

1 HRA members present: T. Shaver, B. Ambrose, D. McGill, B. Petit, R. Wothe
2 HRA members absent: None
3 City Staff/HRA Executive Director present: Heidi Nelson
4 City Staff present: Becky Malone, Bryan Gadow
5 Also Present: Stacie Kvilvang of Ehlers & Associates, Jason Aarsvold of Ehlers &
6 Associates

7
8 Chairman Shaver called the meeting of the HRA to order at 7:35 am.
9

10 APPROVAL OF AGENDA

11 McGill motioned to approve the April 24, 2014, meeting agenda as presented, seconded
12 by Ambrose The motion passed 5/0 by voice vote.
13

14 APPROVAL OF MINUTES – MINUTES OF January 23, 2014

15 Wothe motioned to approve the January 23, 2014, minutes as presented, seconded by
16 McGill. The motion passed 5/0 by voice vote.
17

18 NEW BUSINESS
19

20 a. Review Parking Study and Financing Background Information

21 Gadow reviewed the Parking Study prepared in 2012 by SRF Consultants. This study
22 includes the use of traffic models and on site evaluations in October and July. At this
23 time the City has an overall surplus of parking spaces in the downtown area even
24 though some areas may have a deficit. Depending on what could happen with the
25 redevelopment of Zone 10, this could trigger a significant deficit in parking. Now that
26 the study has been completed, the City needs to look at what financing solutions may
27 be available and designs and capacity.
28

29 Shaver stated the study did not provide the same level of detail for both the east and the
30 west side.
31

32 Gadow stated SRF did a scan of the whole community in October but the City felt there
33 were key pieces missing including the bike travel in the western part of town. The City
34 asked SRF to look at the western end more closely during July to get a better picture of
35 peak usage in that area and also to look at different redevelopment scenarios
36 specifically in Zone 10.
37

38 McGill stated the middle paragraph on page 9 of 28 indicates the City has assisted
39 other communities in funding their public parking ramps. He asked if this was a matter
40 of using the bonding capacity.
41

42 Stacie Kvilvang stated Ehlers & Associates has worked with other communities that also
43 have public parking facilities in their downtown areas. She stated this is a public
44 financing method and there is typically two (2) ways to do this. One is tax abatement
45 bonds and the other is statutory authorities that are specific for public owned parking.
46 The City will need to look at what financing options they want to do including special
47 assessments, use cash to buy down some of the debt or other sources such as the
48 Presbyterian Homes development tax increment. The City could also consider

1 assessing the benefiting properties in the area. There are some policy discussions the
2 Council will need to have regarding charging for parking as well.

3
4 Shaver asked if the \$1.3 million adjustment for the City owned lot was an appraised
5 value.

6
7 Nelson clarified the amount is not an appraisal amount. It was more a market rate
8 based on other sales in the area and the value used for establishing the TIF for
9 Presbyterian Homes. There have been other entities interested in this lot but
10 Presbyterian Homes has first right to the property. At this time they are interested in the
11 property but not immediately.

12
13 Wothe asked what they would use the property for.

14
15 Nelson stated Presbyterian Homes has the first option until 2016. It could be used as
16 small office/retail space to compliment the businesses across the street.

17
18 Shaver stated using the proceeds from the City owned property and a draw down on a
19 portion of the City's funds on the TIF for the Presbyterian Homes project but 5% of this
20 TIF was to be used for services that would support the density. He asked if there had
21 been any study on what value the City could get from this TIF project to allow the City to
22 continue to administer the burden and what is available.

23
24 Kvilvang stated the tax increment that is generated from this cannot be utilized for basic
25 City services. They have to be reinvested for redevelopment purposes within the
26 community. If the City wanted to use that 5%, the City would have to send it back to the
27 County for redistribution and the City would only get their set percentage back to the
28 general fund.

29
30 Shaver clarified it would be more beneficial to maximize these proceeds and use them
31 for redevelopment opportunities.

32
33 Nelson stated the TIF projections have been updated based on the first year of
34 assessments. Once this has been evaluated it will be brought back to the HRA for
35 further discussions.

36
37 Shaver stated one of the big questions that needs to be looked at is if this will be a pay
38 for parking facility because this will have an impact of funding. He asked what the time
39 frame is for the Council to resolve this issue.

40
41 Nelson stated there have been discussions with the Council. There are models
42 throughout the Metro area regarding these types of facilities. She stated the
43 expectations are that you do not pay for parking in the suburbs. The option of permitted
44 spaces for employees is also being looked at.

45
46 Shaver stated the financing portion of this project will depend on the decision regarding
47 free parking or paid parking. He stated the timing of this decision could have significant
48 impact.

1
2 Petit stated there are a lot of pieces being presented but not a clear overall picture of
3 the plan for the area. He asked if the Council had a big picture view of the project area
4 so the HRA could provide more focused discussions and recommendations. He stated
5 this is a critical junction in providing direction for the City. He stated the City needs to
6 determine if they want to increase density in this area or not.

7
8 Ambrose stated in the past the City has always told businesses that they need to
9 provide their own parking but if the larger community vision involves increasing the
10 attraction to the City with the lake effect then there is more responsibility for the City to
11 provide a place for these people once they come.

12
13 Petit asked what the Committee should be considering at this time.

14
15 Nelson stated for the Presbyterian Homes project, many of the improvements that are
16 being constructed around that project were part of studies to analyze the traffic impacts
17 and parking demand. One of the components of the Lake Effect project is a parking
18 structure to add capacity to downtown. At this time it is difficult to know what will
19 happen out of the Lake Effect Plan.

20
21 Petit asked if changes are the best solutions or if they are the best the City can do given
22 what they have. He expressed concerns about the getting to the destination because
23 the City will find a way to fund it. There are areas in town that used to be easy to get
24 around but have gotten increasingly difficult due to traffic.

25
26 Gadow clarified Petit's concerns were regarding the street pattern getting from the north
27 side of town to the lake front.

28
29 Petit clarified that this is a large piece of his concerns.

30
31 Shaver stated with a large project the City does require a traffic study. If the City
32 continues to develop and grow it will take more time to get places, but the questions is
33 what is considered an acceptable time. The City is gearing up for more densification of
34 the lake front. When Presbyterian Homes was planned, the traffic study at that time
35 showed steps the City has already taken. He stated Petit's concerns lie in the Lake
36 Effect study and the overall grand plan, what is the vision for the City and how are we
37 going to do this. He stated the overall question would be "What do we want Wayzata to
38 be?"

39
40 Nelson stated the City is looking at how to move forward and what implementation
41 would look like. She stated there would be a design process that would include what
42 the City wants it to look like and what the traffic and parking impacts would be. It is hard
43 to know what the streets should be without knowing what the project will be for the area.

44
45 McGill stated at some point the City will need to figure out how to get people from Hwy
46 394 to the downtown area as well as getting around downtown.

47

1 Gadow stated this is preliminary at this time. The Lake Effect project would not be
2 successful without letting people know about the project and getting people to the area.
3 The final destinations need to be designed before the infrastructure can be determined.
4

5 Shaver stated according to the study the City does not have a parking issue at this time
6 but long term there is an issue. He asked the Commission if this was something they
7 wanted to continue to bring forward.
8

9 Petit asked if the City was going to have an aggressive parking idea, how much does
10 the City really need, how much will fit in this area, and how to finance it. The size of the
11 parking lot would affect the saturation of traffic in the area.
12

13 Shaver asked Staff what feedback they have received from the municipality.
14

15 Nelson stated the comments and questions brought up will be taken to the Council for
16 consideration as they look at the next steps. There are significant impacts to the Muni
17 operation because they have people there every day watching traffic and parking
18 patterns. There will be a significant impact to the liquor store because people will not
19 walk a significant distance to get these products. The City will have to make sure that
20 this stays viable given the pressure of parking down there. The new restaurant opening
21 will also put additional pressure on the parking. There are people from Presbyterian
22 Homes not familiar with the on-site parking there so they are parking in front of the
23 Muni. She stated as people become more familiar with this the parking will get better.
24

25 Shaver stated if the City ever sold the corner piece then something would have to be
26 done otherwise nothing will work.
27

28 Petit clarified that the size of the parking ramp takes into account that this corner will be
29 redeveloped.
30

31 Shaver clarified that it did.
32

33 Wothe asked if a City could have too much parking. If the City provides enough parking
34 it will precipitate change because a developer would have their parking concerns
35 addressed.
36

37 Petit restated that his concern is not the parking itself but rather the getting to the
38 destination.
39

40 McGill stated there are people who think of solutions to problems before they are even
41 identified so there would be solutions to Petit's concerns as well.
42
43

44 b. Discuss Policy for Public Assistance for Redevelopment Projects

45 Nelson stated this policy was to establish priorities so Staff can have good discussions
46 with developers about what the City might consider participating in and what they are
47 not interested in participating in. This would also keep the City in line with State law
48 regarding what they should and should not be doing. She pointed out the memo

1 outlines what criteria an applicant must meet before the City would consider
2 participating on page 28.

3
4 Shaver stated the priorities are a good initial filter process. He stated he understands
5 the recommendation that the projects offer some diversification to the City.

6
7 Petit stated in the past the City has accommodated developers so that they can do what
8 they feel they must in order to pay for the land value and the City needs to determine if
9 this is in the best interest of the City.

10
11 Ambrose stated there should not be assistance available for overpayment of land.

12
13 Kvilvang stated there are landowners that have unrealistic expectations of what their
14 land is worth. Taking these landowners through the process will show them that it is not
15 worth the amount they think so it will not get developed. Land is a function of what will
16 be built there.

17
18 Petit asked if there were any loophole in the must meet criteria 1-10 on page 27.

19
20 Ambrose stated he would not like to see definitive yes and no answers for Item #1 but
21 would like to see full reports. The HRA trusts Staff to do some screening when it comes
22 to Item #2.

23
24 Shaver clarified this would provide a filter tool for Staff so they can determine if the
25 project would even be considered.

26
27 Wothe stated the policy should provide some built in flexibility to handle things as they
28 change.

29
30 Shaver suggested they discuss each of the items listed under Issues to consider on
31 page 28. He stated based on discussion the HRA would like to see some flexibility in
32 the policy. He stated he would like to see Staff filter projects prior to bringing them to
33 the City for consideration. He asked for discussion regarding Item #3.

34
35 McGill stated overpayment of land and meeting design standards are already included
36 in the 10 criteria the project must meet. He asked if the City would want to provide
37 more public assistance for affordable housing.

38
39 Wothe stated the City currently has over 50% rental units and there is not a need for
40 additional at this time.

41
42 The HRA discussed affordable housing and if they could restrict public assistance for
43 these projects. It was the consensus of the HRA that they could not enact regulations
44 that prevent affordable housing but the City did not have to provide public assistance for
45 any rental projects including affordable and market value.

46
47 Nelson explained Item #8 would be reviewed in accordance with the Zoning Code.

48

1 Ambrose suggested not allowing public assistance for financial services buildings as
2 well.

3
4 Wothe stated he would not agree with this as a limiting factor because this would be
5 against what the community is.

6
7 Shaver asked if the City would waive or flex in the payment of fees. He suggested
8 providing this flexibility to Staff. This is something that can be looked at as part of
9 encouraging development.

10
11 Nelson stated flexibility in how these fees are paid would be good for the City.

12
13 Petit suggested eliminating this because it will put the City in a corner.

14
15 It was the consensus of the HRA to eliminate Item #4.

16
17 Shaver suggested the City continue to stay less than the statutory limits for the number
18 of years assistance can be limited to.

19
20 It was the consensus of the HRA to continue to stay within the statutory limits for the
21 number of years assistance can be limited to and use this as an additional negotiation
22 tool.

23
24 Wothe stated he did not agree with Item #6 even though it already exists.

25
26 Nelson stated this was a way to pull in higher wage earners with higher disposable
27 incomes in order to support our businesses.

28
29 Kvilvang stated State Statute requires the City to establish a minimum job requirement
30 and wage floor. She suggested keeping the minimum job requirement number low.
31 There is flexibility in this based on the development. The minimum wage is increasing
32 and by 2016 it will be \$9.00 per hour. She recommend not setting this high but to keep
33 it realistic. This is just the base floor.

34
35 Shaver clarified this had to be set as policy in order to provide assistance.

36
37 Nelson stated this was correct.

38
39 It was the consensus of the HRA to set the minimum job requirement at 1 and use
40 150% of minimum wage as the wage floor.

41
42 Nelson stated Staff will work on a draft policy and bring back to the HRA in July.

43
44 NEXT MEETING DATE

45 Shaver asked what date would work in July for the HRA to meet.

46
47 It was the consensus of the HRA to schedule the July meeting to July 29, 2014.

48

OLD BUSINESS

None.

ADJOURNMENT

There being no further business; Wothe motioned to adjourn at 9:00 a.m., McGill seconded the motion and the motion carried 5/0.

Respectfully submitted,



Becky Malone
Deputy City Clerk
City of Wayzata

Drafted by Tina Borg, *TimeSaver Off Site Secretarial, Inc.*