Minutes  
Minnetonka City Council  
Monday, Feb. 25, 2019

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, Mike Happe, Deb Calvert, Tim Bergstedt and Brad Wiersum were present. Council Member Rebecca Schack was excused.

4. **Approval of Agenda**
   
   Calvert moved, Bergstedt seconded a motion to accept the agenda with addenda to Item 13.C. All voted "yes." **Motion carried.**

5. **Approval of Minutes: None**

6. **Special Matters:**

   A. **2019 Empty Bowls Proclamation**

      Bergstedt read the proclamation.

      Kate Wilinski, ICA Food Shelf Community Engagement Officer, thanked the city as well as Hopkins and shared details for the event.

      Wiersum noted that it was a great event that he had attended many times, but he extended his regrets due to an out of town commitment.

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

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

   Calvert said it was her honor to have attended the Minnetonka Firefighter’s Banquet. She thanked them for their wonderful work and enjoyed the camaraderie. She had also attended the League of Minnesota Cities Legislative Conference where she advocated for the city with the local legislators.

   Bergstedt noted that the council would swear in its newest member, Susan Carter, prior to the study session meeting on Mar. 4, 2019.
Wiersum had also attended the legislative conference as well as the newly elected officials’ meetings where he had the opportunity to meet new council members from other cities.

8. Citizens Wishing to Discuss Matters not on the Agenda

No one appeared.

9. Bids and Purchases: None

10. Consent Agenda – Items Requiring a Majority Vote:

   A. Resolution approving a conditional use permit for an accessory apartment at 13615 Spring Lake Rd.

      Ellingson moved, Calvert seconded a motion to adopt resolution 2019-017 approving a conditional use permit for an accessory apartment at 13615 Spring Lake Rd. All voted “yes.” Motion carried.

11. Consent Agenda – Items requiring Five Votes: None

12. Introduction of Ordinances:

   A. An ordinance rezoning the property at 14410 Orchard Road from R-1, low density residential district, to R-2, low density residential district

      City Planner Loren Gordon gave the staff report.

      Happe asked how many residents or properties would be notified. Gordon answered it was an extended notification area, but he did not have the exact number.

      Ellingson asked how many homes could be built if the property were subdivided into one-half acre lots. Gordon answered 12-units if the road were not factored in; however, he said closer to eight or nine units with R1 zoning.

      Calvert asked for an image with the proposed lot lines drawn on the map of the property. Community Development Director Julie Wischnack said staff would prepare one prior to the Planning Commission meeting.

      Wiersum explained the council would not take public comment because this was an introduction. There would be a public hearing at the Planning Commission meeting.

      Calvert noted several concerns including the topography and grading.

      Happe wanted a clear plan for ground water and was concerned with safety on Orchard Road.
Wiersum asked for a plan for snow placement before the application returned to the council.

Gordon answered an earlier question noting that 137 people were included in the mailing.

Bergstedt moved, Happe seconded a motion to introduce the ordinance and refer the item to the planning commission. All voted “yes.” Motion carried.

13. Public Hearings:

A. Off-sale intoxicating liquor license for Tonka Bottle Shop LLC (DBA Tonka Bottle Shop), at 17616 Minnetonka Blvd.

Barone gave the staff report.

Wiersum opened the public hearing at 7:04 p.m.

Calvert moved, Happe seconded a motion to continue the public hearing to Apr. 1, 2019. All voted “yes.” Motion carried.

B. Resolutions supporting applications to the Department of Employment and Economic Development (DEED) and Hennepin County for funds from the Minnetonka Investment Fund, Job Creation Fund, and Economic Development Investment Fund

Wischnack gave the staff report.

Bill Wentink, PeopleNet, introduced himself and stood for question.

Wiersum stated that he was excited to have jobs coming to Minnetonka.

Wiersum opened the public hearing at 7:09 p.m. No one spoke. Wiersum closed the public hearing at 7:09 p.m.

Happe moved, Calvert seconded a motion to adopt:
1) Resolution No. 2019-018 supporting the submittal of a job creation fund application to the Department of Employment and Economic Development in connection with PeopleNet Communications Corporation
2) Resolution No. 2019-019 supporting the submittal of an application to Hennepin County for economic development infrastructure funds for PeopleNet Communications Corporation

All voted “yes.” Motion carried.

C. Public hearing related to tax increment financing for Marsh Run and update on development

Wischnack gave the staff report.
Happe asked about the gap between staff and the developer in negotiations. Wischnack answered it was difficult to answer because of the many changes during negotiation.

Wiersum shared that the council had received an email from the developer at 4:10 p.m., which is part of the addendum to the agenda. He explained that the council would not negotiate the terms at the meeting. The council relied on staff to negotiate on its behalf and without a recommendation from staff, it would only direct staff to continue negotiations.

Wiersum opened the public hearing at 7:14 p.m.

Brian McCool, Fredrikson & Byron, appeared as attorney for the developer. He said the council had approved a contract in December that provided for tax increment financing and a commitment for 30 years of affordable housing. The parties had attempted to negotiate in good faith, but city and economic development staff had proposed terms that were unworkable for the developer and the project. The developer was concerned with the requested action to continue the negotiations. Mr. McCool asked the council to direct staff to finish the contract that the council approved in December. He indicated that the developer had made a change to the contract to remove a rent restriction, and had failed to reach agreement with staff on the terms of the contract.

Wiersum again explained that council would not act tonight and encouraged the developer to continue to work with staff. He recollected the developer had asked the city to hurry so that it could purchase the land and the deal that was offered was only a stand-in so the developer could close on the land. Wiersum said that if the developer could not negotiate a deal with staff, the deal would go away. Wiersum indicated there was nothing further to discuss with the council.

Wiersum closed the public hearing at 7:20 p.m. and immediately reopened it to request a motion to continue the hearing.

Calvert noted that she agreed with everything Wiersum had said.

**Bergstedt moved, Calvert seconded a motion to:**

1) Continue the public hearing to Mar. 18, 2019.
2) Direct staff to continue to work with the developer to determine if a mutually acceptable agreement can be reached.

All voted “yes.” **Motion carried.**

14. **Other Business:**

A. **2019 Assessment Report**

City Assessor Colin Schmidt gave the staff report.
Bergstedt thanked the assessing staff for a report that was transparent, easy to understand, and concise. He thought it was interesting to watch how the city was changing and thanked Schmidt and the assessing staff.

Wiersum asked if the majority of the tax court filings were office buildings. Schmidt answered yes, and some industrial and apartment buildings.

Barone noted that the assessing division met the highest standards year after year for accuracy of the sales ratio and coefficient of dispersion.

Wiersum congratulated the assessing division. He encouraged residents to give them a call if they had a concern.

B. Concept Plan for redevelopment of property at 14525 State Hwy. 7

Gordon gave the staff report.

Calvert asked if the woodland on the slope behind the proposed building was a preservation area. Gordon said it was identified as an oak area, but would be studied if the project moved forward in order to determine if it should be identified as a preservation area. Calvert asked about the infrastructure behind the property. Gordon explained that Tower Hill Park was south of the commercial properties. It held one of the city’s water reservoirs and was an important asset. Calvert asked if there were engineering concerns over the protection of the water infrastructure. City Engineer Will Manchester answered it was something that was on the radar of engineering staff and would be closely monitored.

Happe asked if there were other apartment complexes in the area. Gordon said the closest would probably be Glen Lake more than a half mile away. Happe mentioned that he preferred owned homes and asked if the project was four or five stories. Gordon explained that it was typical elevation and style of other apartment complexes.

Wiersum asked staff to clarify whether Tower Hill Park was a park or just open space. Assistant City Manager Perry Vetter answered that Tower Hill Park was designated park land, but was mainly preserve land.

Perry Ryan, Lakewest Development Company, presented the project of a three-story, 59,000 square-foot building with studio, one-bedroom, and two-bedroom units. He thought there was a potential for affordable units. Mr. Ryan talked about the amenities, retailers, and Tower Hill Park.

Calvert asked about affordable housing and sustainable features. Mr. Ryan explained they were open to both ideas, but hadn’t gotten that far in the process.

Wiersum asked about the actual height of the building. Mr. Ryan explained it was four-stories of units and two-stories of parking, but five levels above grade. Calvert asked where the top of the building would be in relation to Tower Hill.
Park. Mr. Ryan said it would be ten to twelve feet taller than the park’s highest elevation.

Bergstedt wanted a detailed traffic study. He was also concerned with the views of the south facing units and the lack of green space.

Calvert was very concerned about protecting the city’s infrastructure and tree preservation. She also noted the massive size of the building, traffic concerns, and lack of green space.

Ellingson thought it would be helpful to see an illustration of the building in relation to the hill.

Wiersum noted concerns with the lack of sun on the south side, traffic, building design, and location. He urged the developer to get more creative and requested views from adjacent neighborhoods. He had a hard time coming up with positives and thought it would be a tough sell.

C.  Service and capital improvement agreement with Bennett Family Park, 3717 County Road 101

Vetter gave the staff report.

Happe asked whether, if it were a city park, the capital and operating costs would be much more expensive than the proposed agreement. Vetter agreed that the city would need to pay for more of the infrastructure as well as all of the operating costs.

Bergstedt commented that the partnership was a win win and the five to eight percent the city was contributing allowed the whole system to work.

Wiersum thanked Bennett Family Park for its contributions to the community. The park was a great organization that made a difference in the lives of youth at a very modest cost to taxpayers.

Calvert moved, Happe seconded a motion to approve the agreement. All voted “yes.” Motion carried.

15.  Appointments and Reappointments:

A.  Appoint Susan Carter as At Large Seat B City Council Member and call for a special election

Barone gave the staff report.

Calvert was very proud to live in a city where 64 people had applied to serve.
Wiersum moved, Calvert seconded a motion to adopt the resolution 2019-020 making the appointment and call for a special election on Nov. 5, 2019. All voted “yes.” Motion carried.

Susan Carter recognized the robust group of applicants who had applied. She was humbled to serve together with the council and represent the residents of Minnetonka.

Wiersum explained that she was not sworn in at the Feb. 19 meeting in order to give her time to meet staff and prepare.

B. Appointment of Advisors for the 2019 Board of Appeal and Equalization

Wiersum read the appointments.

Wiersum moved, Calvert seconded a motion to Approve Appointments of the Advisors. All voted “yes.” Motion carried.

16. Adjournment

Bergstedt moved, Happe seconded a motion to adjourn the meeting at 8:38 p.m. All voted “yes.” Motion carried.

Respectfully submitted,

Moranda Dammann
Deputy City Clerk