1. **Call to Order**

   Mayor Terry Schneider called the meeting to order at 6:30 p.m.

2. **Pledge of Allegiance**

   All joined in the Pledge of Allegiance.

3. **Roll Call**

   Council Members Bob Ellingson, Dick Allendorf, Patty Acomb, Brad Wiersum, Tim Bergstedt, Tony Wagner, and Terry Schneider were present.

4. **Approval of Agenda**

   Acomb moved, Bergstedt seconded a motion to accept the agenda, with an addendum to item 13A. All voted "yes." Motion carried.

5. **Approval of Minutes: April 24, 2017 LBAE meeting minutes**

   Wiersum moved, Wagner seconded a motion to approve the April 24, 2017 LBAE meeting minutes, as presented. Ellingson, Acomb, Wiersum, Bergstedt, Wagner and Schneider voted "yes." Allendorf abstained. Motion carried.

6. **Special Matters: None**

7. **Reports from City Manager & Council Members**

   Barone reported on upcoming council meetings.

   Wagner reported he recently attended a meeting hosted by Hennepin County Commissioner Jan Callison related to the solid waste management plan. There was discussion about the current state of collection that is going to landfills instead of incineration, energy, recycling, composting and the targets by the county and state for 2030.

   Schneider reported that the SWLRT project got a $10 million advance from the Federal Transit Administration as part of the adoption of the federal budget extension.

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 establishing new polling place locations for Ward 1 Precinct D, Ward 1 Precinct E, and Ward 2 Precinct D

Allendorf moved, Acomb seconded a motion to adopt resolution 2017-043 changing the polling place for Ward 1 Precinct D from Grace Apostolic Church to Mzizi International Church; the polling place for Ward 1 Precinct E from Mzizi International Church to Bet Shalom Congregation; and the polling place for Ward 2 Precinct D from the Ridgedale Hennepin County Library to the Ridgedale YMCA. All voted “yes.” Motion carried.

B. Approval of community solar garden subscription agreements

Allendorf moved, Acomb seconded a motion to authorize the mayor and city manager to execute solar garden subscription agreements for Subscription A and Subscription B, subject to approval of the final language by the city manager and city attorney. All voted “yes.” Motion carried.

Wagner said it was worth celebrating the contract to get the city 100 percent solar certified. Schneider agreed it was a major accomplishment.

Public Works Director Brian Wagstrom gave a staff update.

11. Consent Agenda – Items requiring Five Votes: None

12. Introduction of Ordinances: None

13. Public Hearings:

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

Community Development Director Julie Wischnack gave the staff report.

Craig Vaughn, traffic consultant with SRF Consulting Group, presented the traffic and parking study.

Wagner said because of the short turn movement between the 394 ramp and Wayzata Boulevard that many times the queuing is so full that vehicles can’t get off the ramp. He asked if this was seen during the study and if a combination of signal timing between signals could work to alleviate the issue. Vaughn said the movement Wagner referenced was considered as part of the signal timing optimization improvements.
Schneider praised the context and detail of Vaughn’s presentation. He noted that the signal improvements would be beneficial in other nearby areas as well.

Wiersum asked how likely it was to get the approval from the Met Council and Metro Transit to use the bus lanes. City Engineer Will Manchester said staff has talked with the Metro Transit and he thought it was highly likely.

Edward Cooper, head of public affairs and community relations for Total Wine and More, said the company very much wants to become a contributing member of the community. He said a number of council members voted against the previous application because of concerns with the site, traffic and parking. There were comments about having 10 and not 11 liquor stores in the city. Total Wine started again from scratch and worked with city staff to address the concerns. A new site was located. There was plenty of parking and far better access. The company agreed to buy both Big Top Liquor and U.S. Liquor to reduce the number of licenses and reward the owner for his work in the community. He said staff has advised that a condition of the license is that Total Wine pays for 80 percent of the cost of the traffic improvements. He said the company didn’t believe this was a fair or justified condition for licensure but has agreed to do it.

Mark Powers, a traffic engineer for Stantec Consultant Services, said his company was hired by Total Wine to review the traffic analysis done by SRF Consulting Group. He said SRF’s analysis was reviewed and it was determined it was very well done. Stantec then did an analysis using SRF’s model without making any of the improvements to the east/west approaches to Wayzata Boulevard. The analysis showed the intersections at Wayzata Boulevard and at the north ramp were of equal standing in levels of service. The conclusion was the improvements other than the altered signal timing were unnecessary.

Allendorf asked Total Wine to clarify their commitment to pay for the improvements. Cooper said the company would pay for the improvements even though they disagreed with the findings.

Robert Bodeau, 17709 Leemans Drive, said Total Wine’s stores were superb and provide a better price than anyone else. He said this would benefit the residents of Minnetonka.

Tim Bevins, the owner of the Tonka Bottle Shop, said he was here in 1977 when the Tonka Bottle Shop was one of the first stores in the city. The needs of the residents have changed over the years. There have been a lot of changes to the liquor industry in the city. He said Minnetonka was
Laurie Nelson, 13808 Knollway Drive South, said she has seen a lot of changes in the area. There have been promises from the city that were not kept. This was a small neighborhood smack in between businesses. There is a lot of traffic. The Goodwill, which most of the neighbors were against, has generated a lot of traffic. Semi-trucks make U-turns in the neighborhood. There are noises during the middle of the night. More trees are being taken down. She said it was frustrating that there already was Haskells, Byerlys, the liquor store by the workhouse, and a nearby store in Wayzata. She questioned if another huge liquor store in the area was needed. People come in and out of the stores rather than spending time in the stores. She wanted her money to go to local stores.

Chris Erickson, from Spasso and the Wine Shop, questioned if the council had reviewed the purchase agreement of the two other stores. Schneider said that was done by the city attorney and staff. Erickson said common sense told him if a company was buying a store with no plans of operating in that store, and the purchase was contingent on getting a different liquor license, and it was paying a breakup fee if a license was not granted, then it was really was buying a license. This meant the council was condoning something that should not be done. He said looking at the square footage of the stores, and the amount Total Wine was paying to get a license, they must be planning on selling an astronomical amount of liquor. The economics wouldn't work if this didn't occur. Because there were already Total Wine locations in Chanhassen, Maple Grove and Bloomington, so people have to drive past one of those stores to get to this destination store. He questioned if the traffic study was based on a grocery store or a destination store. The store would be equal to the six smallest stores in the city. If approved it meant putting many of these stores out of business.

Ted Farrell, from Haskells, said the council and staff had developed a city so attractive that this large national chain kept trying multiple ways to get a license. He said the current attempt was unprecedented. In all his years in operating stores in the state he has never seen somebody acquire two
businesses in order to open one store. He questioned what actually was being purchased if not the license.

Tom Taylor, a Burnsville business owner and resident, said he believes very strongly in the positive impact Total Wine can make in a community. After Burnsville modified its requirements to allow an increased number of stores in the city, and eliminating its liquor store density rules, there has been no measurable increase in crime or underage drinking in the city. Since he appeared before the council last year, all the liquor stores in Burnsville have remained open. One store just completed a remodel. The mall that Total Wine is located in has not lost any of its tenants. Total Wine continues to be a good corporate citizen in terms of preventing underage sales and with financial support of local nonprofits. Like Minnetonka, Burnsville relies heavily on a retail tax base. Given the decline in conventional retail, Burnsville was increasingly grateful to have a retailer like Total Wine in the community. It is a retailer not only financially stable but is unique and large enough to draw people into the retail district from a hundred miles around. These people not only shop at Total Wine but other stores and restaurants in the district as well.

Schneider closed the public hearing at 7:44 p.m.

Wiersum said last time Total Wine applied for a license and was turned down by the council, the issue for him was determining what the right number of liquor stores in the city was. He held that one store for every 5,000 residents seemed logical. Currently the city had 11 stores and Total Wine was proposing to add a store and eliminate two others bringing the total to 10. This was a number that made sense to him. The amount of square footage dedicated to liquor sales would increase by 20 percent in the city. His argument has never been about square footage but was about the number of liquor stores. For this item to pass Total Wine had to change one vote from its last application. He felt pressured because he was prescriptive in the right number of stores in the city and this had been addressed. He said he was a believer in competition and how it made everyone better. After a lot of thinking, and given this was a different proposal in a dramatically improved location, he would support the application.

Wagner said the council laid out a policy and Total Wine addressed all the concerns. He said all the council members had concerns with the previous location. Traffic flow was improved with this location. The store would have an impact on this area’s traffic. He said it was important Total Wine was a responsible retailer in how it had outlined how they manage and monitor preventing underage sales. He continued to support the application.
Bergstedt said he was one of the yes votes the last time Total Wine was before the council and he would be supportive again. He thought this was a much better site in terms of parking, stacking distances, and traffic sight lines. He said Total Wine was a disrupter and had new way of selling beer, wine and spirits that wasn’t around before. The business model has been very successful nationwide and in the metro area. He didn’t think the council would support the application if it was in any other part of the city. The proposal was in the regional center, the lifeblood, retail wise, of the city. If approved it will not only serve the city’s residents but will be a regional draw as well. He hoped Minnetonka would see similar results as Burnsville.

Acomb said voting on liquor licenses was never an easy vote. The council had been split on the issue since she had been on the council. The comments from residents showed the community was split as well. The policy was not prescriptive and included exceptions. Because the council has broad discretion, the decision really was up to the opinions and perceptions of the council members. The reason there was a policy was the recognition that increased access to alcohol could lead to increased issues with public health and safety. There was the argument of letting the market decide the proper number of businesses and she thought this made sense for everything except regulated industries. Alcohol was regulated because of its impact on public health and safety. Acomb noted she was involved in the Tonka Cares coalition, and the Hopkins One Voice, organizations that work hard at decreasing underage substance abuse. Underage substance abuse doesn’t happen at restaurants and bars but happens when alcohol was purchased and taken offsite. Increased access leads to an increased potential of underage substance abuse. She said she thought Total Wine did a great job in paying attention to not selling to underage patrons. She had nothing but good things to say about the company and the way it does business. She voted no last time because she felt the Ridgedale area was adequately served by the number of liquor stores that were in the area. Even though Total Wine was buying two stores, only one was in the Ridgedale area. She did not support the proposal.

Allendorf said it was gratifying to have an applicant listen to the council’s comments and address concerns that were raised. Total Wine heard the concerns about traffic and changed the location to a better one. They heard the concerns about the number of liquor stores in the city and positively addressed the concern. He said he was a free market person and remembered during a previous discussion Farrell had said he welcomes competition. He hoped the competition would help all the other liquor stores in the city to be the best purveyors they could possibly be and hoped they prospered along with Total Wine.
Ellingson complimented Total Wine for addressing the concerns. He said he agreed with Acomb that this part of the city was adequately served. He didn’t think the issue was just the number of stores but also was the volume of sales. With the size of this store, there would have to be a large volume of sales to make it successful. This would mean an increase in the alcohol consumption in the city. This would not be beneficial to the public health and safety.

Schneider said he supported the previous application because he has always been a free market individual. Even though Total Wine was a disrupter, it was part of the evolution of progress in retail. Overall retail will be changing significantly because of the dynamics of the internet and other things. People are trying to figure out what to do next and changing their model to be more inclusive and to tie in with the younger generation. This hasn’t quite been figured out yet and there will be pockets in the Twin Cities where retailers that are unable to adapt will fade away. He said Minnetonka was fortunate to have Ridgedale. He thought the Mall of America, Southdale, Rosedale and Ridgedale have certain elements that gave them an opportunity to succeed and adapt, be more vibrant and more of a community asset. There were other medium sized to larger malls that will struggle because they don’t adapt. By and large whenever there was a model like Total Wine that draws from a broader area it was beneficial. Adding another destination use will cause people who already have been visiting the area to change their habits and get used to traveling the unique road system and visiting other businesses. There will be a long term ripple effect caused by having another destination use. This will add to the vibrancy of the Ridgedale area. He said having a responsible seller like Total Wine concerned about youth access to alcohol, who is a significant contributor to nonprofits similar to Tonka Cares, will be a huge asset to addressing that issue. He has heard that in the other communities with Total Wine stores, they have been a huge contributor to local efforts.

Wagner moved, Allendorf seconded a motion to grant the license with the following conditions: (1) the improvements identified in the traffic report for the area roadways will be paid for by the applicant; and (2) the licenses for the other store locations that are being purchased by the applicant will be surrendered or revoked prior to certificate of occupancy of the Total Wine location. Allendorf, Wiersum, Bergstedt, Wagner and Schneider voted “yes.” Ellingson and Acomb voted “no.” Motion carried.

14. Other Business:

A. Amendment to the existing Ridgedale Festival master development plan for façade changes
City Planner Loren Gordon gave the staff report.

Schneider said he wasn’t exactly sure what the right widths, heights, and proportions were at this time. He really didn’t want to think about that until it was known it could be combined with an actual signage application. For him, this was what was missing. There were too many assumptions. Now that there was an approved use, Total Wine with its own specific sign. He thought it was premature to approve just a façade and suggested continuing the item and sending it back to the owner of the building and Total Wine to work with staff to come up with a plan that made sense.

Bergstedt agreed. The only options were to continue the item or deny the proposed amendment. It was hard to make a good decision with only half the information.

Wiersum also agreed and said the city does not have a façade ordinance but rather it has a sign ordinance. He supported tabling the item.

Allendorf asked for clarification of staff’s comments about massing. Gordon said he was trying to convey that the relationship between the parts of the parapet that were changing more greatly than what happened with Toys R Us caused almost an exaggeration of height.

Wagner said he agreed with the idea of continuing the item to allow more work to be done to come up with a completed package.

Dan Gibson, representing Kimco Realty Corporation, the owner of the building, said he was excited to have Total Wine coming in. Not only would they add traffic to the area, which would help the retail node, and help fill vacancies in the area. From an adapting perspective a lot has changed since the center was approved in 1990. The Toys R Us was modified around 2010 and even more has changed since then. Adapting the façade was just a natural progression of what retailers will and will not accept in terms of their prototype. He said he met with staff last week and wasn’t in a position to show the signage and the façade together which was what everybody needed to see. He was now prepared to do that.

Wagner moved, Wiersum seconded a motion to continue the item to May 22, 2017. All voted “yes.” Motion carried.

15. Appointments and Reappointments:

A. Appointments to the 2040 Minnetonka Comprehensive Guide Plan Steering Committee
Schneider moved, Bergstedt seconded a motion to approve the recommended appointments to the 2040 Minnetonka Comprehensive Guide Plan Steering Committee.

Bergstedt said he thought it was a great group and thanked Schneider for his time and effort.

Wagner said there were a number of good applicants and was hoping the mayor was open to adding a couple of other committee members. He was concerned that over time a few committee members would have to leave the committee because of life events because that’s what always happens. The other council members were not excited about using alternates, and nobody wanted the committee to be too big, but he thought adding a couple more residents and trying to have better gender balance on the committee would be helpful. He said he received a couple of calls about the lack of gender balance and it not representing what the city and the council aspire to.

Acomb agreed with Wagner. The city was so fortunate to have so many willing to participate. The committee members will be great but she would appreciate more gender balance.

Wiersum said it was an encouraging time that people want to be involved. He said he spoke with a resident who wanted to make sure all three school districts in the city were represented. Wiersum said that he and Colbert Boyd’s kids lived in the Wayzata School District but did not go to schools in the district. He felt it was a valid point to have committee members who have kids in each of the three districts in the city.

Schneider said he thought about the pros and cons of adding alternates to the committee. Putting himself in the shoes of an alternate, he thought it would be difficult attending all the meetings and not being able to participate. He didn’t think this was the right thing to ask someone to do. He agreed looking at the committee there were not enough female members and not enough diversity particularly ethnic diversity. He said he had some ideas and would reach out to certain individuals.

All voted “yes.” **Motion carried.**

16. **Adjournment**

Wagner moved, Wiersum seconded a motion to adjourn the meeting at 8:34 p.m. All voted “yes.” **Motion carried.**

Respectfully submitted,
David E. Maeda
City Clerk