13B  Off-sale liquor license for Target Corporation, 4848 Co Rd 101

Attached is correspondence received after the packet was distributed.

14A  Items concerning the demolition and construction of a new automobile dealership at 15906 Wayzata Blvd.

Attached is correspondence received from the applicant requesting the item be removed from the agenda.

14B  Items concerning HIGHCROFT MEADOWS at 14410 Orchard Road

Attached is correspondence received after the packet was distributed.
TO: City Council
FROM: Loren Gordon, AICP, City Planner
DATE: May 6, 2019
SUBJECT: Change Memo for May 6, 2019

ITEM 13B - Off-sale liquor license for Target Corporation, 4848 Co Rd 101

Attached is correspondence received after the packet was distributed.

ITEM 14A – Walser Nissan, 15906 Wayzata Blvd.

The applicant has requested this item be pulled from the agenda to better respond to comments received at the planning commission meeting.

ITEM 14B – Highcroft Meadows, 14410 Orchard Rd.

The following letter was received after the packet was distributed.
May 6, 2019

Mayor Brad Wiersum  
Council Member Deb Calvert  
Council Member Susan Carter  
Council Member Bob Ellingson  
Council Member Rebecca Schack  
Council Member Mike Happe  
Council Member Tim Bergstedt

Mayor and Council Members,

I’m writing today to express support for Target’s application for an off-sale liquor license near their Target store at Highways 7 and 101 in Minnetonka.

The TwinWest Chamber of Commerce represents 700 businesses that employ 55,000 people in the west metro, including Minnetonka. As a business organization, it is our mission to support the growth of commerce in the region and ensure that our region is competitive. Convenient access to desired goods and services also ensure the attraction and retention of residents to the city of Minnetonka and workers to the region.

Target is a Minnesota-based, experienced retailer who understands how to create a vibrant, healthy retail marketplace that provides benefit to not only the neighborhood, but the neighboring businesses as well.

I encourage your unanimous support of Target’s application and continued presence as a corporate resident in the city of Minnetonka. Thank you for your consideration.

Sincerely,

Deb McMillan  
VP, Public Policy, TwinWest Chamber of Commerce  

Cc: Geralyn Barone, Minnetonka City Manager
Dear Mr. Councilmember Happe

As you may know we are on the May 6th City Council meeting for our preliminary plat approval for Highcroft Meadows located at 1440 Orchard Road in Minnetonka. The city staff has been excellent to work with and after their careful review of our preliminary plat submission they are recommending approval. We have greatly reduced the density for this project based on the input we have received from the neighborhood and the city concept meetings. We have also addressed all of the engineering and staff concerns and requirements and updated and adjusted our plans accordingly.

Our original proposal was for 19 detached Villa homes and we are now down to 13 detached Villa homes and one single family. Everyone has had to compromise to make this project work including the land owners. We are asking for a rezoning to R-2 with some variances to make the FAR workable. The property abutting to the west is already zoned R-2 and over 3 units per acre and the property abutting to the north is commercial/industrial.

There is a significant demand in Minnetonka for detached single family Villa homes that are association maintained and there are very limited options. If someone currently lives in Minnetonka and wants to stay in Minnetonka but wants to sell their larger existing 2-story home and desires to move to a single story main level living style home that is association maintained there are very limited options currently available.

We understand that some of the neighbors are very vocal about wanting only 8-10 larger single family lots on this site instead of the 13 smaller one story homes we are proposing. If that were the case however the 8-10 homes would likely be quite large and very expensive based on the land and development costs which is a stretch for the neighborhood.

If you have any questions about the project that you would like answered before the meeting on May 6th I would be readily available to meet anytime between now and then that is convenient for you. This is a very important project for us and I would like to make sure you have all of the information you need to make an informed decision.

Sincerely

Rick Denman
Charles Cudd Co LLC
March 8, 2019

The real estate market in Hennepin County saw continued increases across all major segments marking the sixth straight year of growth since 2013. For the 2019 assessment, the total estimated market value of real property countywide increased by over $11 billion, or 6.3%, to $185.8 billion.

While growth was seen in almost all segments, it was exceptionally strong in apartments, duplexes, industrial properties, marinas and residential co-ops. Apartments continued on their seventh straight year of growth since their market low in 2012. In that seven year span, a combination of market growth and new construction has contributed to a 171% rise in apartment property’s estimated market value across the county; from $8.0 billion to $21.7 billion.

An abundance of new construction occurred across the county, particularly in new single family residential houses and apartment buildings. New construction improvements contributed $2.5 billion in estimated market value to the 2019 assessment. This was a slight reduction from the $2.65 billion in new construction value seen in the previous assessment.

The median value of a residential single family house in Hennepin County rose 6.2% to $298,400. This marks a 47.4% increase from the low median value of $202,500 in 2013. As residential values have risen, the homestead market value exclusion has continued to decrease. This year saw a 7.1% decrease in the exclusion. However increases in apartment, commercial and industrial values have mitigated the resulting increase in tax burden on residential properties in most jurisdictions.

Assessors in Hennepin County have taken great care to capture these market swings as accurately, equally and uniformly as possible in the assessment. A fair assessment across all properties and all jurisdictions is our top priority.

In order to provide the utmost transparency into the data and processes utilized in creating the assessment, each year the Hennepin County Assessor’s Office compiles an annual report highlighting the latest assessment. This report provides a detailed look at the assessment of all real property within Hennepin County, both suburban and in the city of Minneapolis.

Last fall the Assessor’s Office issued a survey soliciting feedback on this report. We wanted to know what works, what doesn’t and what could be added that would make the report even more useful. We are greatly appreciative of the strong response we received and have done our best to incorporate that feedback into this year’s report. Some changes you might notice that are a direct result of this feedback include: greater detail at the municipal level, greater use of GIS to represent assessment data, summarizations of data at the Minnesota State Tax Classifications level and increased clarity and readability for those outside the assessing profession.

It is with great pleasure that the Hennepin County Assessor’s Office brings you the 2019 Annual Assessment Report.

James R Atchison, SAMA, CAE
County Assessor

Tamara A Doolittle, SAMA
Assistant County Assessor

Earl E Zent, SAMA, CAE
Assistant County Assessor

Hennepin County Assessor’s Office
300 South Sixth Street, Minneapolis, MN 55487
612-348-3000 | hennepin.us
Residential Single Family

Single Family Residential properties experienced 4.5% market growth across Hennepin County with the 2019 assessment. Growth was roughly equal between suburban Hennepin County (4.5%) and the city of Minneapolis (4.4%). The strongest growth was in the cities of Robbinsdale (11.8%), Crystal (9.1%) and the nearby Minneapolis communities of Camden (9.8%) and Near North (10.9%).

The median estimated market value of a house in Hennepin County rose from $281,000 in 2018 to $298,400 in 2019. The median sale price of a house in Hennepin County in calendar year 2018 was $300,000. The city with the highest median estimated market value is Minnetonka Beach ($1,246,000) and the school district with the highest median assessed value is Edina ($553,550).

1,473 new houses broke ground in calendar year 2018 in Hennepin County compared to 1,510 in 2017. The cities with highest number of new houses were Plymouth (268), Maple Grove (176), Dayton (156), Minnetrista (96) and Minneapolis (88).

Map of 2018 vs 2019 Market Growth:
Residential Single Family

The residential single family market in the city of Minneapolis experienced the strongest market growth in the Camden, Northeast, Near North, Phillips and Powderhorn Park communities while growth lagged in the Calhoun-Isles and Southwest communities. Residential single family properties across the city overall experienced 4.4% market growth with the 2019 assessment. The median estimated market value of a single family property in the city increased from $249,500 with the 2018 assessment to $265,500 with the 2019 assessment. The Near North community has the lowest average estimated market value ($150,500) in 2019 while the Calhoun-Isle community has maintained the highest average assessed value ($557,750).

88 new houses were built or started construction in the city in calendar year 2018. The median age of a house in the city is 94 years.

Map of 2018 vs 2019 Market Growth:
Residential Condominiums

Residential condominiums had 5.3% market growth across Hennepin County with the 2019 assessment. Condominium properties in suburban Hennepin saw much stronger market growth (7.4%) than condos within the city of Minneapolis (3.0%). The strongest market growth was seen in the cities of Brooklyn Park (17%), Crystal (17%), Hopkins (17%), Orono (14%), and Saint Anthony (14%) as well as the Minneapolis community of Camden (16%). This growth accounted for $610 million in new estimated market value with the 2019 assessment bringing the total estimated market value of condos across the county to $10.6 billion.

The median assessed value of a residential condominium in Hennepin County rose to $184,700 with the median value being much higher within the city of Minneapolis ($232,500) than in suburban Hennepin ($171,600). The Lake Minnetonka cities of Excelsior, Greenwood, Orono and Spring Park possessed the highest assessed values with the median condominium value being greater than $300,000 within these four cities.

Map of 2018 vs 2019 Market Growth:
Residential Townhomes

Residential townhomes saw 6.3% market growth across Hennepin County in the 2019 assessment; outpacing both residential single family and condominium growth. Growth was particularly strong in the Minneapolis communities of Camden, Near North and Phillips as well as the western cities of Loretto and Tonka Bay.

The median assessed value of a residential townhome in Hennepin County rose to $226,200 in 2019 with the highest median values being within the Lake Minnetonka cities of Spring Park ($690,000), Wayzata ($656,500), Excelsior ($594,000), Tonka Bay ($590,500) and Mound ($565,000). The median estimated market value of a townhome in the city of Minneapolis was at $263,500 in 2019.

307 new townhomes were constructed in calendar year 2018 led by the cities of Maple Grove (101), Golden Valley (61), Plymouth (46) and Brooklyn Park (40).

Map of 2018 vs 2019 Market Growth:
Duplexes and Triples

Exceptionally strong growth in duplex and triplex properties continued with the 2019 assessment for the third straight year. The market segment saw 8.7% market growth countywide with growth slightly stronger in suburban Hennepin (9.9%) than in the city of Minneapolis (8.5%). Growth was particularly strong in the cities of Bloomington, Champlin, Crystal, Golden Valley, Hopkins, Minnetonka, Mound and Plymouth with each city experiencing market growth greater than 15% in 2019.

The median value of a duplex or triplex in the county is $295,000 in the 2019 assessment with the median value roughly equal between suburban Hennepin and Minneapolis. The highest median value is found in the city of Edina ($436,000) while the lowest median assessed value is found in the city of Saint Bonifacius ($159,500). Ten new duplexes began construction in calendar year 2018; all within the city of Minneapolis.

Map of 2018 vs 2019 Market Growth:
Commercial

The commercial market saw 2.9% market growth across Hennepin County in the 2019 assessment with 2.7% growth in suburban Hennepin and 3.3% growth within the city of Minneapolis. The strongest commercial market growth was seen in cities near Lake Minnetonka such as: Tonka Bay (12.6%), Deephaven (12.4%), Orono (10.2%) and Greenwood (9.6%). This was driven by a strong increase in marina values of over 16% across the county. Strong growth was also seen in the northern inner ring suburbs and North Minneapolis. The 494 corridor cities of Bloomington, Eden Prairie, Edina and Richfield saw minimal commercial growth in the 2019 assessment. Downtown Minneapolis saw 2.9% growth pushing the estimated market value of commercial properties in that district to over $7.4 Billion.

Properties classified as commercial in Hennepin County include:

- Automotive
- Banks
- Day Care Centers
- Entertainment
- Fitness
- Food
- Golf Courses
- Hospitality
- Marinas
- Medical Clinics
- Office
- Retail
- And More...

Map of 2018 vs 2019 Market Growth:
Industrial

The industrial market experienced strong growth with the 2019 assessment seeing 7.7% market growth from the previous assessment. This was led by a very strong market in the inner northern suburbs, the western cities and the southeastern quadrant of Minneapolis.

Growth was particularly strong in properties valued under $1 million, properties under 25,000 square feet of gross building area and mini storage facilities. Seven new industrial buildings began construction in calendar year 2018 including three new mini storage buildings and two distribution warehouses.

Properties classified as industrial in Hennepin County include:

- Cement & Ashphalt Plants
- Cold Storage Facilities
- Commercial Grain Elevators
- Data Centers
- Distribution Warehouses
- Engineering and R&D Facilities
- Equipment Storage Buildings
- Flex Buildings
- Gravel Pits
- Heavy Manufacturing
- Industrial Condominiums
- Lumberyards
- Mini Storage
- Office Warehouses
- Transit Warehouses

Map of 2018 vs 2019 Market Growth:
Apartment

Apartments continued to be the fastest growing major segment in Hennepin County increasing by over $2.5 Billion (7.9%) in estimated market value. This included 8.8% market growth in suburban Hennepin and 7.0% market growth in the city of Minneapolis. Seven suburban cities saw apartment market growth greater than 15% including: Hopkins (23%), Shorewood (20%), Brooklyn Park (17%), Richfield (17%), Rogers (17%), Mound (16%) and Crystal (15%).

$870 million in new apartment construction occurred within Hennepin County in calendar year 2018 marking the seventh straight year of extraordinarily strong apartment construction in the county. This included new buildings breaking ground on 75 parcels. The strongest new apartment construction was seen in the cities of Edina, Minneapolis and Richfield.

There have been 384 new apartments constructed in Hennepin County since 2009 including 257 in the city of Minneapolis. The total estimated market value of these new apartment properties built in the last ten years totals over $5.6 Billion.

Map of 2018 vs 2019 Market Growth:
## 2019 Assessment By City

### Minnetonka

#### City Totals

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Agricultural</td>
<td>1 Parcels</td>
<td>1 Parcels</td>
<td>1 Parcels</td>
<td>1 Parcels</td>
<td>1 Parcels</td>
</tr>
<tr>
<td>Farm (R)</td>
<td>1 749,000</td>
<td>1 789,000</td>
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<td>5.3%</td>
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<tr>
<td>Apartment</td>
<td>74 923,737,000</td>
<td>78 989,136,000</td>
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<td>28,705,000</td>
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<td>Apartment (A)</td>
<td>64 909,182,400</td>
<td>70 973,888,900</td>
<td>7.1%</td>
<td>4</td>
<td>28,705,000</td>
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<tr>
<td>Nursing Home (NH)</td>
<td>2 10,624,000</td>
<td>2 10,624,000</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Vacant Apt Land (LA)</td>
<td>8 3,930,600</td>
<td>6 4,623,100</td>
<td>17.6%</td>
<td>0</td>
<td>0.0%</td>
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<tr>
<td>Commercial / Industrial</td>
<td>515 1,930,274,200</td>
<td>502 1,962,871,100</td>
<td>1.7%</td>
<td>8</td>
<td>12,811,000</td>
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<tr>
<td>Automotive (C)</td>
<td>36 89,247,000</td>
<td>36 46,632,000</td>
<td>46.8%</td>
<td>1</td>
<td>340,000</td>
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<tr>
<td>Bank (C)</td>
<td>14 23,936,700</td>
<td>14 24,407,700</td>
<td>2.0%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Fitness (C)</td>
<td>6 11,278,000</td>
<td>6 11,433,000</td>
<td>1.4%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Food (C)</td>
<td>19 20,875,000</td>
<td>19 17,887,000</td>
<td>-14.3%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Hospitality (C)</td>
<td>6 75,095,000</td>
<td>6 74,075,000</td>
<td>-1.4%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Industrial (I)</td>
<td>101 315,491,000</td>
<td>98 321,898,000</td>
<td>2.0%</td>
<td>1</td>
<td>8,808,000</td>
</tr>
<tr>
<td>Medical (C)</td>
<td>18 49,679,000</td>
<td>18 51,594,000</td>
<td>3.9%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Office (C)</td>
<td>136 823,046,000</td>
<td>131 843,371,000</td>
<td>2.5%</td>
<td>2</td>
<td>920,000</td>
</tr>
<tr>
<td>Railroad (CR)</td>
<td>20 210,000</td>
<td>20 210,000</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Retail (C)</td>
<td>79 460,209,000</td>
<td>79 467,058,000</td>
<td>1.5%</td>
<td>3</td>
<td>2,693,000</td>
</tr>
<tr>
<td>Utility (U)</td>
<td>1 210,000</td>
<td>1 210,000</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other Commercial (C)</td>
<td>27 40,201,000</td>
<td>41 45,718,300</td>
<td>13.7%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Vacant Com/Ind Land (LC / LI)</td>
<td>51 20,956,500</td>
<td>33 15,559,100</td>
<td>-25.8%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Residential</td>
<td>19,122 6,798,108,100</td>
<td>19,304 7,192,684,100</td>
<td>5.8%</td>
<td>551 48,702,200</td>
<td>4.5%</td>
</tr>
<tr>
<td>Co-Op (XC)</td>
<td>48 19,065,100</td>
<td>145 40,617,500</td>
<td>113.0%</td>
<td>0</td>
<td>0.0%</td>
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<tr>
<td>Condominium (X)</td>
<td>2,664 499,597,900</td>
<td>2,729 554,515,100</td>
<td>11.0%</td>
<td>36 1,736,600</td>
<td>7.6%</td>
</tr>
<tr>
<td>Duplex (DB) / Triplex (TP)</td>
<td>40 12,232,200</td>
<td>40 14,649,900</td>
<td>19.8%</td>
<td>1 5,000</td>
<td>17.5%</td>
</tr>
<tr>
<td>Single Family (R / RL)</td>
<td>13,190 5,596,433,200</td>
<td>13,230 5,879,126,900</td>
<td>5.1%</td>
<td>495 44,862,200</td>
<td>4.0%</td>
</tr>
<tr>
<td>Townhome (Y)</td>
<td>1,959 557,879,100</td>
<td>1,959 593,471,600</td>
<td>6.4%</td>
<td>17 2,050,400</td>
<td>6.0%</td>
</tr>
<tr>
<td>Zero Lot Line (RZ)</td>
<td>241 59,429,600</td>
<td>241 64,027,500</td>
<td>7.7%</td>
<td>1 48,000</td>
<td>7.7%</td>
</tr>
<tr>
<td>Other Residential</td>
<td>373 4,025,300</td>
<td>373 4,075,800</td>
<td>1.3%</td>
<td>0</td>
<td>1.3%</td>
</tr>
<tr>
<td>Vacant Res Land (LL / LR)</td>
<td>607 49,445,700</td>
<td>587 42,199,800</td>
<td>-14.7%</td>
<td>0</td>
<td>2.6%</td>
</tr>
<tr>
<td><strong>Total Real Property</strong></td>
<td><strong>19,712 9,652,818,300</strong></td>
<td><strong>19,885 10,145,480,200</strong></td>
<td><strong>5.1%</strong></td>
<td><strong>563 90,218,200</strong></td>
<td><strong>4.0%</strong></td>
</tr>
</tbody>
</table>

Utility building/machinery and Railroad values are provided by the Minnesota Department of Revenue in August and are not included in this report.
From: On behalf of the Bensman Family
To: City of Minnetonka – City Council, Planning Commission, & City Staff

RE: Supplemental Comments on Plat Topics

While there has been opinion-based comment on this plat, we feel it’s important to re-highlight in simple format the substantial, objective benefits of this plat:

1. **Site Plan Accommodations? Yes:** Over the past 6 months, Cudd has listened to public and City input during 4 public comment sessions. The plat has been modified substantially and thoughtfully to accommodate these comments.

2. **Comp. Plan Consistency? Yes:** The plat is consistent with the Comprehensive Plan’s low-density guidance and the City’s stated intent of creating alternative housing choices for current and future residents.

3. **Zoning Transition? Yes:** The site abuts 3 different existing zoning categories (institutional PUD, R-1, and R-2). Given the existing home on 6.4 acres, up to this point, zoning other than R-1 would have created a nonconforming use. No current zoning districts exist which specifically accommodate villa-style homes. Cities commonly create zoning transitions. The plat is consistent with this practice.
   - See graphic. Westerly abutting neighborhood is 2.92 units/acre
   - Highcroft is 2.51 units/acre. If same density as to the west, Highcroft would show 16 lots.

4. **Housing Choices for Minnetonka? Yes:** A single-home structure, main level living, and HOA maintained grounds allow Villa-Style homes to create a unique alternative to traditional single-family homes or high-density housing. Minnetonka has very limited existing supply and minimal future opportunities for this housing type.
   *** As a function of economic realities & development costs – R-1 zoning will not result in Villa-style homes, but typical McMansions.

5. **Consistency/Character with neighborhood? Yes:** There has been much opinion-based discussion of consistency of Highcroft and the surrounding neighborhood. The average age of the neighborhood homes is 50 yrs. old. By nature, new construction will not mimic the style of homes built during previous eras.
   - Homes: The proposed villa-homes sizes more closely align with existing home sizes than Minnetonka’s typical R-1 new construction homes.
     - Existing neighborhood = avg. sq.ft. of 2,530
     - Highcroft = avg. sq. ft. of 3,000 +/-
     - 2018 R-1 Minnetonka new construction = avg. sq. ft. of 4,405
   - Petition: 86% of petition signors live outside of neighborhood – many in different cities/states
   - Nearly 80% of the 135 noticed neighbors chose not to sign petition (28-30 of 135)
6. **Tree Impact Limited? **Yes: The plan’s design preserves 37% more significant trees than what is allowed by ordinance.

7. **Traffic Design? **Yes: City Staff has analyzed Orchard Road traffic counts and determined this 14-lot project will not materially impact existing Orchard Road functionality.

8. **Low-Impact Streetscape? **Yes: Different than R-1 homes, the proposed villa-style homes have a low-impact streetscape and roof line – this is consistent with the City’s intent of moderating visual mass.

9. **Stormwater Benefits? **Yes: The site has been engineered to meet/exceed stormwater requirements. This will have a positive impact vs. the current free-flow conditions.

10. **Site Grading Considered? **Yes: Site grading/impacts are substantially similar regardless of R-1 or R-2 development. Site grading is more a function of topography than lot count.

11. **Architectural Design? **Yes: Cudd places a premium focus on well-designed architecture both inside and out.

12. **High-Quality Builder? **Yes: Cudd is considered one of the Twin Cities most respected & premier builders – winning over 30 awards from the industry, peers, & customer groups.

The City’s professional staff outlines a detailed review of the topics and recommend approval based on factual details and the interest of Minnetonka as a whole. We ask your decision be based on objective facts and findings – not subjective opinions about development not fitting the neighborhood character. R-1 is not a superior solution or a consistent fit with the existing neighborhood.

We appreciate your review and asks for your support of this plat. We believe the plat is not only appropriate, but an asset to the City – both today & for future residents.
Orchard Rd. Area Homes — Home Types are mostly 1-level, but also twin homes, 2-story, and split-level.

Highcroft Meadows — Home Types are HOA maintained Villa homes 1-level living with integrated bonus area above.
Avg. Sq. Ft. = +/- 3,000 sq.ft.

2018 ample R-1 Minnetonka Homes — Home Types are typically 2-story, No FAR/massing limitation, and Avg. Sq. Ft. = 4,405

(*** 74% Larger Than Orchard Road existing homes *)