay increase for 2014**, 2016**. These two rates will be compared, and the higher of the two will be the 2014**, 2016** top pay rate for Minnetonka. If a city has not reported data by September 1, 2014** (September 1, 2015), the city of Minnetonka will contact the city directly to obtain the data. The remaining steps will be adjusted to maintain rates at 92%, 94% and 97% of the top hourly rate.
This same process will be repeated using 2016 data to determine if there is a 2016 market adjustment.

The communications manager will receive the same base pay percentage increase as the sergeants in accordance with the above-noted language.
MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF MINNETONKA
AND
MINNESOTA TEAMSTERS PUBLIC
AND LAW ENFORCEMENT EMPLOYEES' UNION,
LOCAL NO. 320

As agreed during contract negotiations for 2014-2015 2016-2017 contract, the Union and the City agree on the following item:

SEVERANCE PAY

Employees eligible for severance pay who elect to have their dollars allocated to employer paid health insurance premiums in lieu of receiving cash may direct 50% of unused sick leave for said premiums. For employees who select this option in lieu of a cash payment, the cash value of 33% of unused sick leave will be taxed before being made available for payment of insurance premiums. In the event an employee electing this benefit chooses to discontinue health insurance coverage, the difference between the cash value of 33% of unused sick leave (after taxes) and the premiums paid to date shall be made to the employee. The employee shall forfeit the remaining cash balance, future rights and coverage of this benefit, and the right to reenter the City's insurance plan. All other provisions of the Personnel Policy regarding the application of these premiums must be followed. Employees who choose this option and also submit a three-month written notice of separation as noted in Article 26.3. Separation Policy, will receive 50% of unused sick leave plus an additional ten percent (10%) of that amount to be used for health insurance premiums.

FOR THE CITY OF MINNETONKA

Terry Schneider, Mayor

Geralyn Barone, City Manager

Perry Vetter, Asst. City Manager

Date __________________________

FOR TEAMSTERS LOCAL NO. 320

Mike Kopp, Business Agent

David Riegert, Union Steward

Darrin Rain, Union Steward

Date __________________________

18
LABOR AGREEMENT

between

CITY OF MINNETONKA
Minnetonka, MN

and

MINNESOTA TEAMSTERS PUBLIC
AND LAW ENFORCEMENT
EMPLOYEES’ UNION,
LOCAL #320

Representing
POLICE SERGEANTS

December 18, 2015 through December 14, 2017
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<td>10</td>
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<td>13</td>
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<td>XXIX. DURATION</td>
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<td>XXX. EXHIBIT A</td>
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<td>XXXI. MARKET ADJUSTMENT</td>
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<td>XXXII. MEMORANDUM OF AGREEMENT</td>
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LABOR AGREEMENT
between
CITY OF MINNETONKA
and
MINNESOTA TEAMSTERS PUBLIC AND
LAW ENFORCEMENT EMPLOYEES’ UNION, LOCAL NO. 320

ARTICLE I. PURPOSE OF AGREEMENT

This Agreement is entered into between the City of Minnetonka, hereinafter called the EMPLOYER, and the Teamsters Local No. 320 representing the Minnetonka Police Sergeants hereinafter called the UNION.

It is the intent and purpose of this Agreement to:

1.1 Assure sound and mutually beneficial working and economic relationships between the parties hereto;

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

1.3 To set forth herein the basic and full agreement between the parties concerning rates of pay, hours, and other conditions of employment.

The EMPLOYER and the UNION through this Agreement shall continue their dedication to the highest quality police service and protection to the residents of Minnetonka. Both parties recognize the Agreement as the pledge of this dedication.

ARTICLE II. RECOGNITION

The EMPLOYER recognizes the UNION as the exclusive representative under Minnesota Statutes, Section 179A.03, Subd. 8, for all Police Sergeants and Communications Manager. The UNION agrees that it does not represent the Chief, the Captains or any other supervisory or confidential employees.

ARTICLE III. DEFINITIONS

3.1 Union means the Teamsters Local No. 320 representing the Minnetonka Police Sergeants.

3.2 Employee means a member of the bargaining unit as defined in Article II.

3.3 Department means the Minnetonka Police Department.

3.4 Employer means the City of Minnetonka.
3.5 Chief means the Chief of the Minnetonka Police Department.

3.6 Compensatory Time means time off in lieu of pay.

3.7 Emergency means a situation or condition as so defined by the Chief.

3.8 Union Officer means officers elected or appointed by the Teamsters Local No. 320.

3.9 Basic Monthly Rate means the employee's monthly rate of pay or salary exclusive of any incentive, special or overtime pay.

3.10 Scheduled Work Day means a consecutive work period, including rest breaks and lunch breaks.

3.11 Shift means an employee's scheduled work days and days off.

ARTICLE IV. DISCRIMINATION

Neither the EMPLOYER nor the UNION shall discriminate against any employee covered by the Agreement because of the employee's membership or non-membership in the UNION.

ARTICLE V. EMPLOYER SECURITY

The UNION agrees that during the life of this Agreement they will not cause, encourage, participate in or support any strike. Violations of the Article shall be grounds for disciplinary action up to and including discharge without recourse to the Grievance Procedure of this contract.

ARTICLE VI. EMPLOYER AUTHORITY

The EMPLOYER and the UNION agree that certain hours, salaries and conditions of employment are established by City ordinances, City resolutions, and rules and regulations of the Minnetonka Police Department. This Agreement supplements hours, salaries, and other conditions of employment to the extent to which they are not in conflict. If in conflict, the law, ordinance, resolution or rule or regulation shall prevail.

The EMPLOYER retains the full and unrestricted right to operate and manage all manpower, 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 functions not specifically limited by this Agreement.

Any terms and conditions 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 VII. SPECIAL MEETINGS

The EMPLOYER and the UNION agree to meet and confer on matters of interest to both parties upon the request of either party. Special meetings shall be held within ten (10) calendar days after receipt of the request. Employee representatives of the UNION will not be paid extra compensation, if the meeting is called by the UNION.

ARTICLE VIII. HOURS OF WORK

8.1 The sole authority for work schedules is the EMPLOYER.

8.2 The normal work week in the Police Department is an averaged forty (40) hours.

ARTICLE IX. WAGES AND SALARIES

9.1 During the term of this Agreement, the EMPLOYER shall pay to members of the UNION wages in accordance with the salary schedule attached as Exhibit A.

9.2 Employee assignments are made at the sole discretion of the Chief of Police. Employees in the following assignment shall be paid a differential as follows:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Differential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sergeant assigned to the Investigative Division</td>
<td>$290/month</td>
</tr>
</tbody>
</table>

An employee assigned special duties under the Professional Development Program and who is no longer eligible for holiday pay pursuant to Article XIV, Sections 14.1 and 14.3 of this Agreement shall be paid a differential of $290/month for the duration of the assignment unless otherwise specified in this Agreement.

ARTICLE X. ADDITIONAL HOURS

10.1 Except as specified in the Labor Agreement, the Police Sergeant pay rates established in Exhibit A include compensation for overtime, call back time, standby time and management duties.

10.2 Employees may be compensated for special off duty details at a rate of one and one-half (1½) times the base hourly rate of pay.

10.3 Effective July 1, 1996, employees required by the EMPLOYER to work assigned supervisory coverage as an extension of their scheduled shift or as an additional shift for which no adjustment in the schedule is made will receive either compensation or compensatory time at a rate of one and one-half (1½) times the base hourly rate of pay at the discretion of the employee.

10.4 COURT TIME. Employees who are required at the direction of the City Attorney, County Attorney, the Attorney General's Office, or other appropriate authority, to appear
in court during off duty hours shall receive a minimum of two and one-half \((2\frac{1}{2})\) hours of pay at one and one half \((1\frac{1}{2})\) times their normal basic hourly rate of pay either in cash or in compensatory time, at the option of the employee.

Reporting early for a scheduled work day or an extension of a work day for court duty does not qualify for this minimum.

10.5 Employees who are required to stand by for court appearances shall receive a minimum of two and one-half \((2\frac{1}{2})\) hours straight time either in cash or compensatory time, for all time they are directed to stand by. If notification of court cancellation is not given by 5:00 p.m. of the preceding business day, the employee will receive two and one-half \((2\frac{1}{2})\) hours pay at their normal basic hourly rate of pay, either in cash or in compensatory time, at the option of the employee.

10.6 If a court appearance is required of an employee during the employee's off-duty time and the court appearance is canceled, the employee will be given a notice of cancellation by 5:00 p.m. of the preceding business day. If notification is not given by 5:00 p.m. of the preceding business day, the employee will receive two and one-half \((2\frac{1}{2})\) hours pay at one and one-half \((1\frac{1}{2})\) times their normal basic hourly rate of pay either in cash or in compensatory time, at the option of the employee.

10.7 CALL-BACK TIME. Employees who are called back to duty during off duty hours shall receive a minimum of two \((2)\) hours pay at one and one-half \((1\frac{1}{2})\) times their normal basic hourly rate of pay, either in cash or in compensatory time, at the option of the employee.

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 \((1\frac{1}{2})\) times their normal basic hourly rate of pay, either in cash or in compensatory time, at the option of the employee.

An extension of, or early reporting for, a scheduled work day, does not qualify for call-back time minimum if that time is paid as overtime.

ARTICLE XI. UNIFORMS

11.1 Sergeant(s) assigned to the Investigative Unit:

A. Uniform allowances for the Sergeants assigned to the Investigative Unit, except if assigned only for training purposes, will be at the annual rate of nine hundred and fifty dollars ($950). Uniform allowances for the Communications Manager will be at the annual rate of five hundred dollars ($500).

B. Sergeant assigned to the Investigative Unit shall maintain a full uniform.
C. Clothing damaged in the line of duty, through no fault of the employee, shall be replaced or repaired by the EMPLOYER at the discretion of the Chief.

11.2 The City shall provide each Sergeant with a complete uniform and shall provide replacement for elements of the uniform as necessary. The components of the uniform, procedures for provision of the uniform and for replacement of the uniform shall be governed by policies established by the City. The City will also provide maintenance of the uniforms in accordance with policies established by the Department. These policies may be modified at the City's discretion.

11.3 The EMPLOYER shall provide each employee with a City-owned approved service firearm and pay the cost of normal maintenance and repair of each employee's approved service weapon.

ARTICLE XII. PERFORMANCE MANAGEMENT PROGRAM

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

12.1 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.).

12.2 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 2.5% (two 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 2.5% base pay; 92% achievement = 92% of 2.5% base pay, etc.).

12.3 Compensation for organizational and departmental performance pay will be paid in lump sums at the same time it is awarded to non-organized personnel. Adjustments in pay for overtime hours earned during the year to account for these performance payments will be paid at the end of the year.

ARTICLE XIII. LIABILITY INSURANCE

The EMPLOYER shall procure and maintain a policy of commercial general liability insurance, including errors and omissions, at its expense, insuring employees from all claims covered by
such policy or policies in the sum of two million dollars ($2,000,000) per occurrence.

ARTICLE XIV. HOLIDAYS

14.1 All employees assigned to the Patrol Division shall receive two (2) floating holidays which 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. Employees assigned to the Patrol Division shall receive ten (10) days pay in lieu of additional holidays or eight (8) hours of compensatory time for additional holidays to be scheduled with the EMPLOYER.

14.2 Employees assigned to the Investigative Unit or other administrative assignments shall receive two (2) floating holidays and the following days off:

Holidays are designated as:

- New Year’s Day
- Martin Luther King’s Day
- Presidents Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Thanksgiving Friday
- Christmas Day

- January 1
- Third Monday in January
- Third Monday in February
- Last Monday in May
- July 4
- First Monday in September
- November 11
- Fourth Thursday in November
- Day after Thanksgiving
- December 25

14.3 Employees who are required to work on a holiday shall be paid at time and one-half (1½) their base hourly wage rate for all of the hours of any shift that begins on a designated holiday, as noted in Article XIV, 14.2.

ARTICLE XV. VACATIONS

15.1 Regular full-time employees hired prior to January 1, 1998 shall be eligible for earned vacation leave of the following basis:

From the beginning of continuous employment through the fifth (5th) year of continuous employment, each regular full-time employee shall earn vacation at the rate of five-sixths (5/6) of a day per month or ten (10) working days per year.

From the beginning of the sixth (6th) year and on through the fifteenth (15th) year of continuous employment, each employee shall earn vacation at the rate of one and one-fourth (1¼) days per month or fifteen (15) working days per year.

From the beginning of the sixteenth (16th) year and on through the twentieth (20th) year, each employee shall earn vacation at the rate of twenty (20) working days per year.
From the beginning of the twenty-first (21st) year, each employee shall earn twenty-five (25) days.

15.2 Regular full-time employees hired after January 1, 1998 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, each regular full-time employee shall earn vacation at the rate of five-sixth (5/6) of a day per month or ten (10) working days per year.

From the beginning of the sixth (6th) year through the tenth (10th) year of continuous employment, each employee shall earn vacation at the rate of one and one-fourth (1¼) days per month or fifteen (15) working days per year. During each of the following years of continuous employment, each employee shall earn vacation at the rates as specified:

- 11th yr: one and one-third (11/3) days per month or sixteen (16) working days per year.
- 12th yr: one and two-fifths (12/5) days per month or seventeen (17) working days per year.
- 13th yr: one and one-half (1½) days per month or eighteen (18) working days per year.
- 14th yr: one and three-fifths (13/5) days per month or nineteen (19) working days per year.
- From the fifteenth (15th) year of continuous service and on, each employee shall earn one and two-thirds (1 2/3) days per month or twenty (20) working days per year.

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

<table>
<thead>
<tr>
<th>Rate Earned</th>
<th>Maximum Accrual</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 hours/yr</td>
<td>200 hours</td>
</tr>
<tr>
<td>120 hours/yr</td>
<td>225 hours</td>
</tr>
<tr>
<td>128-160 hours/yr</td>
<td>250 hours</td>
</tr>
<tr>
<td>200 hours/yr</td>
<td>275 hours</td>
</tr>
</tbody>
</table>

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

ARTICLE XVI. GRIEVANCE PROCEDURE

16.1 This grievance procedure is established for the purpose of resolving disputes involving the interpretation and/or application of this Agreement.
16.2 Employees with a grievance may choose to be represented by the UNION.

16.3 The EMPLOYER will recognize UNION members selected by the UNION as the grievance representatives of the bargaining unit. The UNION shall notify the EMPLOYER in writing of the representative and of their successors, when so named.

16.4 A grievance is defined as a dispute over the interpretation or application of this Agreement.

16.5 Grievances shall be resolved in the following manner:

**STEP 1.** An employee claiming a violation concerning the interpretation or application of this Agreement shall, within ten (10) business days after such alleged violation, present such grievance to the employee's immediate supervisor designated by the EMPLOYER. The EMPLOYER shall give a final answer to such Step 1 grievance within ten (10) business days. If a grievance is not resolved in Step 1, such grievance shall be placed in writing by the UNION referred to in Step 2 within ten (10) business days after the EMPLOYER'S final answer in Step 1.

**STEP 2.** The written grievance shall be presented to the Minnetonka Chief of Police by the UNION. The Chief of Police shall give the employee the EMPLOYER'S Step 2 answer within ten (10) business days after receipt of such Step 2 grievance. If a grievance is not resolved in Step 2, such grievance shall be referred to Step 3 within ten (10) business days following the EMPLOYER'S final Step 2 answer.

**STEP 3.** The written grievance shall be presented to the City Manager or other EMPLOYER representative by the UNION. The City Manager or other EMPLOYER representative shall give the EMPLOYER'S answer within fifteen (15) business days after receipt of such Step 3 grievance. If a grievance is not resolved in Step 3, such grievance shall be referred to Step 4 by the UNION within ten (10) business days following the EMPLOYER'S final Step 3 answer.

**STEP 4.** Unresolved grievances are subject to the arbitration provisions of Minnesota Statutes, Section 179A.21. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the provisions of this AGREEMENT. The arbitrator shall consider and decide only the specific issues submitted in writing by the EMPLOYER and the UNION and shall have no authority to make a decision on any other issue not so submitted to the arbitrator. The arbitrator shall be without power to make decisions contrary to or inconsistent with or modifying or varying in any way the application of laws, rules or regulations having the force and effect of law. The arbitrator shall submit the decision in writing within thirty (30) days following close of the hearing or the submission of briefs by the parties, whichever is later, unless the parties agree to an extension. The decision shall be based solely upon the arbitrator's interpretation or application of the express terms of this AGREEMENT and on the facts of the grievance presented.
16.6 All documents, communications and records dealing with a grievance shall be filed separately from the personnel files of the involved employees.

16.7 Any grievance not referred in the prescribed manner by the UNION or the employee within the specified time limits stated for each grievance step shall be considered waived.

16.8 The time limits established in the Article may be extended by mutual consent of the EMPLOYER and the UNION and shall be in writing.

16.9 All fees and expenses for the arbitrator's services and proceedings shall be borne equally by the EMPLOYER and the UNION, provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be charged equally.

16.10 With respect to Statutes under the jurisdiction of the United States Equal Employment Opportunity Commission, an employee pursuing a statutory remedy is not precluded from also pursuing an appeal under this grievance procedure.

ARTICLE XVII. PROBATIONARY PERIOD

All original appointments shall be probationary and subject to a probationary period of 2,080 hours after appointment. All promotional appointments shall be probationary and subject to a probationary period of 1,040 hours. Any extended leave periods will extend the probationary period by the amount of the leave. During the probationary period, the City may remove an employee whose performance does not meet the required work standards. Such removals are not subject to Article XVI.

ARTICLE XVIII. INSURANCE

18.1 HEALTH.
For each benefit-earning employee electing health insurance coverage through the EMPLOYER-sponsored cafeteria benefits program, the EMPLOYER'S contribution toward that employee's benefits program is eight hundred eighty dollars ($880) per month in plan year 2016.

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 the plan year.
The Insurance Article is open for negotiations in 2017.

18.2 LIFE. The EMPLOYER agrees to pay the full cost of a thirty-five thousand dollar ($35,000) life insurance policy for each employee covered by this Agreement covered in the policy.

18.3 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.

18.4 LONG TERM DISABILITY. 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.

ARTICLE XIX. RETIREE HEALTH SAVINGS PLAN

19.1 All employees are required to participate in the Retiree Health Savings Plan (RHSP).

19.2 EMPLOYER CONTRIBUTION. All employees will receive an annual contribution by the Employer equal to 0.5% of base pay. The deposit will occur in the month of December at a time to be determined by the Personnel Division.

ARTICLE XX. POST LICENSE FEE

EMPLOYER will pay for each employee the license fee for that license required by MSA 626.046, Subd.1.

ARTICLE XXI. SAVINGS CLAUSE

This Agreement is subject to the laws of the United States, the State of Minnesota and the signed municipality. In the event any provision of this Agreement shall be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such Provisions shall be voided. 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 voided and of no effect. All other provisions shall continue in full force and effect. The voided provision may be renegotiated at the request of either party.

ARTICLE XXII. DUES CHECK OFF

The EMPLOYER shall deduct each payroll period an amount sufficient to provide the payment of regular dues established by the UNION from the wages of all employees authorizing such
deduction in writing, and remit such deductions to the appropriate officer designated by the UNION. The UNION agrees to indemnify and hold the City of Minnetonka harmless against any and all claims, suits, order 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 XXIII. DISCIPLINE

23.1 The EMPLOYER will discipline, suspend or discharge employees only for just cause. Discipline may be in one or more of the following forms:

A. Oral reprimand;
B. Written reprimand;
C. Suspension;
D. Demotion; or
E. Discharge.

23.2 Suspensions, demotions, and discharges will be in written form.

23.3 Written reprimands, notice of suspensions, and notice of discharge, which are to become part of an employee's personnel file, shall be read and acknowledged by signature of the employee. Employees will receive a copy of such reprimand and/or notices.

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

23.5 An employee who is the subject of an investigation that may result in a disciplinary action to that employee may have a member of the UNION present during questioning. It will be the responsibility of the employee to make a request for a representative. An employee's waiver of union representation shall be in writing.

23.6 Discharges will be preceded by a five (5) day suspension without pay.

23.7 Grievances relating to this Article shall be initiated by the UNION in Step 2 in the grievance procedure under Article XVI.

ARTICLE XXIV. SENIORITY

24.1 Seniority shall be determined by the employee's length of continuous employment with the police department and posted in an appropriate location. Seniority rosters may be maintained by the Chief on the basis of time in grade and time within specific classifications.

24.2 During the probationary period a newly promoted employee may be demoted at the sole discretion of the Employer. During the probationary period, a promoted employee may
be placed in his/her previous position at the sole discretion of the Employer.

24.3 Classification seniority is determined by date of promotion.

24.4 Patrol division sergeants will bid shifts by seniority.

ARTICLE XXV. LAYOFF

25.1 Except in those instances where senior employees are not qualified to perform remaining work, seniority shall determine the order of layoff.

25.2 Layoff shall be by classification within the department in inverse order of classification seniority. However, an employee about to be laid off shall have the right to bump (displace) the least senior employee in the applicable police officers or dispatchers unit, provided the Employer determines the employee exercising bumping rights has previously held the position and is adequately qualified to perform the duties of the classification into which s/he is moving and s/he has greater seniority than the bumped employee.

25.3 Recall from layoff shall be by inverse order of layoff. An employee’s name shall be retained on the recall list for two (2) years, at which time all rights to recall shall terminate.

ARTICLE XXVI. SEVERANCE POLICY

26.1 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:

26.11 Elimination of their classification or position by the City.

26.12 Separation from City employment with 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.

26.13 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.

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

26.21 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

26.22 One-third of the employee’s accumulated sick leave at the appropriate pay rate.

26.3 Employees eligible for severance pay in accordance with Section 26.1 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 XXVII. WELLNESS/FITNESS

Each employee who voluntarily chooses to participate in this wellness/fitness program and meet employer established goals annually by October 31st of each year will receive 0.5% of base pay in additional compensation. Employees who exceed fitness goals by October 31st of each year will receive an additional 1.0% of base pay in additional compensation. Payment of the additional wellness/fitness compensation will be made no later than the last pay period of the year. 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.

ARTICLE XXVIII. LEADERSHIP PROGRAM

The Leadership Incentive Pay Program is a voluntary program under the direction of the Police Chief designed to enhance leadership skills, promote personal growth and performance for all employees who have successfully completed the applicable probationary period. Employees who successfully complete the requirements of the program will receive 1.9% of base pay in additional compensation. The program will operate on an annual basis, from the first payroll date of the year to October 31st of each year and payment for this compensation will be made no later than the last pay period of the year. Since the program is voluntary, employees will not be compensated for off duty time in which they are involved in researching, planning or preparing for components of the program. The program will be directed by the Chief and will be in compliance with all local, state and federal laws.
ARTICLE XXIX.  DURATION

The Agreement shall be effective as of December 18, 2015 and shall remain in full force and effect until December 14, 2017, or until a successor Agreement is reached, whichever is later.

In witness thereof, the parties hereto have executed this Agreement on this ____ day of __________________, 2016.

FOR THE CITY OF MINNETONKA

__________________________
Terry Schneider, Mayor

__________________________
Geralyn Barone, City Manager

__________________________
Perry Vetter, Asst. City Manager

Date ______________________

FOR TEAMSTERS LOCAL NO. 320

__________________________
Mike Kopp, Business Agent

__________________________
David Rieger, Union Steward

Date ______________________
EXHIBIT A AND MARKET ADJUSTMENT

2016 a 1.00% base pay rate increase and a 0.77% market adjustment for a total of 1.77% total wage increase as calculated in Exhibit A.

A one and one-half percent (1.50%) base pay rate increase in 2017 plus any applicable market adjustments. Market adjustments will be calculated according to the following methodology and wage schedule:

POLICE SERGEANTS PAY RATES - City of Minnetonka
Start = 92% of 2 yr rate
6 mos. = 94% of 2 yr rate
1 yr = 97% of 2 yr rate

<table>
<thead>
<tr>
<th>Sergeant - 2016</th>
<th>Start</th>
<th>6 Months</th>
<th>1 Year</th>
<th>2 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
<td>$86,236.80</td>
<td>$88,129.60</td>
<td>$90,937.60</td>
<td>$93,745.60</td>
</tr>
<tr>
<td>Monthly</td>
<td>$7,186.40</td>
<td>$7,344.13</td>
<td>$7,578.13</td>
<td>$7,812.13</td>
</tr>
<tr>
<td>Hourly</td>
<td>$41.46</td>
<td>$42.37</td>
<td>$43.72</td>
<td>$45.07</td>
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</table>

<table>
<thead>
<tr>
<th>Sergeant - 2017</th>
<th>Start</th>
<th>6 Months</th>
<th>1 Year</th>
<th>2 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
<td>$87,547.20</td>
<td>$89,460.80</td>
<td>$92,310.40</td>
<td>$95,160.00</td>
</tr>
<tr>
<td>Monthly</td>
<td>$7,295.60</td>
<td>$7,455.07</td>
<td>$7,692.53</td>
<td>$7,930.00</td>
</tr>
<tr>
<td>Hourly</td>
<td>$42.09</td>
<td>$43.01</td>
<td>$44.38</td>
<td>$45.75</td>
</tr>
</tbody>
</table>

COMMUNICATIONS MANAGER PAY RATES – City of Minnetonka
Start = 92% of 2 yr rate
6 mos. = 94% of 2 yr rate
1 yr = 97% of 2 yr rate

<table>
<thead>
<tr>
<th>Communications Manager - 2016</th>
<th>Start</th>
<th>6 Months</th>
<th>1 Year</th>
<th>2 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
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Market Adjustment

There are two (2) components to the City’s MERIT system. The performance management program described in Article XII ensures performance is recognized and compensated over and above the base pay rate. The market adjustment outlined below ensures that Minnetonka’s pay scale keeps pace with comparable cities.

For 2016, the top 2015 base pay rate for Minnetonka sergeants will be multiplied by the negotiated base pay increase. Using 2015 League of Minnesota Cities salary data for the cities of Brooklyn Park, Burnsville, Eagan, Eden Prairie, Edina, Lakeville, Maple Grove, Plymouth, St. Louis Park and Woodbury, the average weighted mean of these cities (excluding Minnetonka) will be multiplied by the negotiated base pay increase for 2016. These two rates will be compared, and the higher of the two will be the 2016 top pay rate for Minnetonka. If a city has not reported data by September 1, 2015, the city of Minnetonka will contact the city directly to obtain the data. The remaining steps will be adjusted to maintain rates at 92%, 94% and 97% of the top hourly rate.

This same process will be repeated using 2016 data to determine if there is a 2017 market adjustment.

The communications manager will receive the same base pay percentage increase as the sergeants in accordance with the above-noted language.
MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF MINNETONKA
AND
MINNESOTA TEAMSTERS PUBLIC
AND LAW ENFORCEMENT EMPLOYEES' UNION,
LOCAL NO. 320

As agreed during contract negotiations for 2016-2017 contract, the Union and the City agree on the following item:

SEVERANCE PAY

Employees eligible for severance pay who elect to have their dollars allocated to employer paid health insurance premiums in lieu of receiving cash may direct 50% of unused sick leave for said premiums. For employees who select this option in lieu of a cash payment, the cash value of 33% of unused sick leave will be taxed before being made available for payment of insurance premiums. In the event an employee electing this benefit chooses to discontinue health insurance coverage, the difference between the cash value of 33% of unused sick leave (after taxes) and the premiums paid to date shall be made to the employee. The employee shall forfeit the remaining cash balance, future rights and coverage of this benefit, and the right to reenter the City’s insurance plan. All other provisions of the Personnel Policy regarding the application of these premiums must be followed. Employees who choose this option and also submit a three-month written notice of separation as noted in Article 26.3. Separation Policy, will receive 50% of unused sick leave plus an additional ten percent (10%) of that amount to be used for health insurance premiums.

FOR THE CITY OF MINNETONKA

________________________
Terry Schneider, Mayor

________________________
Geralyn Barone, City Manager

________________________
Perry Vetter, Asst. City Manager

Date ____________________

FOR TEAMSTERS LOCAL NO. 320

________________________
Mike Kopp, Business Agent

________________________
David Rieger, Union Steward

Date ____________________
Brief Description
Resolution repealing and replacing Resolution No. 2016-051 for a conditionally-permitted accessory apartment at 13800 Spring Lake Road

Recommendation
Adopt the resolution approving the request

Background
On June 27, 2016, the city council adopted Resolution No. 2016-051. This resolution approved the construction of an addition containing a 1,150 square foot accessory apartment at 13800 Spring Lake Road. Since the approval, the applicant has discovered that there would be several issues with constructing the addition onto the rear of the home. (See page A9-A18.)

Current Proposal
The proposal has been revised to convert the existing three-car garage into an accessory apartment. The apartment would be 1,050 square feet in size and would have both internal access to the existing home and an external access to the rear. But for the size of the proposed accessory apartment, the apartment would meet all conditional use permit standards. The council has the authority to approve accessory apartments in excess of 950 square feet when the apartment would not substantially impact the surrounding neighborhood. Staff finds that the proposed apartment would be smaller in overall size than the apartment previously approved and that it would not substantially impact the character of the surrounding neighborhood.

The applicant has also included two other additions on the submitted plans: (1) conversion of an existing deck into a 3-season porch on the north side of the home; and (2) a new garage and entryway addition onto the east side of the existing home. These additions could be reviewed and approved administratively. (See pages A1-A7.) The requested amendment does not require planning commission approval.

Summary of revised resolution
The previously approved conditional use permit is tied to the specific plans dated May 19, 2016 for a 1,150 square foot apartment. The revised resolution is intended to reflect the current proposal.
Staff Recommendation

Adopt the resolution on pages A20-A25, replacing Resolution No. 2016-051 and approving a conditional use permit for an accessory apartment at 13800 Spring Lake Road.

Through: Geralyn Barone, City Manager
Julie Wischnack, AICP, Community Development Director
Loren Gordon, AICP, City Planner

Originator: Ashley Cauley, Senior Planner
Location Map

Applicant: Hammad Bajwa
Address: 13800 Spring Lake Rd
Project No. 05001.16a
July 8, 2016

Re: 13800 Spring lake Rd
Minnetonka,MN

To whom it may concern:

The proposed change in the previously approved conditional use plan would relocate the proposed in
law apartment into the existing garage space of the home. A separate garage addition would be added
to the home in another location. The proposed change would mitigate some of the construction issues
that we are encountering with the addition originally proposed. The plans and survey included with the
submittal show the proposed location of the new garage and relocated in law apartment.

Thank you
Chris Rydrych, Owners representative
Energy Efficient Builders LLC
DESCRIPTION OF PROPERTY SURVEYED

The description of property surveyed is shown per the Hennepin County Property and Tax Map. This may or may not be the legal description of record.

1. The description of property surveyed is shown per the Hennepin County Property and Tax Map. This may or may not be the legal description of record.
2. All distances are in US Survey feet.
3. Bearings are based on the Hennepin County Coordinate System.
4. Site Address: 13800 Spring Lake Road, Minnetonka, Minnesota.
5. This property is contained in Zone X (area determined to be outside the 0.2% annual chance floodplain) per Flood Insurance Rate Map, Community Panel No. 27053C0337E, effective date of September 2, 2004.
6. The Gross land area is 188,993 +/- square feet or 4.3387 +/- acres.
7. Benchmarks for the existing conditions are the Finished Floor Elevation found at the northerly end of the driveway and has an elevation of 970.52 feet and the Finished Floor Elevation found in the garage and has an elevation of 968.21 feet.
8. The current Zoning for the subject property is R-1 (Low Density Residential) per the City of Minnetonka's zoning map dated March 26, 2008. The setback restrictions for said zoning designation were obtained from the City of Minnetonka found on their web site on the date of July 7, 2016 and are as follows:
   - Standard Lot: 35 foot Front setback on local street and 10 foot Side setback
9. The current water elevation of Spring Lake is 955.01 feet.
10. The locations of underground utilities are based on field locations and maps provided by utility companies and the City of Minnetonka.
11. This survey was completed without the benefit of title work.
12. We have shown the location of Preliminary Plat lot lines as provided by the client. This is for the purpose of showing the proposed addition would meet the setback requirements for the Preliminary Plat if they choose to subdivide the lot.

MINNESOTA CERTIFICATION

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Dated this 8th day of July, 2016.
________________________________________________________
Rory L. Synstelien                   Minnesota License No. 44565
rory@htpo.com
Previous Plans and Approval
BAJWA RESIDENCE REMODELING
13800 SPRING LAKE RD
1152 SF ADDITION
MINNETONKA
Resolution No. 2016-051

Resolution approving a conditional use permit for an accessory apartment at 13800 Spring Lake Road

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

Section 1. Background.

1.01 The property owner, Hammad Bajwa, has requested a conditional use permit for an accessory apartment.

1.02 The property is located at 13800 Spring Lake Road. It is legally described on EXHIBIT A of this resolution.

1.03 On June 2, 2016, the planning commission held a hearing on the proposal. 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 approve the permit.

Section 2. Standards.

2.01 City Code §300.16 Subd. 2 outlines the general standards that must be met for granting a conditional use permit. These standards are incorporated into this resolution by reference.

2.02 City Code §300.16, Subd. 3(d) outlines the following specific standards that must be met for granting a conditional use permit for such facilities:

1. Allowed on property zoned for single family detached dwellings and no more than one apartment to be created in any dwelling;
2. Structures in which an accessory apartment is created to be owner-occupied, with the owner residing in either unit on a continuous basis except for temporary absences throughout the period during which the permit is valid;

3. Adequate off-street parking to be provided for both units of housing with such parking to be in a garage, carport or on a paved area specifically intended for that purpose but not within a required turnaround;

4. May be created by the conversion of living space within the house but not by the conversion of garage space unless space is available for a two-car garage on the lot without the need for a variance;

5. An accessory apartment must be no more than 35-percent of the gross living area of the house or 950 square feet, whichever is smaller. The gross living area includes the accessory apartment. The city council may approve a larger area where the additional size would not substantially impact the surrounding neighborhood;

6. Exterior changes to the house may not substantially alter the single family character of the structure;

7. No apartment to be created except in compliance with all building, housing, electrical, plumbing, heating and related codes of the city;

8. Permitted only where it is demonstrated that the accessory unit will not have an undue adverse impact on adjacent properties and where there will not be a substantial alteration of the character of the neighborhood; and

9. All other provisions of this ordinance relating to single family dwelling units to be met, unless specifically amended by this subdivision.

Section 3. Findings.

3.01 The proposal meets the general conditional use permit standards outlined in City Code §300.16 Subd.2.

3.02 The proposal meets all of the specific conditional use permit standards outlined in City Code §300.16 Subd. 3(d).
1. The property is zoned R-1, single family residential, and does not currently have an accessory apartment.

2. The applicant has indicated that they intend to live in the main home. Nonetheless, this has been added as a condition of this resolution.

3. The property has an existing three-car, attached garage with additional parking available in the driveway. Additionally, the applicant has indicated that a fourth stall could be added onto the existing garage without the need for a variance.

4. The accessory apartment would be an addition to the existing home. As such, the addition would not be created by the conversion of living or garage space.

5. The accessory apartment would be 1,150 square feet, which is 23-percent of the gross living area. By ordinance, the council can approve an apartment of larger size when it would not have an adverse impact on adjacent properties. The proposed size would not have any adverse impact on adjacent properties and would not alter the character of the neighborhood. Due to the size of the lot and the proposed location of the addition, the apartment would not be visible from adjacent rights-of-ways. Further, the addition is designed to maintain the single-family character of the neighborhood and would meet all setback and zoning requirements. Lastly, the parking for the accessory apartment could be accommodated within the existing garage or paved driveway.

6. The proposed addition would appear residential in character and would complement the existing architectural features of the existing home. Further, the apartment would be in the rear of the home.

7. As a condition of this resolution, the apartment must be in compliance with all building, housing, electrical, plumbing, heating and related codes of the city.

8. The proposed addition would not have any adverse impacts on adjacent properties and would not alter the residential character of the neighborhood.

9. As a condition of this resolution, the property must comply with all other ordinance requirements.
Section 4. City Council Action.

4.01 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 plans dated May 19, 2016.

2. Prior to issuance of a building permit, this resolution must be recorded with Hennepin County.

3. The property owner must reside in either the principal dwelling unit or accessory apartment on a continuous basis except for temporary absences.

4. The accessory apartment must comply with all applicable building, housing, electrical, plumbing, heating and related codes of the city.

5. All other provisions of city ordinances relating to single-family dwelling units must be met.

6. The minimum low floor elevation of the addition must be 958.0 feet.

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

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

9. This resolution must be recorded with Hennepin County.

Adopted by the City Council of the City of Minnetonka, Minnesota, on June 27, 2016.

Terry Schneider, Mayor
Action on this resolution:

Motion for adoption: Allendorf
Seconded by: Acomb
Voted in favor of: Bergstedt, Wagner, Ellingson, Allendorf, Acomb, Schneider
Voted against:
Abstained:
Absent: Wiersum
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 June 27, 2016.

David E. Maeda, City Clerk
Exhibit A

That part of the Northeast Quarter of the Northwest Quarter of Section 22, Township 117, Range 22 described as beginning at the intersection of the South line of said Northeast Quarter of the Northwest Quarter with a line run parallel with and distant 164 feet Southwesterly from a line drawn Southeasterly at an angle of 68 degrees 54 minutes 04 seconds with the North line of said Northeast Quarter of the Northwest Quarter from a point on said North line distant 913.8 feet West from the North Quarter corner (said parallel line is hereinafter called line “A”); thence West along said South line to a point 780 feet from the Southeast corner of the Northeast Quarter of the Northwest Quarter; thence Northerly deflecting to the right 94 degrees 22 minutes, a distance of 80 feet; thence westerly deflecting to the left 80 degrees 2 minutes, a distance of 80.75 feet; thence West parallel with said South line to the Northeasterly right-of-way line of the abandoned railroad right-of-way; thence Northwesterly along said right-of-way line to the West line of said Northeast Quarter of the Northwest Quarter; thence North along said West line to a point 5 feet South from the Northwest corner of the South Quarter of said Northeast Quarter of the Northwest Quarter; thence East parallel with the North line of said South Quarter of the Northeast Quarter of the Northwest Quarter to the line “A”; thence Southeasterly along said line “A” to the point of beginning.
D. Resolution approving the final plat of LEGACY OAKS 3rd ADDITION

Allendorf moved, Acomb seconded a motion to adopt resolution 2016-050 approving the final plat for LEGACY OAKS 3rd ADDITION. All voted “yes.” Motion carried.

E. Resolution approving a conditional use permit for an accessory apartment at 13800 Spring Lake Road

Allendorf moved, Acomb seconded a motion to adopt resolution 2016-051 approving the request. All voted “yes.” Motion carried.

11. Consent Agenda – Items requiring Five Votes: None

12. Introduction of Ordinances: None

13. Public Hearings:

A. On-sale liquor licenses for MTKA Pizza, LLC (Station Pizzeria) at 13008 Minnetonka Blvd

Barone gave the staff report.

Schneider opened the public hearing at 7:05 p.m.

Ryan Burnet, 2857 Irving Ave S, Minneapolis, said he was the operating partner and owner of Station Pizzeria. He owns eight other restaurants in the Twin Cities. He said his partner, Clark Gassen, lives across the creek from this site. The existing bones of the building will be used with a significant amount of money spent on landscaping and buying the lot. There will be 55 indoor seats and 16 outdoor seats. There currently are 19 onsite parking spots. A plan was submitted to curb the street and he thought this would mean around eight additional parking spots.

Annette Bertelsen, 13513 Larkin Drive, said she thought the pizzeria would be a great addition to the neighborhood. Her two sons attended St. David’s school behind the property. She said as the council considered the liquor license that the hectic nature of the time period from 4 p.m. to 6 p.m., Monday through Friday be taken into consideration. She suggested putting a restriction on happy hour during that time.

Wagner said the city has had a long time interest in trying to get more visibility of the creek behind the property. He suggested Burnet work with
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Resolution No. 2016-

Resolution repealing and replacing Resolution No. 2016-051 for a conditionally-permitted accessory apartment at 13800 Spring Lake Road

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

Section 1. Background.

1.01 On June 27, 2016, the city council adopted Resolution No. 2016-051 approving a conditional use permit for the construction of an accessory apartment addition onto the rear of the existing home at 13800 Spring Lake Road.

1.02 The property is legally described on EXHIBIT A of this resolution.

1.03 Since the June 27, 2016 approval the property owner, Hammad Bajwa, has discovered that there would be several issues with constructing the addition onto the rear of the home. The owner is now requesting a revised conditional use permit to allow the conversion of the existing garage into an accessory apartment.

Section 2. Standards.

2.01 City Code §300.16 Subd. 2 outlines the general standards that must be met for granting a conditional use permit. These standards are incorporated into this resolution by reference.

2.02 City Code §300.16, Subd. 3(d) outlines the following specific standards that must be met for granting a conditional use permit for such facilities:

1. Allowed on property zoned for single family detached dwellings and no more than one apartment to be created in any dwelling;

2. Structures in which an accessory apartment is created to be owner-occupied, with the owner residing in either unit on a continuous basis
except for temporary absences throughout the period during which the permit is valid;

3. Adequate off-street parking to be provided for both units of housing with such parking to be in a garage, carport or on a paved area specifically intended for that purpose but not within a required turnaround;

4. May be created by the conversion of living space within the house but not by the conversion of garage space unless space is available for a two-car garage on the lot without the need for a variance;

5. An accessory apartment must be no more than 35-percent of the gross living area of the house or 950 square feet, whichever is smaller. The gross living area includes the accessory apartment. The city council may approve a larger area where the additional size would not substantially impact the surrounding neighborhood;

6. Exterior changes to the house may not substantially alter the single family character of the structure;

7. No apartment to be created except in compliance with all building, housing, electrical, plumbing, heating and related codes of the city;

8. Permitted only where it is demonstrated that the accessory unit will not have an undue adverse impact on adjacent properties and where there will not be a substantial alteration of the character of the neighborhood; and

9. All other provisions of this ordinance relating to single family dwelling units to be met, unless specifically amended by this subdivision.

Section 3. Findings.

3.01 The proposal would meet the general conditional use permit standards outlined in City Code §300.16 Subd.2.

3.02 The proposal would meet all of the specific conditional use permit standards outlined in City Code §300.16 Subd. 3(d).

1. The property is zoned R-1, single family residential, and does not currently have an accessory apartment.

2. The applicant has indicated that they intend to live in the main home.
Nonetheless, this has been added as a condition of this resolution.

3. The applicant is proposing to also construct a new four-car attached garage onto the east side of the existing home. Additional parking is available within the existing driveway.

4. The apartment would be created by the conversion of garage space to living space. However, the applicant is also proposing to construct a four-car garage. This garage would require no variances and could be reviewed and approved administratively.

5. The accessory apartment would be 1,050 square feet. By ordinance, the council can approve an apartment of larger size when it would not have an adverse impact on adjacent properties. The proposed size would not have any adverse impact on adjacent properties and would not alter the character of the neighborhood. Due to the size of the lot and the proposed location of the addition, the apartment would not be visible from adjacent rights-of-ways. Further, the addition has been designed to maintain the single-family character of the neighborhood and would meet all setback and zoning requirements. Lastly, parking for the accessory apartment could be accommodated within the proposed garage or paved driveway.

6. The proposed conversion would appear residential in character and would complement the existing architectural features of the existing home.

7. As a condition of this resolution, the apartment must be in compliance with all building, housing, electrical, plumbing, heating and related codes of the city.

8. The proposed apartment would not have any adverse impacts on adjacent properties and would not alter the residential character of the neighborhood.

9. As a condition of this resolution, the property must comply with all other ordinance requirements.

Section 4. City Council Action.

4.01 This resolution repeals and replaces Resolution No. 2016-051.

4.02 A revised conditional use permit for an accessory apartment as described above is hereby approved, subject to the following conditions:
1. Subject to staff approval, the property must be developed and maintained in substantial conformance with the plans dated July 8, 2016.

2. Prior to issuance of a building permit, this resolution must be recorded with Hennepin County.

3. The property owner must reside in either the principal dwelling unit or accessory apartment on a continuous basis except for temporary absences.

4. The accessory apartment must comply with all applicable building, housing, electrical, plumbing, heating and related codes of the city.

5. All other provisions of city ordinances relating to single-family dwelling units must be met.

6. Conceptually the proposed garage and 3-season porch would meet setback requirements. However, this resolution does not provide approval for these additions. A building permit is required.

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

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

9. This resolution must be recorded with Hennepin County.

Adopted by the City Council of the City of Minnetonka, Minnesota, on July 25, 2016.

Terry Schneider, Mayor

Attest:

David E. Maeda, City Clerk
Resolution No. 2016-

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 July 25, 2016.

__________________________________
David E. Maeda, City Clerk
Exhibit A

That part of the Northeast Quarter of the Northwest Quarter of Section 22, Township 117, Range 22 described as beginning at the intersection of the South line of said Northeast Quarter of the Northwest Quarter with a line run parallel with and distant 164 feet Southwesterly from a line drawn Southeasterly at an angle of 68 degrees 54 minutes 04 seconds with the North line of said Northeast Quarter of the Northwest Quarter from a point on said North line distant 913.8 feet West from the North Quarter corner (said parallel line is hereinafter called line “A”); thence West along said South line to a point 780 feet from the Southeast corner of the Northeast Quarter of the Northwest Quarter; thence Northerly deflecting to the right 94 degrees 22 minutes, a distance of 80 feet; thence westerly deflecting to the left 80 degrees 2 minutes, a distance of 80.75 feet; thence West parallel with said South line to the Northeasterly right-of-way line of the abandoned railroad right-of-way; thence Northwesterly along said right-of-way line to the West line of said Northeast Quarter of the Northwest Quarter; thence North along said West line to a point 5 feet South from the Northwest corner of the South Quarter of said Northeast Quarter of the Northwest Quarter; thence East parallel with the North line of said South Quarter of the Northeast Quarter of the Northwest Quarter to the line “A”; thence Southeasterly along said line “A” to the point of beginning.
City Council Agenda Item #12A  
Meeting of July 25, 2016

**Brief Description**  
Ordinance regarding Temporary Family Health Care Dwellings

**Recommendation**  
Introduce the ordinance and refer to the planning commission

**Background**

In June 2016, the state’s Temporary Family Health Care Dwelling law passed. The intent of the law is to provide a short term, temporary housing option for people with a mental or physical impairment. Under the law:

1. A temporary family health care dwelling unit may be located on a property where a person’s “relative” or “caregiver” – as defined by state statute – resides.

2. A temporary family health care dwelling unit is one that:
   - Is no greater than 300 square feet in size;
   - Is not attached to a permanent foundation;
   - Meets minimum construction and accessibility standards; and
   - Has access to water and other utilities.

3. Temporary family health care dwelling units are considered permitted uses and may be occupied for up to six months, with a one-time six month renewal option.

4. Permits for temporary family health care dwelling units must be approved or denied within 15 days of application submittal if reviewed administratively or 30 days of application submittal if reviewed by the city council. The law specifically prohibits extension of this timeline.

5. Cities may “opt out” of the requirements of the law.

6. By September 1, 2016, cities must either: (1) adopt an ordinance “opting-out” of the law; or (2) be ready to accept and approve permits for temporary family health care dwelling units.

**Proposed Ordinance**

The City of Minnetonka has historically supported the provision of a variety of housing types, serving a variety of people, at a variety of income levels and stages of life.
Advocacy for housing options can be found throughout the city’s comprehensive guide plan, zoning ordinance, and past approvals. In staff’s opinion, temporary dwelling units would expand the city’s housing options. However, staff finds that the recently adopted state law would not adequately reflect Minnetonka’s community values or expectations. The law would not necessarily increase housing options already available. Staff recommends the city adopt an ordinance “opting-out” of the specific state law and explore other options for temporary and/or accessory dwelling unit, including:

- **#1: Existing Ordinance Standards.**

  Under the reasonable accommodation provisions of existing city ordinance, the community development director – in consultation with the city attorney – may approve temporary family health care dwelling units. This essentially “status quo” option would allow any individual with a mental or physical impairment to occupy a temporary dwelling unit following administrative review and approval.

- **#2: Temporary Accessory Dwelling Units.**

  Temporary accessory dwellings, such as “tiny houses” or “drop houses” that are not on a permanent foundation, could be approved as interim uses. In concept, a temporary accessory dwelling unit could be occupied by any person regardless of mental or physical ability or impairment. As do other interim uses, a temporary accessory dwelling unit would be subject to a variety of standards. While such standards have not been drafted, staff anticipates they would include reference to lot size, dwelling unit size, setbacks, and construction type. This option would require an amendment to the existing ordinance. Staff anticipates it could present such amendment by the end of the year.

- **#3: Permanent Accessory Dwelling Units.**

  Under the existing zoning ordinance, accessory apartments that are located within a single-family home are allowed by conditional use permit. A permanent accessory dwelling unit can be occupied by any person regardless of mental or physical ability or impairment. The existing ordinance could be amended to allow permanent accessory dwelling units – such as “tiny houses” on permanent foundation – to be located on the same lot, but separate from, a single-family home. As do other conditional uses, a permanent accessory dwelling unit would be subject to a variety of standards. While such standards have not been drafted, staff anticipates they would include reference to lot size, dwelling unit size, height, design, and setbacks. This option would require an amendment to the existing ordinance. Staff anticipates it could present such amendment by the end of the year.
Staff Recommendation

The purpose of introducing an ordinance is to give the city council the opportunity to review a new ordinance before referring it to the planning commission for a recommendation. Introducing an ordinance does not constitute an approval. The planning commission review of the proposed ordinance is set for August 4, 2016.

Staff recommends:

1. The city council introduce the “opt out” ordinance and refer it to the planning commission. (See page A1–A2.)

2. The city council provide staff direction on the ideas outlined in #1, #2, and #3 above or any combination of these options.

Submitted through:
Geralyn Barone, City Manager
Julie Wischnack, AICP, Community Development Director
Loren Gordon, AICP, City Planner

Originated by:
Susan Thomas, AICP, Assistant City Planner
Ordinance No. 2016-

An ordinance opting-out of the requirements of Minnesota Statues, Section 462.3593

The City Of Minnetonka Ordains:

Section 1. On May 12, 2016, the legislation signed into law the creation and regulation of temporary family health care dwellings, codified at Minnesota Statutes §462.3593, which permit and regulate temporary family health care dwellings.

Section 2. Minnesota Statute §462.3593 Subd.9 allows cities to opt-out of the regulations.

Section 3. By Minnetonka City Code §215.020, the community development director, in consultation with the city attorney, has the authority to consider and act on requests for reasonable accommodation, including the use of temporary family health care dwellings.

Section 4. Pursuant to the authority granted by Minnesota Statutes §462.3593, the City of Minnetonka opts-out of the requirements of Minnesota Statutes §462.3593.

Section 5. This ordinance is effective immediately.

Adopted by the city council of the City of Minnetonka, Minnesota, on August 22, 2016.

Terry Schneider, Mayor
Action on this ordinance:

Date of introduction: July 25, 2016
Date of adoption:
Motion for adoption:
Seconded by:
Voted in favor of:
Voted against:
Abstained:
Absent:
Ordinance adopted.

Date of publication:

I certify that the foregoing is a true and correct copy of an ordinance adopted by the city council of the City of Minnetonka, Minnesota at a regular meeting held on August 22, 2016.

David E. Maeda, City Clerk
City Council Agenda Item #13A  
Meeting of July 25, 2016

**Brief Description**  
On-sale liquor licenses for MTKA Pizza, LLC (Station Pizzeria), at 13008 Minnetonka Boulevard

**Recommendation**  
Continue the public hearing to August 22, 2016

**Background**  
The city has received an application from MTKA Pizzeria, LLC at 13008 Minnetonka Boulevard. MTKA Pizzeria, LLC (Station Pizzeria) is requesting on-sale and Sunday on-sale intoxicating liquor licenses for a new upscale restaurant, family friendly pizza restaurant.

The application was introduced to the council on June 27, 2016 and the final action on this request was scheduled for the July 25 council meeting. The request also requires a conditional use permit and site and building plan review, which was presented to the planning commission on July 7, 2016. The planning commission tabled the item for further discussion to allow staff/applicant more time to research solutions to issues related to noise, parking, light, site issues, and traffic.

The tentative planning commission date is August 4 with all items presented to the city council on August 22.

**Recommendation**  
Staff recommends that the city council continue the hearing to August 22, 2016. This review will coincide with a review of the conditional use permit and site and building plan for the proposal.

Submitted through:  
Geralyn Barone, City Manager  
Julie Wischnack, AICP, Community Development Director

Originated by:  
Kathy Leervig, Community Development Coordinator
City Council Agenda Item #13B
Meeting of July 25, 2016

**Brief Description**  Temporary on-sale liquor license for The Rotary Club of Minnetonka Foundation, 14350 County Road 62

**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 Rotary Club of Minnetonka Foundation (The Rotary Club) for an indoor/outdoor fundraising event at the Glen Lake Golf and Practice Center, 14350 County Road 62 (see page A1).

The Rotary Club is requesting approval for a fundraising event, on Thursday, September 8, 2016. The Minnetonka Rotary Charity Golf tournament is a charity event that raises money for the Hopkins/Minnetonka communities. All proceeds are used to support the ICA food shelf, high school scholarships, and other local programs for youth and International/Youth Exchange.

**The Event, including an outdoor activity with intoxicating liquor**

The event will take place on Thursday, September 8, 2016 from 1 p.m. to 8 p.m. Events include a 9-hole golf tournament, wine and beer tasting event, food, and silent auction. The Rotary Club volunteers will be serving the beer (see pages A2-A4).

Beer tasting, wine, and food will be served both in the clubhouse and on the patio directly outside the clubhouse. The outside drinking area will be roped off, as is required for an outdoor event. All participants will be required to show identification that they are 21-years-of-age or older, and will be required to wear a wristband verifying their age.

**Recommendation**

The city did not encounter any issues with the event in 2015. Staff recommends the council hold the public hearing and grant the temporary liquor license in connection with a fundraising event, including outdoor events, for The Rotary Club of Minnetonka Foundation.

Submitted through:
- Geralyn Barone, City Manager
- Julie Wischnack, AICP, Community Development Director

Originated by:
- Kathy Leervig, Community Development Coordinator
Location Map: 14350 County Road 62

Application: Temporary On-Sale Intoxicating Liquor

Applicant: The Rotary Club of Minnetonka Foundation
Site Plan

City of Minnetonka

Club House

Outdoor Patio

DISCLAIMER: This drawing is not a legally recorded plat or an accurate survey. It is intended to be only an approximate representation of information from various government offices and other sources. It should not be used for a purpose that requires exact measurement or precision. People who use this drawing do so at their own risk. The City of Minnetonka is not responsible for any inaccuracies contained in the drawing. The City of Minnetonka provides no warranty, express or implied, about the correctness of the information.
July 10, 2016

Dear Neighbor,

This letter is to inform you that the Rotary Club of Minnetonka has made application to the City of Minnetonka for an event at the address of 14350 County Road 62, Minnetonka, at the Glen Lake Golf and Practice Center. You are receiving this letter as fulfillment of the city’s requirement to notify all residences within 400 feet of the facility that the event will include the serving of food and alcohol as described below:

Name of event: Minnetonka Rotary Charity Golf Event
Date of Event: Thursday, September 8, 2016
Time of Event: 1pm to 8pm
Type of Liquor Served: Beer and Wine
Outdoor Activity Planned: Golf

This letter serves as your notice that the city will review this application at a regular City Council Meeting. The tentative date for the public hearing before the council is Monday, July 25th, 2016. The meeting begins at 6:30 pm in the council chambers of the Minnetonka Community Center at 14600 Minnetonka Blvd, Minnetonka, MN.

If you have any comments, you may contact Julie Wischnak, Community Development Director, City of Minnetonka at 952-939-8282 or by e-mail to: jwischnack@eminnetonka.com. Your comments must be received by the city on or before July 22nd, 2016.

Sincerely,

Chris Rosenlund, President
Minnetonka Rotary Club Foundation

crkosenlund@earthlink.net
City Council Agenda Item #13C
Meeting of July 25, 2016

Brief Description
Off-sale liquor licenses for Minnesota Fine Wine & Spirits, LLC, (DBA Total Wine) 1005 Plymouth Road

Recommendation
Open the public hearing and continue to September 12, 2016

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 1005 Plymouth Road.

Total Wine is proposing to locate a new store in the shopping center with Whole Foods and Office Depot. Office Depot will move out of a portion of its space and the landlord will reconstruct the current Office Depot space into two spaces, leaving one space for Office Depot and another for Total Wine. Following construction of the two spaces, fixturing will take place. The final Total Wine store is proposed to be 13,556 square feet. The lease is contingent upon city council approval. None of this work will begin unless the city council approves the application. (See pages A1-A5).

Upon learning that the owners of Big Top Liquor (an area liquor store) desired to sell their liquor store at 12937 Ridgedale Drive, Minnesota Fine Wine & Spirits, LLC met with those owners about a purchase of assets and have agreed to purchase terms with Big Top. (See pages A6-A8). A liquor license is not transferable or available for purchase, which would require Minnesota Fine Wine & Spirits, LLC to apply and obtain their own license.

Because of an extended construction period required for the new Total Wine store on Plymouth Rd., Big Top intends to continue operations at its store through January, 2017. Big Top would then surrender its license to the city upon closing. For this reason, the license approval for Total Wine would be contingent upon the closure of Big Top next year. The existing space for Big Top will not be occupied by Total Wine. Total Wine anticipates opening the new store on Plymouth Road in August 2017. Should the council decide to grant the license, conditions could be placed to provide assurances consistent with the proposal.

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, and each is a Managing Member of Applicant, and also an officer of Applicant, and works in the operation of Applicant's business.
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 Applicant 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.

Officers are David J Trone and Robert L Trone, each a managing member. 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 Trust</td>
<td>11.25%</td>
</tr>
<tr>
<td>JET 2013 Trust</td>
<td>11.25%</td>
</tr>
<tr>
<td>NRT 2013 Trust</td>
<td>11.25%</td>
</tr>
<tr>
<td>RTJ 2013 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. The store 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 & More safeguards against under-age sales by carding every Minnesota customer. 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 13 off-sale liquor licenses. Eleven of those licenses are stand-alone liquor stores, and the other two are for 3.2% malt beverage licenses (Target & Glenn's 1-stop). If Big Top closed, the total number of stand-alone liquor stores is 10. The current list of off-sale license holders include the following establishments (See page A9):

<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>Big Top Liquors</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>
<tr>
<td>11</td>
<td>US Liquor &amp; Wine</td>
<td>11333 State Highway 7</td>
<td>6,000</td>
</tr>
</tbody>
</table>

**Total Wine Metro Locations**

Total Wine has opened several locations in the metro area. The square footage of each location is listed below, noting that the proposed Minnetonka location will be the smallest of the locations in the Minneapolis area. If more space were to become available in the future and the licensee desired to expand its space at this location, city ordinances would require council review and approval of an amendment to the “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>Roseville</td>
<td>21,166</td>
</tr>
<tr>
<td>Burnsville</td>
<td>28,687</td>
</tr>
<tr>
<td>Woodbury</td>
<td>20,517</td>
</tr>
<tr>
<td>Maple Grove</td>
<td>29,981</td>
</tr>
<tr>
<td>Chanhassen</td>
<td>23,520</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

Because there have been past comments about this area’s traffic condition, a traffic study has been commissioned to evaluate existing and anticipated peak hour operations. More information will be provided to the council at the September meeting.

Proposal Feedback

Staff has provided a public notice to the surrounding property owners (194 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. Comments received are included on pages A10-A14.

Recommendation

Application information and license fees have been submitted. Staff recommends that the city council open the public hearing and continue the hearing to September 12, 2016.

Submitted through:
    Geralyn Barone, City Manager

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
Minnesota Fine Wines & Spirits, LLC
DBA Total Wine
1005 Plymouth Road

This map is for illustrative purposes only.
Total Wine & More

PROVIDING CONSUMERS WITH WHAT THEY DESERVE: SELECTION, SERVICE AND PRICE

July 7, 2016

City of Minnetonka
14600 Minnetonka Boulevard
Minnetonka, Minnesota 55345

Minnesota Fine Wines & Spirits LLC provides this narrative and timeline with its liquor license application for a new Total Wine Store to be located at 1005 Plymouth Road.

Our proposed new store is part of the current Office Depot space. We have negotiated a lease contingent upon the City Council’s approval of our application. In order for Total Wine to operate at the new store, Office Depot will move out of a portion of its space and the landlord will construct the current Office Depot space into 2 spaces - one for Office Depot and another for Total Wine. After that, we will perform additional construction and fixturing. None of this work will begin unless and until the City Council approves our application.

We understand that the City prefers to retain existing liquor licenses within the villages they currently serve. When we learned that the owners of Big Top Liquor desired to sell their liquor store operated at 12937 Ridgedale Drive, we met with those owners about a purchase of assets and have agreed to purchase terms with Big Top.

Because of the long construction period required for our new store, Big Top intends to continue operations at its store through January, 2017. After that, Big Top will surrender its license to the City. For this reason, we seek license approval, conditioned upon Big Top closing its store next year. Once Big Top stops operating, the actual license would be available to Total Wine, if the City Council has approved our application.

This means that if the City Council approves our application, we expect the following to occur:

1. Our landlord will commence construction of our new store on Plymouth Road.
2. Big Top will continue to operate at its store through at least January, 2017.
3. When Big Top stops operating, it will surrender its liquor license (likely by February, 2017).
4. At that time, an unconditional license will be granted to Total Wine.
5. When our landlord completes its construction, Total Wine will commence construction of the tenant improvements and fixturing at the new store.
6. Upon completion of fixturing and approval of AGED, Total Wine will stock the new store for operations.
7. Total Wine will open the new store for business, likely not to occur earlier than August, 2017 (but, could be a little earlier or later depending on construction).

Sincerely,

Minnesota Fine Wines & Spirits LLC

[Signature]

By Its Managing Member

6600 Rockledge Drive, Suite 150, Bethesda, MD 20817
Phone: (301) 795-1000 Fax: (301) 795-1083

Total Wine
July 25, 2016
Council Meeting
April 28, 2016

Kathy Leervig  
City of Minnetonka  
14600 Minnetonka Blvd.  
Minnetonka, MN 55345

Re: Applebaum, LLC  
City Notice Regarding Transaction with Minnesota Fine Wines & Spirits, LLC

Dear Kathy:

As we discussed in our meeting in your offices yesterday, I enclose the original letter from Applebaum, LLC with regard to the transaction with Minnesota Fine Wines & Spirits, LLC. I provided you with a photocopy of this letter in our meeting yesterday.

If you have further questions, please let me know.

Very truly yours,

[Signature]

Debra K. Page

DKP/rlt  
Enclosure
City of Minnetonka  
Attention: Kathy Leervig  
Community Development Coordinator  
14600 Minnetonka Blvd.  
Minnetonka, MN 55345  

Re: Off Sale Liquor License No. OFI-14  

Dear Ms. Leervig:  

As you know, Applebaum, LLC ("Applebaum") is the licensee pursuant to that certain Minnetonka, Minnesota Off Sale Liquor License No. OFI-14 ("Existing License"), for the operation of an off-sale retail liquor store operating under the name of "Big Top Liquor" ("Business") located at 12937 Ridgedale Drive in Minnetonka, Minnesota ("Premises"). 

Please be advised that effective as of April 20, 2016, Applebaum has entered into an Asset Purchase Agreement ("Purchase Agreement") with Minnesota Fine Wines & Spirits, LLC ("Buyer") to sell certain assets of Applebaum 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 New License is obtained and the sale contemplated by the Purchase Agreement is consummated, Applebaum will relinquish the Existing License to the City, effective as of the closing of the sale pursuant to the Purchase Agreement ("Closing Date"). At this time, the parties anticipate that the Closing Date will occur no earlier than January 15, 2017. 

Please also be advised that as of such Closing Date, Applebaum will have terminated the operation of business as Big Top Liquor 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. 

DOCS#5047138-v5
Very truly yours,

APPLEBAUM, LLC

By: [Signature]

[Signature]

Total Wine
July 25, 2016
Council Meeting
As a concerned citizen I am very opposed to Total Wine entering our Minnetonka market at the proposed location!! We are already surrounded by liquor stores in this area.
Thanks, Please route any more of these to Kathy Leervig.

-----Original Message-----
From: Bonnie Rislund On Behalf Of Minnetonka Mike
Sent: Wednesday, July 13, 2016 1:50 PM
To: Loren Gordon
Subject: FW:

-----Original Message-----
From: nate strong [nate@strong.com]
Sent: Wednesday, July 13, 2016 11:30 AM
To: Minnetonka Mike <mike@eminnetonka.com>
Subject:

Strongly opposed to Total Wine coming to Minnetonka in the proposed location.

Nathan
Thank you for your email. This response is only to address the factual questions you raise in your email. The city has a policy regarding licenses in the community (see attached for information shared last summer). There is no *official* cap, in that there is no city ordinance, but rather a city policy. The city may not prevent someone from applying for a liquor license, but the city council has discretion as to whether they issue the license or not. There is no such thing as "selling a license". What this application is for, is for a new liquor license at the building adjacent to Whole Foods and Office Depot. The fact that they bought Big Top is not something the city would act upon unless they want to continue operating the Big Top store location.

Thank you for providing your information. I will copy this email for the packet where the Total Wine application will be heard. Please let me know if you have additional questions.

Julie

-----Original Message-----
From: Dan Keegan  
Sent: Monday, July 11, 2016 1:01 PM  
To: Julie Wischnack  
Cc: tschneider@eminetonka.com; Dick Allendorf; Patty Acomb; Tony Wagner; Brad Wiersum; Tim Bergstedt  
Subject: Total Wine  

HI Julie,  

I have been told, by my councilman, that Minnetonka had capped the number of liquor licenses, there by denying Target and LiquorBoy licensing in our City. Why is Total Wine even getting a hearing? I could understand if they want to operate in the Big Top current location but it appears
they can buy a license and move it. Will that set a precedent that any license holder, in the City, can sell their license with option of moving sites?

I am also concerned that the City may be inviting legal action by Target and LiquorBoy by allowing Total Wine in the City.

There will also be consequences to the existing, long standing liquor businesses, within blocks of this location.

Thanks for you help.

Dan Keegan
Glen Lake Wine and Spirits
From: [Redacted]
To: Kathy Leervig
Subject: Total Wine license application
Date: Monday, July 18, 2016 11:20:09 AM

I am against the additional development of an off sales liquor store in such close proximity to another long term existing one. It is literally around the corner and appears to be seeking to undercut the current business with its warehouse type sales model. I would question the need for two large identical businesses in this neighborhood.

Holly Godfrey
3509 Lilac Lane
City Council Agenda Item #14A
Meeting of July 25, 2016

Brief Description
Concept plan review for The Enclave at Regal Oak, 3639 Shady Oak Rd

Action Requested
Discuss concept plan with the applicant. No formal action required.

Background
Roger Anderson has submitted a concept plan for redevelopment of the existing single-family residential property at 3639 Shady Oak Road. The concept plan contemplates division of the existing property into five, single-family lots ranging in size from 8,600 square feet to 29,000 square feet which would access off of Regal Oak Drive. (See pages A1–A12.)

Key Issues
Staff has identified the following key issues to be evaluated as part of any formal development application:

- **Proposed Lot Size**: The proposed lot sizes would need to be evaluated with reference to existing lots in the area.

- **Use of PUD Zoning**: The contemplated lot size range would require the use of PUD zoning. By city code, PUD zoning will be considered by the city only when it would result in a public benefit. The applicant has suggested that restricted homes sizes and integration of energy conservation practices would provide a public benefit. This suggestion would need to be evaluated.

- **Site Design**: Other considerations of development include grading, tree preservation, utility connections, and driveway access. Engineering and natural resources analysis of these details would be needed.

Review Process
Staff has outlined the following review process for the concept plan. At this time, a formal application has not been submitted.

- **Neighborhood Meeting**: The developer held a neighborhood meeting on June 21, 2016. Approximately 20 people were in attendance. Area residents asked a variety of questions and raised concerns about: (1) proposed density and design relative to the existing neighborhood; (2) construction timelines, construction access, and general impact of construction on the surrounding area; and (3) recent subdivision
and change in and around the immediate area. One neighborhood comment was received following the neighborhood meeting. (See page A13).

- **Planning Commission Concept Plan Review.** The planning commission conducted a review of the concept plan on July 7, 2016. Six members of the public addressed the commission, expressing concern about the concept's impact to natural resources and neighborhood character, as well as construction-related timelines and issues. Though individual commissioners asked questions about natural resource impact and drainage, the group generally indicated support for the concept, noting that it would be similar to other developments approved by the city. (See pages A14–A18.)

- **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.

**Staff Recommendation**

Staff recommends the city council provide comment and feedback to assist the applicant with future direction that may lead to the preparation of more detailed development plans.

Submitted through:
- Geralyn Barone, City Manager
- Julie Wischnack, AICP, Community Development Director
- Loren Gordon, AICP, City Planner

Originated by:
- Susan Thomas, AICP, Assistant 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

Enclave at Regal Oak Concept Plan
Address: 3639 Shady Oak Rd
Project No. 16007.16a

This map is for illustrative purposes only.
Development Narrative

As the developer and land owner of the proposed “Enclave” at Regal Oak, we offer the following information to assist in your concept plan review. We propose to develop the property into a five-lot single family home development in accordance with the City of Minnetonka’s Planned Unit Development (PUD) ordinances. The following information is for the City’s consideration:

I. Five single family homes are proposed on the 2.25 acre parcel. An area of 0.67 acres is proposed to be preserved with a conservation easement so that the existing woodlands may remain intact.

II. As shown on the attached concept plan, we illustrate a variety of housing designs with varied drive access, front elevations, and building styles. The developer hopes to achieve diversity of curb appeal consistent with the City of Minnetonka’s existing varied housing styles rather than a monotone look. This will also allow prospective homeowners a range of options for the exterior design of their home.

III. As noted with the attached concept building plans, we expect to utilize main floor square footage ranges from 1400-1900 sq. ft. The developer wishes to offer new construction homes that are hard-to-find in this market, which can translate into a more moderate price point.

IV. In consideration of the concept plan as proposed, the developer will require that at least three of the five homes be designed and built with a main floor master bedroom. As the City is aware, main floor living design for new construction in Minnetonka is in short supply. The preliminary market research indicates a need for homes that will be purchased by “empty nesters” looking to downsize to a home that meets a lifestyle of minimal maintenance, one-story living, room for the relatives on occasion, and the ability to have the home unattended when owner travels. This may include a “snow and mow” type of a homeowner association to provide the most efficient services.
V. Recognizing that every efficiency is a city priority, and in consideration of the five-lot design, the developer will require that energy conservation items not be limited to code required items, but we will require that three of the five homes be constructed with geothermal heating and cooling systems, networked energy monitoring and control systems, and other energy reducing items.

VI. The developer offers an innovative approach to the management of stormwater. We are intending to minimize the use of ponding and reduce grading by constructing individual stormwater treatment systems on each lot. These rain gardens and infiltration areas will handle the initial abstraction/infiltration of the initial flash and short duration rainfalls on a home by home basis. This will result in reduced size treatment pond area, which can then be designed to provide needed rate control for large storm flows. This plan will reduce the grading and tree removal required, and minimize the size of the “wet” pond.

VII. The developer intends to maintain control of the designs, orientation, size and exterior finishes of the homes by limiting the selection of builders. We will control review and approval of all proposed building plans, and insure the construction is maintained to the standards shown in the attached concept house plans.

In conclusion, we request that the City consider the multiple creative benefits proposed by the developer of this project during your discussion and review of the concept plans.
Preliminary Development Data

Existing Zoning:
Zoning: R-1

Proposed Design Parameters:
Zoning: P.U.D.
Setbacks: Front: 20'
Side: 10'
Rear: 35'

Lot 1: 15,625 Square Feet
0.36 Acres

Lot 2: 10,360 Square Feet
0.24 Acres

Lot 3: 8,615 Square Feet
0.20 Acres

Lot 4: 10,265 Square Feet
0.24 Acres

Lot 5: 23,645 Square Feet
0.54 Acres

Conservation: 29,385 Square Feet
Easement: 0.67 Acres

Total: 97,895 Square Feet
Lot Size 2.25 Acres
Setbacks:
Front: 20'
Side: 10'
Rear: 35'

Enclave At Regal Oak - Concept Plan

May 16, 2016
"ENCLAVE"
At Regal Oak in Minnetonka, MN

The variety of elevations for the new, five (5) homes is important to the developer. The five (5) plans shown below will be priced and offered to Buyers for their consideration.

All plans include these characteristics:
Main floor, master suite; main floor 2nd bedroom and bath; main floor laundry, etc. All homes include unfinished basements. Buyers will be offered custom design and build, if they prefer.

One level, new construction living is a high demand housing option which is not readily available in Minnetonka, particularly at any moderate price level.

This high pitch (10/12) gable roof home with "side loading" garage will be finalized with 1650 sq. ft. on the main floor. For a client who requires a triple garage, this particular design offers this option.
This 1420 sq. ft. main floor home offers a “big feel” with clerestory windows above Great Room in the popular “Craftsman” design style. The open, front porch is a nice ambience on Regal Oak.

Classic, “Country French” with a main floor of 1675 sq. ft. Note: 100% stone front will be “optional” with about 40% stone considered “standard.”
Dramatic contemporary, offers 2nd floor, ample, "guest suite" ideal for adult children and grandchildren visiting from out of town. Unique offering in Minnetonka! Total of 1900 sq. ft. on main and 2nd floors.

"Craftsman" styled with expansive, front porch and 2nd floor loft, which overlooks Great Room and Front Entry. Unfinished, attic storage above garage. Total of 1700 finished sq. ft.
DISCLAIMER: This drawing is not a legally recorded plat or an accurate survey. It is intended to be only an approximate representation of information from various government offices and other sources. It should not be used for a purpose that requires exact measurement precision. People who use this drawing do so at their own risk. The City of Minnetonka is not responsible for any inaccuracies contained in the drawing. The City of Minnetonka provides no warranty, express or implied, about the correctness of the information.
Hi Susan, I met you at the recent meeting about the development project. I live south of the proposed lots 4 and 5. I am having some landscaping work done and my Minnetonka resident landscaper said he thought the development rule in Minnetonka was 1/2 acre lots. He also mentioned inch for inch replacement of trees cut down should be the responsibility of the developer. I wanted to ask if this is accurate. We enjoy the wildlife in those woods and will miss it greatly. The fireflies are out this week and they live in those woods too. I plan to attend the meeting on July 7 but am not sure if we are invited to comment. Thanks for your time and response.
Cheryl Smith
3624 Arbor Lane
9. Other Business

A. Concept plan review for The Enclave at Regal Oak, 3639 Shady Oak Road.

Acting Chair Odland introduced the proposal and called for the staff report.

Thomas reported. Staff recommends the planning commission provide comments and feedback to assist the applicant with future direction that may lead to the preparation of more detailed development plans.

Roger Anderson, applicant, thanked staff and commissioners for their input and feedback on the proposal. He has enjoyed working with staff and thinks it will be great going forward. He is the developer and civil engineer on the project. He stated that:

- The plat makes sense to him. It has a nice flow. The drainage and utilities layout nicely.
- Jo Colleran did a good job of delineating the old-growth woods. A survey was done. There is a conservation easement on the north side of the property. He entered into discussions with the neighbor to join the conservation easement. A stormwater pond may be added.
- He wants to include a rain garden on each lot to treat and minimize stormwater impact.

Mike Haley stated that he is working with Mr. Anderson on the home designs. He stated that:

- The concept is simple. He wants to build 5 homes that are geared to empty nesters. He provided an illustration of a model with one level and 1,500 square feet on the main floor.
- The average homeowner is 65 years of age in Minnetonka. Most want to downsize, but stay in the community. The houses would be priced in the $600,000, but are considered affordable new construction in Minnetonka.
- Three of the 5 houses would have geothermal systems including the model.
- The houses would not be mcmansions. Three of the 5 would have master bedrooms on the main floor.
- The build out would be finished in 12 to 15 months since it is a high-demand product. It is scheduled to begin construction this fall.
• There would be a simple homeowner’s association to take care of the grass and snow.
• The houses would be built custom to each homeowner’s choice.

O’Connell thinks the concept is great and that it would work. He noted that there are similar developments being done. Mr. Haley emphasized that the location is what makes the proposed homes in great demand. Mr. Anderson said that the homes would be one-floor living with basements, so there would be rooms when the kids and grandchildren visit. There would be high-end finishes.

Acting Chair Odland asked how many bedrooms would be on the first floor. Mr. Haley said the houses would have a great-room concept where the kitchen, dining, and great room flow together. There would be two full baths on the main floor and a large walk-in closet. Sod and large trees would be planted and sprinklers would be installed immediately. A big impact can be made with landscaping on a small lot.

Calvert asked where the rain gardens would be located in relation to the gully. Mr. Anderson pointed out the area for a pond and the rain gardens. It would look like a rock garden area. The roof gutters would direct the runoff to the rain garden. Each house would take care of its own runoff. It would work well. This is the first year in 40 years where house sizes became smaller instead of bigger.

Calvert asked how much parking would be available. Mr. Anderson explained that Regal Oak would meet city street requirements and be 24-feet wide. Each of the houses would have a 2-vehicle garage. There would be room for 2 more vehicles in the driveway. That is generally enough parking.

Calvert asked if the entire area would be graded flat. Mr. Anderson said that it would not be flat. Colleran identified the significant trees and they are marked on the survey. It turned out that the majority of significant trees are in the conservation easement. He would attempt to save the few in other areas, but many of them would be removed and replaced by other trees.

Powers liked the product and presentation.

Calvert asked why all of the houses would not have geothermal systems. Mr. Haley stated due to the cost. It would be included in the model and the buyer would be encouraged to include one, but it would be the homebuyer’s option. Mr. Haley stated that a back-up system would still have to be included. The increase in cost is $25,000. The loop system virtually lasts forever.

The audience was invited to provide input.
Ron Hanson, 12215 Mari Lane, stated that the area is wooded and the oak trees are large.

Cheryl Smith, 3624 Arbor Lane, stated that:

- She was concerned that the houses in the examples are larger than 15,000 square feet.
- She was concerned with tree mitigation. She loves the wildlife. The proposal would change it.
- The lots would be smaller and density increased compared to what is on the street now.

Hyde Thompson, 3616 Arbor Lane, requested that street lighting point downward. He liked the idea of the rain gardens and healing the gully.

Calvin Lee, 3636 Regal Oak, stated that:

- His view is currently of trees. He met with Mr. Haley and thinks that things seem copasetic. He wants to make sure that the trees and landscaping prevent a stark change.
- He was concerned with the safety of his kids riding bikes on the street during construction, where the construction vehicles would park, and the noise created by construction workers during the 12 to 18 months.
- There are two rental houses on the court.
- It would be nice if the houses would stay in tune with the existing houses. The proposed houses look too modern for the neighborhood.
- He and his wife have not decided if they like the project yet or not. He asked if there would be another step where the public would comment.
- He asked if all of the houses would be one story.

Annette Lee, 3636 Regal Oak, stated that:

- Parking for construction vehicles could be located where the existing home is on Shady Oak Road.
- She is concerned with the damage to her property during the construction.
- Her driveway is already used as a u-turn.
- She is concerned too many houses are being added to the area.
Vanessa Green, 3632 Arbor Lane, stated that:

- She is completely opposed to the proposal. This would destroy the large lot sizes and mature trees. This would be completely out of character with the neighborhood.
- The forest would be leveled. There are nesting hawks, owls, and woodpeckers. She is appalled.
- The density makes her uncomfortable.

O’Connell stated that this type of project has been reviewed by the commission before and they have been found generally favorable with some design tuques approved by staff along the way. He did not see this project to be any different.

Powers appreciates the neighbors’ input. He had a similar situation happen in his neighborhood. He agreed that issues can be worked out over time. Seniors in Minnetonka are looking to stay in the area in smaller houses. Small lots are a preferred reality going forward.

Calvert asked if approval of the proposal would set a precedent. Thomas explained the difference between legal and fairness precedents. Applications must be considered individually. After the concept plan review, the applicant may submit an application with plans that would be reviewed by the planning commission and city council with a public hearing being held at the planning commission. The planning commission would provide a recommendation to the city council.

Hanson agreed with O’Connell that the commission has seen this type of project a lot. He will support the proposal once slight changes have been made. The existing road makes the proposal less forced. He liked the inclusion of the conservation easement. Four lots might be more comfortable for the neighborhood. The conservation easement does provide a long-term benefit for the house on Regal Oak. The proposal would preserve the neighborhood character. Trees would be preserved and some would be replaced. There would be nice landscaping and quality construction. He could not see denying this proposal when compared to others that have been approved.

Acting Chair Odland would be curious how four lots would fit.

Calvert applauded the developer for protecting the environment. There are advantages to the geothermal. She encouraged planting large trees to decrease the visual impact and impact to wildlife. Dead trees do provide habitat. She would
like natural resources staff to address the steep gully, runoff, and wild life. The city does not have adequate housing stock in this type of housing.
City Council Agenda Item #14B
Meeting of July 25, 2016

Brief Description
Concept plan for a 75-unit apartment building at 2828 and 2800 Jordan Avenue

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

Background
The Minnetonka Hills Apartment complex is just over 13 acres in size and was approved in 1986. The complex is comprised of three, 4-story, apartment buildings served by underground parking and two surface parking lots. The complex properties surround a half-acre residential property, located at 2800 Jordon Avenue, which contains a vacant single-family home. This property has been held in common ownership with the apartment complex for almost 10 years.

The entire complex, and the property at 2800 Jordan Avenue, is zoned PUD – planned unit development, and is guided for high density residential within the 2030 Comprehensive Guide Plan.

Concept Plan
John Ferrier, on behalf of CSM Corporation, has submitted a concept plan contemplating the removal of the single family home in order to accommodate a new apartment building east of an existing apartment building. Conceptually, the 75-unit apartment building would be 5-stories in height with underground and surface parking. (See page A1-A7.)

Key Issues
City staff has identified the following considerations for further development of the property:

- **Access and traffic:** The concept plan indicates that the apartment would share access with an existing apartment building onto Jordan Avenue. Jordan Avenue turns into Cove Drive, a private street, which provides access to several townhomes west of the apartment complex. If the applicant decides to move forward with a formal application, a traffic study would be required to understand an anticipated increase in traffic.

- **Site Design:** Utility access, tree preservation, grading and drainage must be evaluated. The proposed location is heavily wooded and has significant changes in topography. Staff anticipates that at least a portion of the site would be regulated by the city’s steep slope ordinance. However, more information and analysis is
needed for a formal development application regarding the engineering and natural resources details.

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 July 7, 2016. Two people attended the meeting and asked general questions about the visual impact of the building on surrounding properties.

- **Planning Commission Concept Plan Review.** The planning commission conducted a review of the concept plan on July 7, 2016. The commission commented on the building’s architecture and parking needs. Meeting minutes may be found on pages A8-A9.

- **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 provide comments, and the council members are afforded the opportunity to ask questions and provide feedback without any formal motions or votes.

Staff Recommendation

Provide comments, feedback, and direction that may lead to preparation of more detailed development plans.

Submitted Through:

Geralyn Barone, City Manager
Julie Wischnack, AICP, Community Development Director
Loren Gordon, AICP, City Planner

Originator by:

Ashley Cauley, Senior Planner
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) and staff can review resident comments.

- **Neighborhood Meeting.** Prior to the planning commission meeting and official public hearing, an additional public meeting may 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.
Meeting of July 25, 2016

Subject: Concept plan, Minnetonka Hills Apartments

- **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.
MINNETONKA PLANNING COMMISSION  
July 7, 2016

Brief Description  
Concept Plan for a 75-unit apartment building at 2828 and 2800 Jordan Avenue.

Action Requested  
Discuss concept plan with the applicant. No formal action required.

Background

Cumulatively, the Minnetonka Hills Apartment complex encompasses several properties, is just over 13 acres in size, and was approved in 1986. The complex is comprised of three, 4-story, existing apartment buildings with underground parking and two surface parking lots. The complex properties surround a half-acre residential property improved with vacant single family home. This property has been held in common ownership with the apartment complex for almost 10 years.

The entire complex, including the properties at 2828 and 2800 Jordan Avenue, is zoned PUD, planned unit development, and is guided for high density residential by the 2030 Comprehensive Guide Plan.

Proposal

John Ferrier, on behalf of CSM Corporation, has submitted a concept plan contemplating the removal of the single family home in order to accommodate a new apartment building east of the north apartment building. Conceptually, the 75-unit apartment building would be 5-stories in height with underground and surface parking. (See page A1-A7.)

Key Issues

City staff has identified the following considerations for further development of the property:

- **Access and traffic:** The concept plan indicates that the apartment would share access with the northern apartment building onto Jordan Avenue. Jordan Avenue turns into Cove Drive, a private street, to provide access to several townhomes west of the apartment complex. If the applicant decides to move forward with a formal application, a traffic study would be required to understand an anticipated increase in traffic.

- **Site Design:** Utility access, tree preservation, grading and drainage must be evaluated. The proposed location is heavily wooded and has significant changes in topography. Staff anticipates that at least a portion of the site would be regulated by the city’s steep slope ordinance. However, more information and analysis is needed for a formal development application regarding the engineering and natural resources details.
**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 will hold a neighborhood meeting on July 7, 2016, immediately prior to the planning commission meeting. Staff will provide a summary of neighborhood comments at 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.

- **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.

**Staff Recommendation**

Staff recommends the planning commission provide comment and feedback to assist the applicant with future direction that may lead to the preparation of more detailed development plans.

Originator: Ashley Cauley, Senior Planner  
Through: 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) and staff can review resident comments.

- **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.
May 23, 2016

Susan M. Thomas, AICP
City of Minnetonka
14600 Minnetonka Blvd.
Minnetonka, MN  55345

Re: Minnetonka Hills Expansion

Dear Ms. Thomas:
The purpose of this letter is to request concept review for the potential expansion of CSM’s Minnetonka Hills Apartment Development located at 2828 Jordan Ave. in Minnetonka. The proposed expansion would utilize open space at the center of the development to build a 5-story, 75 unit apartment building. An existing, vacant, single family home would be removed to make way for the new building. The new building will contain a mixture of one-bedroom, two-bedroom and studio units.

The concept has been developed to utilize the existing topography of the site. The building is designed into the slope by utilizing a “split level” concept. The southern part of the site has the entry to the underground parking garage. The slope climbs up on the west side of the building and the grade meets first floor on this side. 71 surface parking stalls are shown to the west. On the east side, grade meets the level of underground parking, one story lower than grade on the west side. A preliminary, conceptual elevation has been provided to illustrate the massing of the building as well as materials. The concept shows a mixture of brick, stone, metal panel and fiber cement siding. The building blends the brick look of the existing buildings with more modern materials and forms to create a more contemporary design.

The proposed location of the new building contains numerous overgrown or dead trees and “scrub” ground cover. The new development will save as many significant trees as possible while making way for new, quality trees and landscaping.
Please consider this request to further develop this conceptual idea to move toward a formal site plan submittal. This development has been an extremely successful asset over the years and CSM looks forward to improving the asset by providing additional options to renters.

Feel free to contact me with any questions or if further information is required to consider this concept.

Thank you,

JOHN FERRIER, AIA, NCARB, LEED AP, CID
Vice President - Architecture

CSM Corporation | 500 Washington Ave. S., Ste. 3000 | Minneapolis, MN 55415
Email: jferrier@csmcorp.net | www.csmcorp.net

Attachments: Master Development Plan, Conceptual Site Plan, Conceptual Elevation
B. Concept plan for a 75-unit apartment building at 2828 and 2800 Jordan Avenue.

Acting Chair Odland introduced the proposal and called for the staff report.

Cauley reported. Staff recommends the planning commission provide comments and feedback to assist the applicant with future direction that may lead to the preparation of more detailed development plans.

John Ferrier of CSM Corporation, applicant, stated that:

- He appreciated the planning commission reviewing the concept plan.
- He agreed that a traffic study is warranted. His company owns additional properties in the area. He wants to make sure the amount of traffic would be appropriate.
- Staff found a previous plan not viable due to a steep slope on the site. The multi-family housing market is on fire right now. The building would be located in an appropriate area to deal with the topography.
- There is a berm on the west side. That is not a naturally occurring slope. It was created when an adjacent site was graded. He explained the grading of the site. There would be tuck-under parking utilizing the topography. The slope preservation ordinance criteria would be followed.
- A lot of the trees are not quality. As many of the trees as possible would be preserved.
- His company has enjoyed 97 percent occupancy rates over the past 10 years. There is a need in this area.
- The exterior would have a modern feel with a flat roof to reduce the height of the building. Stone and metal would be used.
- He was excited to hear the commissioners’ comments.
- The clientele are interested in studio apartments.
- A goal is to incorporate shared amenities with the building to the west. A playground would be great.
- He was open to using the roof of the building as an amenity.
- This type of product typically houses people 30 to 35 years of age.
- The site would remain pretty wooded which is a feeling common in Minnetonka.
- There would be approximately 60 feet between the proposed apartment building and the one to the west.
• Two layers of underground parking would not be possible due to the level of the water table, amount of grading, and cost.
• Creating something to work well with the rest of the buildings for a long time is a priority.
• A studio apartment would be approximately 600 square feet.

Calvert noted that the architecture of the proposed building is different than the surrounding buildings. She was not sure how she felt about an urban feel. She understood the appeal for a young demographic. It would change the feel of the area. She looked forward to hearing from the natural resources staff. She was concerned for the oak trees. Mr. Ferrier was open to suggestions on the aesthetics of the building. It is a conceptual plan. This product has been successful in other suburban markets.

Calvert stated that a gabled roof would look extremely tall without removing a story. Mr. Ferrier said that could be considered.

Hanson asked if the number of parking stalls could be reduced to save green space. Cauley said staff could evaluate the proposed building’s amount of parking comprehensively with surrounding available parking lots. Mr. Ferrier would be very open to reducing the amount of parking. The amount was reduced slightly from the city’s ordinance requirement after speaking with city staff a year ago.

Rachel Peterson, property manager at Minnetonka Hills, stated that there is always ample outdoor parking space. There may be a waiting list for the underground heated parking.

Mr. Ferrier stated that the applicant will look for the most efficient way to utilize the slope to provide parking.

10. Adjournment

Calvert moved, second by Powers, to adjourn the meeting at 10:30 p.m. Motion carried unanimously.

By: ________________________ __________
Lois T. Mason
Planning Secretary
Addendum
Minnetonka City Council
Meeting of July 25, 2016

10F Resolution repealing and replacing Resolution No. 2016-051 for a conditionally-permitted accessory apartment at 13800 Spring Lake Road

Attached is a change memo from the city planner indicating the applicant has withdrawn their request.
Memorandum

To: City Council

From: Loren Gordon, AICP, City Planner

Date: July 25, 2016

Subject: Change Memo for July 25, 2016

10F – CUP Amendment 13800 Spring Lake Rd

The applicant has withdrawn their request to revise the approved proposal.