Minutes
Minnetonka City Council
Regular Meeting, Monday, March 23, 2015

1. Call to Order
Acting Mayor Tim Bergstedt 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, Bob Ellingson, Dick Allendorf, and Patty Acomb, were present. Tony Wagner and Mayor Terry Schneider were excused.

4. Approval of Agenda
Wiersum moved, Acomb seconded a motion to accept the agenda with an addendum to item 13A. All voted “yes.” Motion carried.

5. Approval of Minutes: February 9, 2015 regular meeting
Wiersum moved, Allendorf seconded a motion to approve the February 9, 2015 regular meeting minutes. All voted “yes.” Motion carried.

6. Special Matters:
A. Proclamation declaring April as Safe Digging Month
Bergstedt read the proclamation.

7. Reports from City Manager & Council Members
Barone reported on the schedule for upcoming council meetings.
Acomb reported she represented the city at the National League of Cities conference a few weeks ago.
Wiersum reported he had the opportunity to co-emcee the recent Caring Youth event.

8. Citizens Wishing to Discuss Matters not on the Agenda
No one appeared.

9. Bids and Purchases:

A. Items related to the property at 2510 Oakland Road

Assistant City Manager Perry Vetter gave the staff report.

Wiersum asked for additional information about how residents would access the property once it was developed. Vetter said there would be a planning process to determine what amenities would be on the property. The agreement was very restrictive. Any structure would be built in the footprint of the house. There was an allowance for benches, interpretive signs, etc. but basically it would be a nature preserve with minimal walking paths. ADA accessibility would be allowed.

Acomb said the $2.6 million purchase price was a lot of money but it was half of what the property was valued at. She said she hoped the city could do something to honor and recognize Ann Cullen Smith’s generosity and gift to residents.

Allendorf moved, Acomb seconded a motion to:

1) Amend the 2015-2019 Capital Improvement Program
2) Adopted resolution 2015-018 reimbursing certain expenditures from the proceeds of the bonds to be issued by the city

All voted “yes.” Motion carried.

10. Consent Agenda - Items Requiring a Majority Vote:

A. Order for tobacco license violation for Lucky’s Station LLC

Allendorf moved, Wiersum seconded a motion to approve issuing the Finding of Fact, Conclusion, and Order for Lucky’s Station LLC

All voted “yes.” Motion carried.

B. Resolution amending Council Policy 2.5 regarding tax exempt financing

Allendorf moved, Wiersum seconded a motion to adopt the resolution amending Council Policy 2.5. All voted “yes.” Motion carried.

C. Items related to Council Policy 11.6 – Use of the Burwell Property
Allendorf asked that the item be pulled from the consent agenda. He noted the recommendation was for a 12 month moratorium on the use of the Burwell property. The reason was there had been some requests to hold some large events like weddings on the property and there were not procedures and policies in place to accommodate those requests. He said he couldn’t recall many times when the council approved a 12 month moratorium for something. The few granted dealt with difficult development related issues. He felt in this case staff could develop appropriate rules and procedures without having to take away an important asset for residents for an entire year. He asked if a six month moratorium would allow staff and the park board to come up with a process and procedures to handle the larger requests. Vetter said he believed six months would allow enough time to develop a process and procedures. The initial concern was it would be sometime in late summer before the item could be added onto the next available park board agenda. Allendorf said the Burwell House was such an asset that he would hate to see it unavailable for general use for 12 months.

Wiersum said he did not disagree with Allendorf’s concern but given the timing of the park board meetings perhaps a compromise of a nine month moratorium might make sense.

Allendorf said he thought six months would be enough time to allow the park board to look at the item in time for the joint meeting with the council in November.

Barone said staff had not received many, if any, requests for winter use. The goal would be to have a policy in place to allow use in the summer of 2016.

Bergstedt said if the vast majority of requests were for spring and summer the compromise suggestion seemed to make sense.

Allendorf moved, Wiersum seconded a motion to approve a moratorium until the end of 2015 on the private use of the Burwell site, City Council Policy 11.6, until amendments to the policy can be presented for consideration. All voted “yes.” Motion carried.

D. Labor agreement between the city of Minnetonka and the International Union of Operating Engineers Local 49 – Public Service Workers

Allendorf moved, Wiersum seconded a motion to approve the 2015-2017 labor agreement between the city of Minnetonka and the International
Union of Operating Engineers, Local No. 49, AFL-CIO. All voted “yes.” Motion carried.

E. Items related to the grant of a cable communications franchise

Allendorf moved, Wiersum seconded a motion to authorize the publication of notice of intent to franchise and notice of public hearing and thereafter follow the statutory procedural requirements for items related to the granting of cable franchise. All voted “yes.” Motion carried.

11. Consent Agenda - Items requiring Five Votes: None

12. Introduction of Ordinances:

A. Ordinance removing area from the wetland overlay district

City Planner Loren Gordon gave the staff report.

Acomb moved, Wiersum seconded a motion to introduce the ordinance and refer it to the planning commission. All voted “yes.” Motion carried.

13. Public Hearings:

A. Items concerning At Home Apartments at 5709 Rowland Road

Bergstedt opened the public hearing at 6:59 p.m. No one spoke.

Wiersum moved, Acomb seconded a motion to continue the item and the public hearing to the April 6, 2015 council meeting at the request of the applicant. All voted “yes.” Motion carried.

14. Other Business:

A. Concept plan review for Kraemer’s Hardware redevelopment at 14730 Excelsior Boulevard, 5431, and 5439 Williston Road

Gordon gave the staff report.

Darren Lazan, Landform Professional Services, said he was representing the applicant, Lakewest. He said they still considered it a very fluid plan. There were previous proposals for the site.
Pete Keely, Collage Architects, said information from the studies had been taken into account. Open space and the knoll on top were important. The idea was to preserve that portion of the natural landscape. Another important aspect of Williston Road was the serial nature of development that occurred over time. Traditionally there were single family home developments and parcels were developed along lot line patterns. He said for this proposal the idea was to respect those developments. Also being looked at was where on the site access should occur. The Kraemer's site had access on to Excelsior Boulevard. Traffic could turn on to Williston Road. Two access points are being looked at for this plan: one at the current access point and another on Williston Road. He said although it would be a four story building, there would be a lot of grade break. Three stories would face Excelsior Boulevard due to the step back. He showed illustrations of the building with a portion with a pitched roof and the same portion with a flat roof. The pitched roof might fit in better with some of the residential character but would add mass.

Keely said council feedback would be helpful on the idea of the access from Williston Road coming into 25 parking stalls. There were some concern that the stalls were too close. Feedback would also be helpful on the idea of the 50 foot setback from Excelsior Boulevard and if the location of the building was right, and the nature of the transition.

Wiersum asked for more information about the number of units that would be in the building. Keely said as of now there would be 78 total units. Evaluation was being done over the right mix. What was being shown now was 60 one bedroom apartments and 18 two bedroom apartments. There was one to one below enclosed parking with 41 exterior stalls. Wiersum asked if it was feasible to slide the curb cut over and still qualify as a fire lane. Keely said the fire access would have a hammerhead at the end making it pretty restrictive. One option would be to have residents enter and take two 90 degree turns. One turn would be going up a hill and the other down a hill and this seemed a little convoluted. Wiersum agreed the topography would be challenging.

Allendorf said the illustration of the building with a pitched roof looked to him like architecturally something was being forced on to a major building that doesn’t belong on a major building. Keely said the idea was to have that end of the building feel a little bit different than the rest. He agreed the pitched roof was a little bit forced but that it would work. His preference was to have a flat roof. There were options for breaking down the look of the building. Allendorf said to his eye the material matching was a better option. He asked if Keely looked at having the fire lane on the north side of the twin homes rather than the south side. Keely said he did look at that option. There was concern about the location of the hill. He said the fire
lane provided a natural barrier and by putting it on the north side it would move the twin homes close to the apartments.

Acomb noted the building would be further back from Excelsior Boulevard than the existing buildings. She asked if this was to accommodate more parking. Keely said one reason was to respect the 50 foot setback. Within the setback additional parking could be added. In addition the idea was not to have units right off the parking lot. He said the location of the building would be further discussed because it would impact other future development as well as the number of parking stalls.

Allendorf asked, thinking long term, if the dance studio property could be purchased by the owner of this property, how the two properties would work together as one. Keely said in the future he thought Excelsior Boulevard would develop along its length. The existing drive access was probably in the right location. If the second property were developed he thought there would still be the ability to get behind the buildings with a parking structure. He thought there would be options for the dance studio property into the future because the knoll and the green space at the top of the hill creates a natural pinch point. He did not see this plan as precluding future development.

Brian Farley, 14811 Peteler Lane, said he was present to see the preliminary plans and from what he had seen he was pretty excited about the project. The property had been an eyesore for a number of years and he hoped the project moved forward.

Bob Streff, 5407 Williston Road, said this was the best concept plan he had seen so far. He still had some concern about the impact of the traffic flow.

Bergstedt shared comments Schneider had provided to him. Schneider indicated for a concept plan he thought the proposal fit in nicely with the site. He had some concern about the proximity of the two driveways.

Bergstedt said staff had asked for input on tax increment financing and thoughts on affordable housing.

Wiersum said it was speculative to talk about TIF or other economic development tools when they had not been requested. If they were to be considered the question was what the city would get in return for using those tools. The city supports and needs more affordable housing. When the economy took a downturn the number of affordable units diminished. In the past the city has traded affordable housing for density above zoning. He said in the end it will come down to evaluating what the project
would look like without those tools versus what it would look like with the tools and if the investment was worth what could be gained.

Wischnack said a more direct question was if the council expected affordable housing to be part of an application. Acomb said the Glen Lake area as being appropriate for affordable housing because it was one of the village centers that offered services that would help support affordable housing needs. The city needs affordable housing.

Allendorf asked what the market study showed was the target market for a project like this in Glen Lake. Lazan said right now what was being looked at was a market rate project. He felt there was a market that would support the project. For the number of units it was thought all could be market rate housing. If affordability was a component the city was interested in, it was something that could be looked at. Allendorf said in this area he thought a certain number of affordable units would be appropriate. If the market study showed the desire for very expensive apartments he might have thought differently. But given the idea for market rate apartments he thought some affordable units could be fit in and would be a good addition to Glen Lake and the city.

Bergstedt said when looking at the metro area goal for affordable units and how behind the city was, and given the history and precedent of most of the recent approvals, he hoped staff, the applicant, and the council would be discussing the possibilities of some affordable units and how to best make that work.

Wiersum said adding the Kraemer property to the other properties enabled the developer to come up with a plan that fit far better than anything the council had previously seen. He was encouraged by the residents' comments and by what he had seen. The biggest concern with previous proposals was moving commercial and higher density housing up Williston Road. This plan would reduce the density and provide a nice transition.

Acomb said she too liked the transition going up into the neighborhood on Williston Road. She preferred the flat roof for the building. Her concerns related to the potential for a PUD. These concerns came from other projects from the past that were approved as a PUD, only later to come back as something else that wasn't initially approved. She was looking for some reassurances this would not occur.

Bergstedt said at this point in the process the builder had not been identified. As the process moved forward it might give some of the council members some comfort to know who else would be involved with the development. The concern was rezoning a property, approving a plan, and
then having the plan sit for a number of years since the zoning goes with the property and not with the application.

Lazan said it was the group's intent to construct the project. A PUD would only be looked at if some of the zoning guidelines made the project difficult to work.

Acomb asked if there could be a stipulation that if the approved project did not get built the PUD zoning would go away or some mechanism so the PUD rezoning would expire. City Attorney Corrine Heine the council would have to go through a rezoning process because PUD was a form of zoning. Once it was put in place it stayed in place until the council rezoned the property. On another development that is not a PUD, staff proposed the zoning would not go into effect until the plat is filed. This was a way to tie the zoning into another measurable event but it does not ensure that building permits would not be pulled.

Bergstedt said the council had looked at several plans for the property. One plan was looked at approximately a year ago and he credited this plan that seemed to be much more sensitive to the site and much more appropriately scaled and creative.

Bergstedt called a recess at 7:55 p.m. He called the meeting back to order at 8:06 p.m.

B. 2015 Assessment Report

City Assessor Colin Schmidt presented the report.

Allendorf noted that the weekend newspaper included information about area sales for the past month. The information included five sales in Minnetonka. The highest sales price was $419,000. Three others were in the $200,000’s and the final one was $179,000. He said the city's message that Minnetonka wasn't just million dollar homes was a message reflected by those recent sales.

15. Appointments and Reappointments: None

16. Adjournment

Acomb moved, Wiersum seconded a motion to adjourn the meeting at 8:24 p.m. All voted “yes.” Motion carried.
Respectfully submitted,

David E. Maeda
City Clerk