

HRA members present: B. Ambrose, T. Shaver, D. McGill, B. Petit

HRA members absent: R. Wothe

City Staff/HRA Executive Director present: Heidi Nelson

City Staff present: Darla Frink

Also present: Trudy Halla, Briggs and Morgan; and, Stacie Kvilvang, Ehlers & Associates

Chairman Shaver called the meeting of the HRA to order at 7:40 a.m.

APPROVAL OF AGENDA

McGill motioned to approve the September 5, 2013, meeting agenda as presented, seconded by Ambrose. The motion passed 4/0 by voice vote.

APPROVAL OF MINUTES – MINUTES OF JULY 25, 2013

Petit motioned to approve the July 25, 2013, minutes as presented, seconded by Shaver. The motion passed 4/0 by voice vote.

PUBLIC HEARING TO CONSIDER THE ISSUANCE OF A MULTIFAMILY HOUSING REVENUE NOTE AND ON A PROPOSAL FOR A HOUSING FINANCE PROGRAM (HAMMER RESIDENCES, INC. PROJECT)

Trudy Halla, Briggs and Morgan, explained that revenue notes are being issued for the Hammer Residences, Inc. to refinance three bonds. Ms. Halla stated the Wayzata Bremer Bank has agreed to buy the bonds, if approved, in the total amount of \$5.5 million as a direct purchase. Ms. Halla stated the City issued \$2.5 million of bonds for Hammer Residences, Inc. in December of 2006. She explained the Wayzata HRA was formed in the 1970s, which precedes a statute giving cities, HRAs, and EDAs the ability to issue bonds. Therefore, the City Council has to grant that authorization. In this case, the Wayzata City Council adopted an ordinance authorizing the HRA one-time authority to issue bonds for the Hammer Residences, Inc. project. Ms. Halla provided an explanation of the difference between bank qualified and non-bank qualified bonds.

Shaver opened the public hearing at 7:48 a.m.

There being no additional public comment, Shaver closed the public hearing at 7:48 a.m.

The HRA agreed to reorder the agenda and next consider New Business.

NEW BUSINESS

- a. **Consider Resolution Approving the Issuance and Sale of a Multifamily Housing Revenue Note (Hammer Residences, Inc. Project), Series 2013 and Authorizing the Execution of Documents Relating Thereto**

Petit made a motion, seconded by Ambrose to adopt Resolution No. 01-2013HRA, Approving a Housing Program and the Issuance and Sale of a Multifamily Housing Revenue Note (Hammer Residences, Inc. Project), Series 2013 and Authorizing the Execution of Documents Relating Thereto. The motion passed 4/0.

OLD BUSINESS

a. Update on Lake Effect Planning Process

Nelson reported on the well-attended Lake Effect Open House on August 13, 2013, where Scenarios A, B, and C had been presented and a new scenario, Scenario D, developed. She stated the City Council authorized Scenario D to be presented during James J. Hill Days to obtain additional input. It was noted the most controversial issues relate to the need to accommodate parking, the parking lot by Sunsets, and the Mill Street ramp. It was noted Scenario D creates a parking plaza that can easily be transitioned for event use.

Ambrose asked about approval from other jurisdictional agencies (Watershed District, DNR, and Conservation District). Nelson stated staff will research possible tradeoffs through a green perspective to meet the goals of those agencies as well as the Lake Effect. She noted a key factor is safety along the Lakefront and downtown as people like to walk the tracks and ability to provide another opportunity to walk along the lakefront other than the train tracks. Another issue is determining the right amount of activity that can still maintain a "small town" nature.

Nelson stated the Framework will continue to be refined and next steps include meetings with jurisdictional agencies and Burlington Northern to assure safety issues are addressed. Within the next three months, the Framework, which is a ten-year plan, will be presented to the Planning Commission, Park Board, Heritage Preservation Board, and HRA. At that time, prioritization will also occur.

The HRA briefly discussed components of the Framework and asked questions of Nelson relating to how elements such as the green lawn by the Depot will be brought forward. Nelson stated the Boatwork's lake access has not been a specific focus and it is the intent for the City to partner with the private property owner to determine their goals and future development opportunities.

Petit asked how the pieces will be designed. Nelson stated it may be by competition or RFP. She advised that the City Council decided to hold off on sidewalks on the north side of the 600 block to see where the pedestrian design goes before moving forward. Nelson stated this sidewalk issue will be considered over the winter months.

Petit asked whether the process is going forward as anticipated by staff. Nelson stated the process has gone above and beyond expectations because of the high level of input by the community (30-40% resident participation).

Ambrose asked about civic venues in the 600 block and whether a civic venue/convertible street is part of Scenario D. Nelson explained the term had been changed to "parking plaza," which may be a cobblestone parking area that can easily be converted to an event space. Ambrose stated he hopes the Framework contains viable pedestrian space that will also benefit downtown businesses.

b. Update on Priority Redevelopment Sites

Nelson stated the top redevelopment site is Meyer's Dairy building so staff reached out to three developers to ask how it might look. She stated this building is not officially listed as an historic structure but due to the age/construction of the building, there is

desire to retain some of the City's history. Nelson stated it will depend on what is financially feasible.

Stacie Kvilvang, Ehlers & Associates, stated they have spoken with three developers, Beard Group, George Sherman, and Anderson Builders, about the Meyer's Dairy site and what the market will bear as far as size, structure, types of reuse, and challenges. The goal is to generate activity for the west end. Kvilvang explained that due to the building's structure, a full reconvert to restaurant/bar is not feasible functionally and in addition, there is not sufficient density given land costs. All three developers indicated, at a minimum, bringing in the adjoining property (car wash) to create a larger site, additional square footage, and opportunity to address parking. All three developers mentioned vertical mixed use and underground parking. Kvilvang stated two of the three developers (Beard Group and George Sherman) have preliminary site plans and are preparing numbers for presentation to staff. Once that information is presented, it will be brought before the HRA for review and input.

Ambrose asked about abatement of asbestos and/or mold. Kvilvang stated there are many remediation options and one of the challenges to the developers is to determine what portion of the Meyer's Dairy building can be saved.

Petit asked about the value of the property. Nelson indicated a broker has been engaged on the property and met with staff.

Shaver stated the property is environmentally challenged and there will be need for remediation because of the building's age, fueling of trucks, and other activities that occurred on that property. He suggested the issue of blight be addressed so the HRA can offer TIF as a redevelopment tool.

Petit asked how motivated the property owners are to sell. Nelson stated she does not get the sense that there is urgency. Petit stated he spoke with David Graham who develops apartments and condominiums about the number of land dollars you can apply per unit. He stated there may be a disconnect between what the property owner wants and the property is worth, which may be an issue. Ambrose stated that is also his sense.

Shaver stated a lot combination with the car wash property, an on-going business, may further complicate the process.

Petit stated the variable relates to the land cost and it would be interesting to determine the impact of including the car wash property on the per square foot land costs. Shaver stated it would probably increase the land costs on a per foot basis, causing it to be even more difficult to make the mixed-use structure proforma work.

Kvilvang pointed out that adding the car wash property will increase efficiency of the site and broaden opportunity for how it can be used.

Shaver asked who is doing the project east of the car wash. Nelson stated a construction firm is re-facing the building for its own use.

NEW BUSINESS

- a. Consider Resolution Approving the Issuance and Sale of a Multifamily Housing Revenue Note (Hammer Residences, Inc. Project), Series 2013 and Authorizing the Execution of Documents Relating Thereto

This item was considered prior to Old Business.

NEXT MEETING DATE

Following discussion of availability, Shaver made a motion, seconded by Ambrose, to schedule the next meeting on Thursday, October 31, 2013. The motion passed 4/0.

ADJOURNMENT

There being no further business; McGill motioned to adjourn at 8:25 a.m., Shaver seconded the motion and the motion carried 4/0.

Respectfully submitted,

Becky Malone
Deputy City Clerk
City of Wayzata

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.