Minutes
Minnetonka City Council
Monday, June 12, 2017

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

4. **Approval of Agenda**

   Wiersum moved, Acomb seconded a motion to accept the agenda, as presented. All voted “yes.” **Motion carried.**

5. **Approval of Minutes: May 8 and 22, 2017 regular council meetings**

   Wagner moved, Bergstedt seconded a motion to approve the minutes of the May 8, 2017 regular council meeting, as presented. Bergstedt, Wagner, Ellingson, Acomb and Schneider voted “yes.” Wiersum abstained. **Motion carried.**

   Wagner moved, Bergstedt seconded a motion to approve the minutes of the May 22, 2017 regular council meeting, as presented. All voted “yes.” **Motion carried.**

6. **Special Matters: None**

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

   City Manager Geralyn Barone reported on upcoming events and council meetings.

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 Hennepin County residential recycling grant agreement
Bergstedt moved, Acomb seconded a motion to adopt resolution 2017-054 approving the Residential Recycling Grant Agreement between the city of Minnetonka and Hennepin County. All voted “yes.” Motion carried.

B. Items concerning implementation of a SAC/REC deferral program

Bergstedt moved, Acomb seconded a motion to adopt ordinance 2017-08 amending Section 1200.025, subdivision 1 of the Minnetonka city code; to adopt resolution 2017-055 establishing the interest rates for deferrals; and to adopt resolution 2017-056 amending Council Policy No. 12.10. All voted “yes.” Motion carried.

C. Resolution approving HOMESTEAD PLACE, a 2-lot subdivision, with lot width at setback variances at 3625 Plymouth Road

Bergstedt moved, Acomb seconded a motion to adopt resolution 2017-057 approving HOMESTEAD PLACE with the following condition: 9. All lots and structures within the development are subject to all R-1 zoning standards. In addition: a) the homes are limited to a maximum floor area ratio of 0.22. Floor area includes the sum of the fully exposed horizontal area of a building, as measured from exterior walls and including attached garage space and enclosed porch areas, and one-half the horizontal area of any partially exposed level such as a walkout or lookout level. All voted “yes.” Motion carried.

D. Resolution authorizing the city of Minnetonka to participate in the Mayors’ Monarch Pledge

Bergstedt moved, Acomb seconded a motion to adopt resolution 2017-058 authorizing the city of Minnetonka to participate in the Mayors’ Monarch Pledge. All voted “yes.” Motion carried.

E. Items concerning a trail, boardwalk, and pedestrian bridge at 5709 Rowland Road and 5624 Shady Oak Road (Lone Lake Park):

- Conditional use permits for recreational uses within: (1) required wetland buffer; and (2) floodplain;
- Wetland setback variance; and
- Floodplain alteration permit.

Bergstedt moved, Acomb seconded a motion to adopt resolution 2017-059 approving conditional use permits, wetland setback variance, and floodplain alteration permit for a trail, boardwalk and pedestrian bridge at
5709 Rowland Road and 5624 Shady Oak Road. All voted “yes.” Motion carried.

F. Resolution approving setback variances, floodplain alteration permit, and conditional use permit for additions and landscaping at 2807 McKenzie Point Road

Bergstedt moved, Acomb seconded a motion to adopt resolution 2017-060 approving setback variances, floodplain alteration permit, and conditional use permit for a deck expansion and landscaping at 2807 McKenzie Pointe Road. All voted “yes.” Motion carried.

11. Consent Agenda – Items requiring Five Votes: None

12. Introduction of Ordinances: None

13. Public Hearings: None

14. Other Business:

A. Metropolitan Council Transit Cooperation Agreement

Community Development Director Julie Wischnack gave the staff report.

Wagner said thinking in terms of walkability, there were not many sheltered bus stops in the city. In the past the council has asked staff to look at ridership numbers to see if there were areas where a sheltered bus stop might be beneficial. Wischnack said the Met Council had guidelines on where a bus shelter was warranted. The guidelines indicate that a minimum of 25 people boarding a bus was the number where a shelter was warranted. She displayed information about the number of boardings at the stops in the city and said the park and ride areas were the ones where the number of boardings might warrant a shelter. Wagner said the stop he had in mind was the one at Steele Street and Minnetonka Boulevard. He drives past that every day and sees a number of people waiting for the bus. It would be nice to have a shelter at the stop given there is no place to park.

Acomb said more people might use a bus if there was a shelter provided at their nearest stop. She said the city should do more encouraging of businesses to share in the cost of sheltered stops. Wischnack said staff was committed to continuing to evaluate the bus stops where redevelopment was occurring.
Wiersum said he asked staff earlier in the day how the city could help increase the ridership numbers. The numbers showed that in 2016, each of the 111,000 trips averaged 5.6 riders. He questioned if there was a marketing answer to increase the ridership. Wischnack said staff has had discussions about how to better market some of the routes in the city. The idea was to keep trying new things because there was no one answer. She noted the dial a ride service was substantially used by residents. Wiersum said he supported the recommendation to stick with the status quo because with light rail coming, it didn’t make sense to make major changes now only to have do so again in the near future.

Schneider said years back the city tried to work with Metro Transit to provide the best system possible for residents. Ultimately, the city ended up going to the legislature and the opt-in/opt-out option was created. The thought was never that if the city put in $4 million, that it would get $4 million worth of service back given the regional nature of the system. He said the response and accountability from Metro Transit has improved. Creativity where possible was good, but the challenge was having enough ridership to warrant more bus service. The game changers will be light rail and an effort to have Plymouth, Eden Prairie, and Minnetonka combine joint resources to meet the demands. He said the agreement allows the good dialogue with Metro Transit to continue.

Wiersum moved, Wagner seconded a motion to approve the Transit Cooperation Agreement. All voted “yes.” Motion carried.

B. Items related to Newport Midwest at 10400, 10500 and 10550 Bren Road East:

1) Concept plan review for Newport Midwest at 10400, 10500 and 10550 Bren Road East;
2) Resolution identifying the need for Livable Communities Demonstration Account – Transit Oriented Development (TOD) Funding and authorizing an application for grant funds; and
3) Resolution supporting a tax credit application related to Newport Midwest “The Mariner.”

City Planner Loren Gordon and Wischnack gave the staff report.

Wagner said the area will undergo substantial change. Given his participation in the Community Works planning process and the idea of place making, he had some concern with the redevelopment of this area knowing that the Minneapolis Mart site would also redevelop if light rail goes in. He noted the Wayzata project that Presbyterian Homes did is a “place.” It wouldn’t have been a place if there were four or five different
developers involved over a period of time. He said Minnetonka has never been a design city. He worried about the massive change to this area and how it might not have any feel or vibe to it. He said it may be worthwhile to use a process like the charret process that was used for Glen Lake. All the plans for the light rail areas indicated there would be changes in use and he noted there was not an active park in the area. He questioned if for the broader planning, when there were a large number of units involved, if park dedication funds should be used to buy property to do a park. He said he didn’t think that should be done for this particular project, but it should be thought about in the broader long term planning for the area.

Acomb said there were improvements to this plan including access to the site. She said the first concept plan didn’t include nearby surface parking for the affordable units. She appreciated that the revised plan included underground and surface parking for both buildings. She said Wagner brought up several good points to consider. She agreed with the suggestion to have a broader dialogue to see what could be done to drive the planning for the area.

Bergstedt said Wagner had brought up several things for the council to think about including what could be done to have a park in the area. He said the city needed to be forward thinking for the area. He commended the applicant for the changes made to the plan since the first concept plan. He agreed the second access would greatly improve the circulation. He also liked the changes to the architecture that would bring some energy and urban feel which was appropriate with the light rail. Adding more affordable housing to the city was also important.

Wiersum said the points Wagner made were very valid. Historically from a development perspective the city has been quite reactive. He thought this project was particularly intriguing and was appropriate for the area. He liked the architectural changes that were made. Presuming light rail happens, this project, being the first project, would set a tone for what would be done on the next two parcels. He said he thought this project could proceed but the city needed to be more proactive with the other parcels so whatever happens was consistent and appropriate. He said the notion of a park for the area was expensive and challenging but important. This would require some creativity. This project was a great first project and the look and vibe it provides was very appropriate and would help redefine what housing looks like in the Opus area.

Ellingson said he recently read an article that indicated Minneapolis and St. Paul ranked first and second for parks. He was glad Wagner brought up the issue of a park for this area.
Schneider said he agreed with the other comments but would change the vocabulary and the idea of a park to the idea of a place-making avenue around the development. In many places he has visited throughout the country and world, he has enjoyed the smaller more intimate things like San Antonio’s river walk. A lot of those were created because there was an existing natural amenity present. The amenity was integrated into the development to create a series of interconnecting experiences. He didn’t see a large park for this development but rather with the urban feel something that captures the uniqueness and natural feel of Minnetonka incorporated into a pedestrian walkway with some character to it. One option would be to dedicate the park dedication fees and let the developers and designers determine how this would be implemented.

Barone noted the CIP already included funding for Opus area park investments. The idea was to take advantage of the extensive trail system that already exists.

Bergstedt moved, Wiersum seconded a motion to adopt resolution 2017-061 identifying the need for Livable Communities Demonstration Account – Transit Oriented Development (TOD) Funding and authorizing an application for grant funds; and to adopt resolution 2017-062 committing up to $556,179 in TIF assistance, to support the tax credit application for Newport Midwest. All voted “yes.” Motion carried.

C. Resolution regarding participation in the Hennepin County CDBG program, and Joint Cooperation Agreement for the Urban Hennepin County Community Block Grant Program in Fiscal Years 2018-2020

Wischnack gave the staff report.

Wagner noted for the housing rehabilitation loans the staff report indicated the administration costs were increasing from 10 percent to 25 percent. Wischnack said the city was currently charged by the provider of the loan services. She said Minnetonka Home Enhancement for example, which is a different program, charges the city around nine percent for administration costs. For all the programs the administrative cost would be around 25 percent. This takes away from what could be used for loans.

Wiersum said the administrative costs were increasing but staff time was being saved as well. Wischnack said currently about 10 percent of the allocation was for staff time but there were a lot of things not being accounted for in that 10 percent. Pushing the administrative work to the county would free city staff to do other things.
Bergstedt said he hated to spend money unnecessarily and he was in total agreement with the staff recommendation. Looking at the list of advantages in the staff report and with the amount of development and how busy staff was, he didn’t think it was a good use of city staff time to do the things the county would now be doing. Although it would cost a little more money he agreed with Wischnack that staff time would be freed up to do higher priority things.

Schneider said while there was a slight shift in where the dollars were being spent, there would be an efficiency gained by having an agency do the work that they already do as opposed to city staff doing it as a sideline. He said the recipients of the loans often complain about all the required paperwork to get a $4,000 loan. The idea was by having this pool available, it would help consolidate some of that effort and make a more coordinated presentation for the funds.

Wischnack noted the city has yet to receive its allocation for this year and this was holding up any funding for the city’s loan programs.

Wiersum said the future of CDBG was unknown and while this work was important, it was not a core activity of what the city staff does day to day. Delegating the responsibilities to free up staff time was the right thing to do.

Wagner agreed city staff should not be in the business of program administration, but he had a difficult time that with the city’s most popular program, $25,000 out of the total $125,000 would not be available for loans. This meant five less loans could be done for housing stock that was in need of repair.

Schneider said he has seen in other areas of coordinated services, particularly social services involving Hennepin County, there were all kinds of other resources that come into play that tend to be blended together to provide for the ultimate needs. This meant the dollars were being leveraged to get much more back than is spent on administrative costs.

Wiersum moved, Bergstedt seconded a motion to adopt resolution 2017-063 and approve the agreement authorizing the city to elect to participate in the Urban Hennepin County CDBG program and relinquishing entitlement city status to receive CDBG funds directly from HUD for program years 2018-2020. Wiersum, Bergstedt, Ellingson, Acomb and Schneider voted “yes.” Wagner voted “no.” Motion carried.

D. Items concerning Ridgedale Festival:
1) Amendment to the existing sign plan; and
2) Amendment to the existing master development plan for façade changes.

Gordon gave the staff report.

Dan Gibson, representing Kimco Realty Corporation, said the entire shopping center was developed in the early 1990’s. One of the unique things about it was it was not homogeneous across the façade. The design breaks up the monotony. In 2011, Toys R Us got approval for their higher parapet. He showed an artist’s rendering of what the proposed façade would look like. He said the changes blend in and flow with the rest of the architecture. He showed a rendering of the proposed sign on the façade. He said Total Wine will be a great addition to the center and he doesn’t want to put them into a bad competitive situation.

Schneider said there were two elements that were subjective and one that was not, the 250 square foot criteria. The question was how big of a sign and if the fascia height was right.

Wagner noted that in addition to the height of the fascia, it was also being extended. Schneider said the staff were fine with the extension so the question was about the height. He noted the 35 foot height matched the lower portion next to Toys R Us. This seemed logical to him. The question then was the size of the sign. Given the 250 square foot criteria, it meant roughly an 84 percent reduction to the size of the sign. This was a solution he felt comfortable with.

Wagner agreed the façade question was the easiest for him and agreed 35 feet made sense.

Wiersum said Schneider made a valid point. It was a proportionality issue. Making the fascia wider would mean a lot more white space to meet the code. That was the applicant’s call but he questioned the wisdom of that. They were trying to get to a proportionality by making the fascia the biggest they could to make their logo bigger. He wasn’t going to agree to that. The city had a sign code. He thought the 35 foot height was fine as was sticking with the 250 square feet. The signs would be readable from the freeway as are the smaller tenants’ signs. He didn’t think allowing a bigger sign was necessary. He was confident Total Wine would be successful regardless of the size of the sign.

Bergstedt said Total Wine needed the tagline. He thought the 35 foot height would add balance to the mall. Currently the west side of the mall looked dated and boring.
Wiersum moved, Acomb seconded a motion to direct staff to prepare a resolution within the guidelines the council stated. All voted “yes.” Motion carried.

E. 2018–2022 Capital Improvements Program (CIP)

Barone gave the staff report.

Annette Bertelsen, 13513 Larkin Drive, said there was nothing more important in the community than public safety and she was excited about the proposed new fire/police facility. She said it was well worth every penny. Participating in the Imagine Minnetonka process, she heard people talk about wanting to see innovation in the community. She hoped the $25 million wouldn’t just go toward a modern up to date facility, but rather the city would get something distinctive and innovative. The building will be new for a short period of time, but if it includes some firsts it will be innovative and part of the city’s story for a long time. It could be a strong recruiting tool. She suggested paying architectural students to work on some of the facility’s features.

Bertelsen said she and her husband were very thankful for the proposed Ridgedale Drive road improvements but she suggested possibly delaying the project. With the cataclysmic shifts occurring in the retail industry, along with Total Wine being a destination that will bring in a lot of people to the area, it was unknown how this would impact traffic patterns. She said the CIP included $9 million as a solution but it was unknown if there was a $9 million problem. She said right now there was not a crisis and it would be a good idea to take time to think about the proper timeline given how things were potentially shifting so much.

Barone said as the process for the police/fire facility shifts into design mode, part of the discussion already has been to make sure the facility reflects Minnetonka. Innovation was a piece of that. It was important to remain within the budget but the city didn’t want a cookie cutter public safety facility. She said for the Ridgedale Drive road improvement project, there would be time for further discussion. As more details get flushed out, there would be neighborhood and public meetings.

Acomb moved, Wagner seconded a motion to adopt resolution 2017-064 approving the 2018-2022 Capital Improvements Program. All voted “yes.” Motion carried.
Schneider said the city’s CIP has always had a good balance between thinking through the projects objectively, stretching a little bit, thinking long term and making good decisions.

F. Public safety facilities design services contract, CIP amendment, and resolution authorizing an internal loan for the first phases of the contract to be repaid with future bond proceeds, if bonding is approved

Barone gave the staff report.

Bergstedt moved, Wiersum seconded a motion to award the contract for the Public Safety Facilities Addition and Renovation to Wold Architects and Engineers; to amend the CIP; and to adopt resolution 2017-065 authorizing an internal loan for the first phase of the contract to be repaid with future bond proceeds, if bonding is approved. All voted “yes.” Motion carried.

G. 2018–2022 Economic Improvement Program (EIP)

Wischnack gave the staff report.

Schneider said he has received questions about if the city has been getting its value back for the annual $25,000 funding for the Greater MSP program. He said for him, the question was somewhat irrelevant since the Greater MSP program provides so much regional benefit. It puts the Twin Cities on the front stage in many ways.

Wagner noted the program has helped facilitate the discussion on how to attract the workforce to the area and how to stay relevant.

Wiersum said Minnetonka has the reputation of being a leader within the region. A key part of that was for the city to have a regional perspective.

Wagner moved, Wiersum seconded a motion to adopt resolution 2017-066 approving the 2018-2022 Economic Improvement Program. All voted “yes.” Motion carried.

15. Appointments and Reappointments: None

16. Adjournment

Acomb moved, Wiersum seconded a motion to adjourn the meeting at 8:36 p.m. All voted “yes.” Motion carried.
Respectfully submitted,

David E. Maeda
City Clerk