1. **Call to Order**

Mayor Brad Wiersum 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, Rebecca Schack, Patty Acomb, Mike Happe, Deb Calvert, Tim Bergstedt, and Wiersum were present.

4. **Approval of Agenda**

Happe moved, Bergstedt seconded a motion to accept the agenda with addenda to items 10A, 12A, 13A, 13B, 14A, 15A, and 10E. All voted “yes.” Motion carried.

5. **Approval of Minutes: July 9, 2018 regular council meeting**

Acomb moved, Bergstedt seconded a motion to approve the minutes of the July 9, 2018 regular council meeting, as presented. All voted “yes.” Motion carried.

6. **Special Matters:**

   A. **Recognition of Rodney Miller**

   Wiersum read the recognition.

   Rodney Miller thanked his parents, wife, and fellow fighters.

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

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

Calvert noted that she recently attended the Improving Service Delivery Committee Meeting for the League of Minnesota Cities.
Wiersum shared that he attended the funeral of Minnetonka resident Mr. Dave Aanenson. Dave cared passionately about his community and was a great example of “just show up”.

8. **Citizens Wishing to Discuss Matters not on the Agenda**

9. **Bids and Purchases: None**

10. **Consent Agenda – Items Requiring a Majority Vote:**

A. **Resolutions pertaining to levying the 2018 Special Assessments**

Ellingson moved, Schack seconded a motion to adopt:

- Resolution 2018-096 declaring costs for Project No. 4894 (1-year) nuisance abatement projects, ordering the preparation of special assessment rolls, and scheduling a public hearing;

- Resolution 2018-097 declaring costs for Project No. 4894 (3-year) nuisance abatement projects, ordering the preparation of special assessment rolls, and scheduling a public hearing;

- Resolution 2018-098 declaring costs for Project No. 4894 (5-year) nuisance abatement projects, ordering the preparation of special assessment rolls, and scheduling a public hearing;

- Resolution 2018-099 declaring costs for Project No. 4894 (10-year) nuisance abatement projects, ordering the preparation of special assessment rolls, and scheduling a public hearing;

- Resolution 2018-100 declaring costs for diseased tree removal - Project No. 4902 (1-year) nuisance abatement projects, ordering the preparation of special assessment rolls, and scheduling a public hearing;

- Resolution 2018-101 declaring costs for diseased tree removal - Project No. 4902 (3-year) nuisance abatement projects, ordering the preparation of special assessment rolls, and scheduling a public hearing;

- Resolution 2018-102 declaring costs for diseased tree removal - Project No. 4902 (5-year) nuisance abatement projects, ordering the preparation of special assessment rolls, and scheduling a public hearing;

- Resolution 2018-103 declaring costs for diseased tree removal - Project No. 4902 (10-year) nuisance abatement projects, ordering the preparation of special assessment rolls, and scheduling a public hearing; and
Resolution 2018-104 declaring costs for city court fines, Project No. 1020 (1-year), ordering the preparation of special assessment rolls, and scheduling a public hearing.

All voted “yes.” Motion carried.

B. Resolution approving a conditional use permit for an adult day care facility within an existing tenant space at 11581 K-Tel Drive

Ellingson moved, Schack seconded a motion to adopt resolution 2018-105 approving the conditional use permit for a daycare facility at 11581 K-Tel Drive. All voted “yes.” Motion carried.

C. Ordinance and resolution amending the existing master development plan and approving final site and buildings for a two-phase parking ramp at 12501 Whitewater Drive

Ellingson moved, Schack seconded a motion to adopt ordinance 2018-11 amending the existing master development plan and approving final site and buildings for a two-phase parking ramp at 12501 Whitewater; and resolution 2018-106 amending the existing master development plan and approving final site and buildings for a two-phase parking ramp at 12501 Whitewater Drive. All voted “yes.” Motion carried.

D. Ordinance regarding senior citizens advisory board members terms

Ellingson moved, Schack seconded a motion to adopt ordinance 2018-12 regarding senior citizens advisory board members terms. All voted “yes.” Motion carried.

E. Resolution designating a new Acting Mayor and Alternate Acting Mayor

Ellingson moved, Schack seconded a motion to adopt resolution 2018-107 designating Councilmember Tim Bergstedt as Acting Mayor and Councilmember Patty Acomb as Alternate Acting Mayor for the remainder of year 2018. All voted “yes.” Motion carried.

F. Resolution approving providing park credits for RIDGEDALE CENTER TENTH ADDITION

Ellingson moved, Schack seconded a motion to adopt resolution 2018-108 documenting the credit, associated with the Ridgedale Center Tenth Addition plat. All voted “yes.” Motion carried.
11. Consent Agenda – Items requiring Five Votes: None

12. Introduction of Ordinances:

A. Ordinances related to franchise fees

Barone gave the staff report.

City Attorney Corrine Heine discussed the notification process under the franchise agreement and stated that notices had been provided.

Wiersum said if the city was supportive of trails then it had to decide how to pay for them. Franchise fees was a viable option. The trails were very expensive due to land costs.

Barone distinguished between a property tax levy and franchise fees.

Wiersum noted that franchise fees cover a wider base of payers because it would include all of the non-profits.

Calvert asked about the 4.8% property tax levy option and how much per year that would generate versus the franchise fee. Barone said they were calculated to be the same.

Luann Tolliver, 14801 Wychewood Road, said she was opposed to the ordinances. She said that she was not opposed to constructing trails, but was opposed to the proposed funding stating that she believed it was discriminatory to seniors and low-income people.

Steve Hacker, 12504 Briarwood Terrace, shared that he had started bike riding since retiring and that he was a big supporter of trails. However, he opposed funding being added to a gas bill.

Mary McKee, 3842 Baker Road, noted that half of her water bill was going towards the replacement of water and sewage lines. She supported this because the fees correlated with the bill. She questioned charging trail fees on a gas bill and suggested the city follow the lead of other cities and look for private funding. McKee also suggested funding trails by taxing things like alcohol and sugar like the city of Boulder, Colorado.

Al Ritchie, 18420 Springcrest Drive, said that he was a big fan of trails but was also opposed the funding them through a franchise fee. He suggested that funding was more appropriate on property taxes so that they were transparent and reviewable.
Richard Stewart, 13910 Knollway Drive South, shared his concern over the low participation in the survey and suggested that a mailing be sent to everyone. He was also concerned about senior's being able to afford this and suggested a community investment fund.

Maureen Hackett, 4919 Arlington Drive, stated that she agreed with other commenters and opposed the funding through a franchise fee. She suggested an expiration date if the fee went through.

Luke Vansanten, 2148 Sheridan Hills Road, supported the increased fees. He discussed the pros and shared that he believed the city had underinvested in trails. He shared his concern for safe routes to school and current gaps in the trails and sidewalks.

Barone answered questions that had been raised. She shared that city does use the terms sidewalk and trail interchangeable. She said that while taxing alcohol and sugar seemed appealing state law prevented it. In answer to a question about the transparency of utility infrastructure and storm sewer fees, Barone shared that public hearings were held every December. She also talked about the Community Investment Fund. She shared that it was actually an endowment and the city was able to use the interest for projects; however, over the last five or six years the interest had been very low and was not a reliable source.

Happe said that the council had received a lot of feedback. There was overwhelming support for more trails and sidewalk. His three main concerns with the franchise fee were its regressive nature, lack of expiration date, and lack of transparency. He said that he would prefer it to become part of the tax levy.

Calvert asked whether the specific purpose or name of the fee could be listed on the utility bill. City Attorney Corrine Heine answered that utility companies have the right under state law to identify a fee as a separate line item, but it was highly unlikely that a company would agree to give a fee a specific name.

Barone mentioned that Minnesota had adopted a cold weather rule as a protection for customers if they have trouble paying a bill in regard to a question concerning whether or not seniors could afford the franchise fee.

Acomb shared that she had been on the council for almost seven years and had seen an increased desire for an expansion of trails. The council had been struggling coming up with a stable funding stream.
Calvert said that the council was very concerned with transparency, but were struggling with the best choice for funding. She felt that a franchise fee would be fairer because it would spread the expense over a larger pool of people.

Bergstedt said that how to pay for the trails that everyone wanted was the perfect debate question. There were strong, valid arguments on both sides. He supported introducing the ordinances in order to be able to further consider.

Schack noted that she was new to the conversation, but that all candidates for her seat had voiced the importance and value places on trails and sidewalks. She believed the franchise fee was a stable and feasible way to move forward to meet the demands of the residents.

Ellingson shared that he believed that trails and sidewalks were both a public safety and public health issue. He supported funding the trails, but preferred the property tax levy.

Wiersum said that trails and sidewalks were needed for public health, safety, and livability. The debate was how to pay for them and franchise fees seemed a viable option.

Bergstedt moved, Acomb seconded a motion to introduce increasing the electric franchise fee on Northern States Power Company for providing electric energy service within the City of Minnetonka and to introduce implementing a gas franchise fee on Centerpoint Energy Minnesota Gas for providing gas energy service within the City of Minnetonka. Ellingson, Schack, Acomb, Calvert, Bergstedt, and Wiersum voted “yes.” Happe voted “no.” Motion carried.

13. Public Hearings:

A. Resolutions concerning a multi-family residential development by Dominium, at 11001 Bren Road East

Community Development Director Julie Wischnack gave the staff report.

Julie Eddington, Kennedy & Graven, updated the council on the basic structure of financing.

Wiersum opened the public hearing at 8:21 p.m. No one spoke. He closed the public hearing at 8:21 p.m.
Acomb moved, Calvert seconded a motion to adopt resolution 2018-109 authorizing the issuance of multifamily housing revenue notes for the benefit of Minnetonka Leased Housing Associates III, LLLP, approving a housing program for a senior housing development; and authorizing the execution of documents in connection therewith; resolution 2018-110 authorizing the issuance of tax increment revenue and subordinate multifamily housing revenue bonds for the benefit of Minnetonka Leased Housing Associates III, LLLP; approving a housing program for a senior housing development; and authorizing the execution of documents in connection therewith; resolution 2018-111 approving the execution and delivery of documents in connection with a senior housing development; resolution 2018-112 authorizing the issuance of multifamily housing refunding revenue notes for the benefit of Minnetonka Leased Housing Associates II, LLLP, approving an amended and restated housing program for a workforce housing development; and authorizing the execution of documents in connection therewith; resolution 2018-113 authorizing the issuance of tax increment revenue and subordinate multifamily housing revenue bonds for the benefit of Minnetonka Leased Housing Associates II, LLLP; approving a housing program for a workforce housing development; and authorizing the execution of documents in connection therewith and resolution 2018-114 approving the execution and delivery of documents in connection with a workforce housing development. All voted “yes.” Motion carried.

B. Temporary liquor license for Unmapped Brewing, LLC, 14625 Excelsior Blvd.

Barone gave the staff report.

Megan Park, Co-Founder Unmapped Brewing shared details concerning the Flannel Roots Music and Beer Festival on Saturday, October 13th at 11 a.m.

Wiersum opened the public hearing at 8:26 p.m. No one spoke. He closed the public hearing at 8:26 p.m.

Bergstedt moved, Ellingson seconded a motion to hold the public hearing and grant the temporary liquor license in connection with the Flannel Roots Music & Beer Festival on Oct. 13, 2018. All voted “yes.” Motion carried.

C. Temporary on-sale liquor license for Underdog Rescue, MN, for use at 3739 Tonkawood Road

Barone gave the staff report.
Shannon McKenzie, Founder Underdog Rescue, shared details concerning the event on October 13th from 1-4 p.m.

Wiersum opened the public hearing at 8:29 p.m. No one spoke. He closed the public hearing at 8:29 p.m.

Calvert moved, Schack seconded a motion to hold the public hearing and grant the license. All voted “yes.” Motion carried.

D. Temporary on-sale liquor license for Bet Shalom Congregation, 13613 Orchard Rd.

Barone gave the staff report.

Steve Barberio, Executive Director Bet Shalom, shared details concerning the 3rd annual block party on September 16th from 10:30 a.m. – 12:30 p.m.

Wiersum opened the public hearing at 8:32 p.m. No one spoke. He closed the public hearing at 8:32 p.m.

Calvert moved, Happe seconded a motion to hold the public hearing and grant the license. All voted “yes.” Motion carried.

E. On-sale wine and on-sale 3.2% malt beverage liquor licenses for DelSur, LLC at 14725 Excelsior Blvd.

Barone gave the staff report.

Diego Montero, Co-owner DelSur, shared that after operating the food truck they were looking to expand.

Bergstedt asked if they had operated a restaurant before. Montero answered that they had worked in the restaurant industry but had never owned or operated a restaurant other than the food truck.

Wiersum opened the public hearing at 8:35 p.m.

Anne Hossfeld, 14616 Glendale Street, questioned the process for a conditional use permit.

Wischnack shared that the conditional use permit was scheduled for the September 6th planning commission meeting and would come back to the council following that.
Bergstedt moved, Acomb seconded a motion to open the public hearing and continue it to Oct. 8, 2018. All voted “yes.” Motion carried.

14. Other Business:

A. Concept plan review for Marsh Run Two Redevelopment at 11650 and 11706 Wayzata Blvd.

City Planner Loren Gordon gave the staff report.

Bergstedt asked Gordon to explain the purpose of a concept plan review. Gordon explained that the process allowed the chance to get through some issues early to save time and resources for staff, council, and developer.

Acomb asked if the trails were public or private. Gordon answered that the trails were maintained by the association.

Schack asked if there were any wetlands on the parcel. Gordon answered that a survey had not been done so he could not confirm whether the wetlands adjacent to the site extend onto the site.

Tony Kuechle, President of Development for Doran Companies, answered that a wetland delineation had been completed and there were no wetlands on site. He gave a presentation on the planned redevelopment.

Ben Lindau, Senior Concept Architect for Doran Companies, presented the architectural plans and showed four options.

Acomb asked who owned the berm. Lindau answered that it was a 50/50 split with another property.

Schack asked if there would be financial assistance requests to the City for the 20% affordable housing component. Kuechle answered yes, but that they had tried to limit that by increasing density.

Doug Bryant, 979 Fairfield Court, Hopkins, discussed concerns about increased traffic and rezoning.

Laura Cohen, 798 Fairfield Circle, shared that she was on the board for the association and the other homeowners told her that speaking tonight would not make a difference. She was hopeful that the council would listen and mentioned a few concerns including noise and that there would be a
large impact on properties because the new residents would not be homeowners.

Pam Lewis, 980 Fairfield Court, Hopkins, talked about the neighborhood and shared concerns about density and the wetlands.

Greg Brink, 982 Fairfield Court, Hopkins, shared that he was on the board at West Ridge and was opposed to the project due to density, traffic, and noise.

Judd Carpenter, 4188 Heatherton Place, said that he was the owner, along with three siblings, of half the project. He discussed a previous project by CSM Development that was similar to this project. Carpenter believed that this project would bring value just like previous projects had.

Calla Beal, Fairfield Spur, stated that the project did not fit in the community. She said that her home was on the corner so she would be the most affected.

Kari Martin, 1004 Fairfield Spur, thanked the developer for the four options, but had questions options two and three. She wondered if the other options had different number of units.

Enid Uhlhorn, 907 Fairfield Way, said that Doran’s partner was CSM and that CSM was the owner of West Ridge Market. This would bring the market more business and people should be aware that there was an amalgamation.

Scott Carpenter, 3924 Randall Avenue, Minneapolis, said that he was a partner in Carpenter Land Co Limited and talked about his own experience with a new development moving into his neighborhood to address the fears of residents.

Kuechle clarified that CSM was not a partner on this project and that a maximum of two people per bedroom were allowed due to federal regulation.

Acomb asked about other six story apartment buildings in Minnetonka. Gordon answered that the Highland Bank redevelopment project, RidgePointe, and Dominium were all six stories or higher.

Calvert shared that the council did listen to residents and did care. She thought that Doran created wonderful, attractive projects and appreciated the four options. She felt that there was a definite disconnect between the style of proposal and the surrounding neighborhood.
Schack stated that as the Ward 2 council member she wanted residents to know that the council was listening. She shared concerns about size, but appreciated the options and the affordability component.

Happe agreed with the other commenters, but wondered what a reasonable scale would be.

Acomb thought housing was appropriate for the site, but had concerns with the size and transition to existing housing.

Bergstedt stated that he thought higher density residential was appropriate and that affordable housing, energy efficiency, and solar were all good. He agreed with other commenters though that it was too much density.

Ellingson agreed with Bergstedt and suggested that the building needs to be smaller.

Wiersum liked everything the developer was doing, but 95 units per acre was too big.

Wiersum called a recess at 10 p.m. He called the meeting back to order at 10:10 p.m.

B. Concept Plan for redevelopment of the property at 14317 Excelsior Blvd.

Gordon gave the staff report.

Mike Waldo, CFO for Ron Clark Construction & Design, talked about the 60-unit apartment. He shared that it was too small to integrate affordable housing and solar, but it would be energy efficient. There would not be any retail. Mr. Waldo communicated his belief that the proposed three-story apartment building was a good use for the small site.

Tim Whitten, Project Architect, felt that this was one of the few pieces left to develop in the area and wanted to propose something that would fit into the scale of the neighborhood. He shared that it would be 60 units with a higher percentage of one bedroom. Whitten discussed parking and sidewalks and showed images of other buildings in the area for comparison.

Wiersum asked if Ron Clark would own and operate the building or sell. Waldo answered that the company would be holding onto it.
Bergstedt asked if there would be any new stop lights. Gordon answered that staff anticipated that the main area of focus concerning traffic would be at the Woodhill Road and Excelsior Boulevard interchange.

Doris Pagelkopf, 14319 Stewart Lane Apt. 301, said that she was not against an apartment building there, but not this one. She was concerned with the proposed driveway within 150 feet of two other driveways and increased sewer and water.

Wischnack answered an earlier question from Acomb concerning the proposed number of one-bedroom units stating that 2,800 new apartments were expected over the next 20 years.

Carol Sieler, 14301 Stewart Lane Apt. 405, shared that she was President of the Zvago Association and shared the same concerns as Pagelkopf. She also voiced a concern with garbage trucks, snow plows, etc. accessing the site.

Ann Flanagan, 14301 Stewart Lane Apt. 308, shared that she believed the building footprint was too big and would prefer a flat roof.

Susan Smith, 14214 Glen Lake Drive, said that the Glen Lake neighborhood study published in 2016 mentioned density already present in Glen Lake area. She noted that she liked Ron Clark, but 60 units was too dense.

Julie Friedman, 14319 Stewart Lane Apt. 208, discussed the character and current traffic issues of Stewart Lane.

Keith Weigel, 14209 Glen Lake Drive, said that a newspaper announced big developments for Glen Lake 13 years ago. He believed that the other large buildings should not have been constructed and that 60 units on one acre was too much. He asked whether it would be zoned R-4 or R-5 and asked the council to not grant variances.

Anne Hossfeld, 14616 Glendale Street, discussed her two-fold concerns of density and traffic at length. She talked about the history of the Glen Lake area and feared the loss of the natural character of Glen Lake. She asked for less units in a smaller building. Hossfeld also talked about traffic concerns on Excelsior Boulevard.

Calvert appreciated the history of the area and asked the developer to preserve trees and pull the building back from the road.
Happe asked how many units were in Zvago and whether a traffic study would be completed for the project. Gordon answered that Zvago had 54-units and that a traffic study would be done with a formal development plan.

Schack noted that she was not as concerned with mass, but was very concerned with driveway placement.

Acomb believed that housing was a good use, but was concerned with tree loss. She encouraged the developer to preserve what they could and include affordable housing.

Bergstedt shared that he believed that Glen Lake had been a dying area and the redevelopment had been a good thing; however, he was concerned with the loss of green space.

Ellingson said that he shared the concern about preserving trees and landscaping. He believed that a three-story apartment building was appropriate, but needed less units and smaller footprints.

Wiersum discussed his takeaways that the building needed to be smaller, that Stewart Lane was a significant issue, and that the entrance needs to be moved.

Barone mentioned that if the meeting went past midnight a motion must be made to extend the meeting.

C. Concept plan review for City of Minnetonka Police and Fire Facility Project at 14500 and 14550 Minnetonka Blvd.

Gordon gave the staff report.

Wiersum asked Gordon to trace the return route from Minnetonka Boulevard on the map. Wiersum asked if there were concerns over the fire trucks being able to navigate the roadway. Gordon answered that there were a few intersections that would need trimming for sight lines.

Assistant City Manager Perry Vetter presented project background and proposal as the applicant.

Jake Wollensak, Wold Architects and Engineers, presented the building and site concept plan. He shared the overall plan progression, existing traffic volume, proposed emergency vehicle routes, viewshed study, and exterior massing.
Bergstedt moved, Schack seconded a motion to extend the meeting deadline until 12:30 a.m. All voted "yes." Motion carried.

Calvert shared concerns over the steep grade when exiting onto Minnetonka Boulevard. Wollensak confirmed that it would be set at the standard 8 percent.

Acomb asked about alternative energy and storm water reuse. Wollensak answered both were being looked at for affordability. The plan included roof structure sizing that would allow solar panels in the future.

Calvert said that it was a beautiful building and thanked him for taking care of the city’s first responders.

Happe thanked the staff for planning and communication process and shared that he had heard nothing but positive feedback from the residents.

Bergstedt shared that he felt comfortable with the great working relationship between the police and fire chiefs.

Schack said that she was excited to offer future recruits above par facilities.

Wiersum asked about heating the exit slopes during the winter. Wollensak noted that heating coals get costly, but that it was a possibility if it was affordable. Wiersum thought it was a really great plan and noted that it was being held to the same high standards that residents and developers were held to. He acknowledged the great work that the fire and police departments do and wanted to give them what they needed to be successful.

15. Appointments and Reappointments:

A. Appointment to the economic development advisory commission

Recommendation: Approve the recommended appointment

Wiersum moved, Acomb seconded a motion to appoint Deb Calvert as the council liaison and Tim Bergstedt as the alternate to the economic development advisory commission. All voted “yes.” Motion carried.

16. Adjournment

Acomb moved, Bergstedt seconded a motion to adjourn the meeting at 12:08 a.m. All voted “yes.” Motion carried.
Respectfully submitted,

David E. Maeda
City Clerk