City of Wayzata Housing and Redevelopment Authority
Annual Meeting Agenda
Thursday, January 29, 2015

7:30 am – 8:30 am
Wayzata City Hall Community Room
600 Rice Street East
Wayzata, MN 55391

1. Call to Order – Chairman Shaver

2. Approval of Agenda

3. Approval of Minutes of October 23, 2014

4. Annual Meeting 2014/2015
   a. Election of officers (Current officers: Chair Shaver; Vice-Chair Wothe; Secretary McGill)
   b. Appoint Executive Director
   c. Receipt of Financial Report (will be presented at April 30 meeting, post-audit)
   d. Confirm 2015 Meeting Schedule: April 30, July 30, and October 29

5. New Business
   a. Consider Subordination Agreement for Marquee Place – Robert Meller
   b. Review of Wayzata Bay Center Redevelopment Tax Increment Financing – Stacie Kvilvang
   c. Update on Downtown Parking Improvements – Scope of Work – James Lasher
   d. Information on ULI Workshop – February 17, 2015 4:30 – 6:30 pm

6. Next Meeting Date: April 30, 2015

7. Adjournment

HRA members present: T. Shaver, B. Ambrose, D. McGill, B. Petit, R. Wothe
HRA members absent: None
City Staff/HRA Executive Director present: Heidi Nelson
City Staff present: Becky Malone and Don Uram

Chairman Shaver called the meeting of the HRA to order at 7:30 am.

APPROVAL OF AGENDA

Wothe motioned to approve the October 23, 2014, revised meeting agenda as presented, seconded by Ambrose. The motion passed 5/0 by voice vote.

APPROVAL OF MINUTES – MINUTES OF SEPTEMBER 12, 2014
Ambrose stated on page 2, line 17, the "e" should be capitalized in "Lake Effect".

McGill motioned to approve the September 12, 2014 minutes, seconded by Wothe as amended. The motion passed 5/0 by voice vote.

OLD BUSINESS

a. Update on selection of Owners Representative for Programming and Pre-Design for Mill Street Parking Structure

Nelson provided an update on the selection of Owners Representative Services for programming and pre-design for the Mill Street parking structure. The Consensus of the City Council and HRA Representatives was to move forward with LSA Design. She reviewed what services would be included with the proposal. There will be a Council/HRA Representative workshop on November 7 to outline the scope of issues to be addressed in programming and pre-design. Staff has met with Mr. Lasher to discuss the scope of the project including questions the City had in regards to the use of available parking, communication, education, opportunities for signage, and designated parking. The City's Parking Ordinance and development agreements would also be reviewed. Staff would work through the process over the next three months and potentially be ready for construction documents in January and have something started in late 2015.

Petit asked what the City's discussions have been with Carisch.

Nelson stated they have met but there has not been a formal direction developed. There is room for improvement in the ramp and an opportunity for a partnership to keep the ramp public. The City's goal is to keep this as a public asset. LSA has done the type of work that would be needed to improve this structure and this could be something that can be done as part of negotiations with Carisch.

Shaver clarified the City might be willing to make the improvements if the ramp is maintained as a public structure but this would be something that the City would have to work out with Carisch. He suggested the City establish a priority list including the Carisch ramp and the land at Lake and Superior and what the development and needs would look like.

Nelson stated signage for public parking at Presbyterian Homes might be something to look at as well. Mr. Lasher will be an asset in accomplishing the City's goals.

b. Update on City Council adoption of Business Subsidy Criteria and Public Financing Policy

Nelson provided an update on the City Council's amendment and action for the Business Subsidy Criteria and Public Financing Policy. The HRA version of the Policy that was presented to the City Council precluded the use of TIF and Tax Abatement for construction of new rental housing units but it did not specifically address reinvestment/preservation of existing rental housing. She reviewed the language adopted by the City Council under Item 5.A.9 which would include utilizing public financing for the purpose of preservation or reinvestment in existing rental housing and retain the policy direction that public financing would not be used exclusively for the construction of new rental units.

Wothe asked what happened at the City Council meeting regarding the application from Interfaith Outreach and Community Partners (IOPC) for tax abatement.

Nelson stated this application had to be scheduled for a public hearing, which had been noticed to be held on October 21 but IOPC had asked to have this postponed. It will go back to the City Council on November 5. The City Council had expressed concerns that the request did not express a specific need and it should have been made with the initial project request.

McGill stated Kim Vohs of IOCP had stated they had never been asked to find a reason to ask for funds. The Policy amendment does not state what the HRA had suggested it should say.

Shaver asked if the City would be setting a precedent by approving abatement for a preexisting project or after the project has been completed.

Nelson stated from Staff's standpoint if you are doing a rehabilitation project that improves the stock of rental housing then the City might consider tax abatement for a specific portion of the project, not to cash flow the project. There needs to be some stated improvement related to the project related to what the City would like to see done.

McGill asked if IOPC had justified the need for the money.

Nelson clarified the stated need is for future maintenance costs.

Shaver stated in order to approve this type of request then there should be a demonstrated need showing the cash flow does not allow for setting up a reserve for capital improvements.

Ambrose stated there is a need for existing rental housing to be maintained. He asked what percent of the housing was multi-family and rental housing.

Nelson stated 45% of housing is multi-family and 35% is rental and 75% of the multi-family housing is rental.

NEW BUSINESS

a. Consider future meetings at 7:30 a.m. on the 4th Thursday of the month:
   a. January 22, 2015
   b. April 23, 2015
   c. July 23, 2015
   d. October 22, 2015

Ambrose stated he has another meeting at 9:00 on the fourth Thursday of the month.

Nelson stated the third Thursday of the month would be the same week as the City Council meetings. She would prefer the HRA meetings be moved to the second Thursday of the month so they are off set from the City Council meetings so there is an opportunity for either the City Council or the HRA to review items.

Shaver clarified it was the consensus of the HRA was to schedule future meetings for the second Thursday of the month at 7:30 a.m. and a new calendar would be issued.

b. Consider certificate of completion for Laurent Westlake St. Development Project dated 09-13-1995

Uram provided the background information on the Laurent Westlake Street development. The HRA should have issued a Certificate of Completion when the project was complete and this was not done. In order for the property to be sold the Certificate of Completion must be issued.

Petit made a motion, seconded by Wothe to approve the Certificate of Completion for the Laurent Westlake St. Development Project.

Uram stated there have been several closings on the property and this had not been brought up until recently. He does not know that the City received a notice of completion from the developer that would have triggered the issuance of the certification. The City has issued certificate of occupancy for all the properties and the TIF District has been decertified. At this time Staff can only assume that everything has been taken care of pertaining to the property.

The motion was called to a vote. The motion passed 5/0.

Nelson provided an update on the housing numbers provided earlier. The information was obtained from the 2009 Wayzata Affordable Housing Taskforce study. Presbyterian Homes is not represented in this information. The Comprehensive Plan will be updated in 2018 and the housing information would be reviewed again at that time. The total housing units were 2,056 and of this 43% were single-family detached and 57% are multi-family units. Of the multi-family units 65% (1344 units) are owner occupied and 35% (410 units) are rental.

Petit stated before Presbyterian Homes about 20% of the City's housing was rental units. Presbyterian Homes added approximately 300 units.

Nelson clarified that the nursing home units would be counted differently than the assisted living and independent care units.

Shaver stated the City has not considered if they would continue to maintain this percentage or increase it similar to surrounding communities.

Nelson stated there would be a tour of Presbyterian Homes West and Plaza blocks that are under construction on Tuesday October 28 at 4:00 p.m. There would be another tour in approximately February. Anthropology was announced as the anchor tenant in the West Block and they are expected to be opened by August. The all age apartments are being named Quayside and the condos are called the Regatta. The senior housing will be named according to the other blocks. They have also signed a lease for another restaurant in the West block.

ADJOURNMENT

There being no further business; McGill motioned to adjourn at 8:24 a.m., Wothe 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.*

City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Date: January 21, 2015

To: Housing and Redevelopment Authority Members

From: Heidi A. Nelson, City Manager

Subject: Marquee Place Subordination Agreement

The owners of Marquee Place have requested that the HRA execute a new subordination agreement for the property due to a refinancing of the real estate. The city's legal counsel has reviewed the new subordination agreement and terms of the development agreement and recommend approval of the new subordination agreement. As the HRA members may be aware, staff has been in discussions with the Carisch family with regard to the potential extension of the 1987 easement for public parking in the ramp. The current easement will expire in 2017. Staff is also exploring potential improvements to the ramp structure that could be part of an agreement to extend the public parking easement for the future. This work will continue within the Downtown Parking Improvement scope being completed by LSA Design.

Phone: 952-404-5300 Fax: 952-404-5318 e-mail: city@wayzata.org home page: www.wayzata.org

Robert L. Meller, Jr.
Attorney DIRECT 612.349.5648
rmeller@bestlaw.com

Memorandum

DATE:	January 21, 2015
TO:	City of Wayzata HRA
FROM:	Best & Flanagan LLP
REGARDING:	Carisch Brothers Subordination Agreement
FILE NUMBER:	43-991413

In 1987, the HRA and the Carisch Brothers entered into an extremely complex tax increment agreement relative to the Carisch Brothers' Property in Wayzata, including a private/public parking ramp. One of the governing documents, the Private Development Agreement dated as of August 7, 1987 provided at Section 8.1 of said Agreement:

> The HRA agrees that it will execute a Subordination Agreement for <u>any</u> first mortgagee encompassing the terms and provisions of the Subordination Agreement attached hereto as Exhibit H and made a part hereof. (emphasis added)

Carisch Brothers via their new ownership entity Marquee Place LLC is seeking to refinance the property with a new lender as is permitted by the 1987 Private Development Agreement provided that: 1) the new first mortgage is an arm's length, bona fide transaction; and 2) that the new first mortgage encumbers the entire development property and does not provide for release of any portion thereof.

A copy of the new proposed Subordination Agreement, attached hereto as Exhibit A, properly follows the provisions of the original 1987 Subordination Agreement (Exhibit H) and, assuming the two above-referenced conditions are met, we recommend that the Subordination Agreement be executed by the HRA at a duly noted public meeting.

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SUBORDINATION AGREEMENT

BY AND AMONG

THE HOUSING AND REDEVELOPMENT AUTHORIITY IN AND FOR THE CITY OF WAYZATA

MARQUEE PLACE LLC;

AND

LIFE INSURANCE COMPANY OF THE SOUTHWEST

Recording requested by and
after recording please return to:

Law Offices of F. J. von Turkovich, PC
One National Life Drive, M-230
Montpelier, VT 05604

EXHIBIT A

LSW

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT ("**Agreement**") made effective as of the ____ day of ______________________, 2015, but effective as of the 3rd day of December, 2014, by and between THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF WAYZATA, a public body corporation established and existing under Minnesota Statutes §469.001 to §469.047 ("**HRA**"), MARQUEE PLACE LLC, a Delaware limited liability company ("**Borrower**"), and LIFE INSURANCE COMPANY OF THE SOUTHWEST, a Texas corporation, ("**Lender**")

RECITALS

A. HRA has entered into a Private Development Agreement ("**Development Agreement**") with Carisch Brothers, a Minnesota general partnership ("**Carisch**"), predecessor interest to Borrower, dated August 7, 1987, a memorandum of which Development Agreement was recorded September 30, 1987, in the office of the County Recorder of Hennepin County, Minnesota as Document No. 5329631, and October 1, 1987, in the office of the Registrar of Titles of Hennepin County , Minnesota as Document No. 1876486.

B. Pursuant to the Development Agreement, HRA has executed and delivered to Carisch a limited warranty deed, which deed was recorded September 30, 1987, in the office of the County Recorder of Hennepin County, Minnesota as Document No. 5329629, and October 1, 1987, in the office of the Registrar of Titles of Hennepin County, Minnesota as Document No. 1876485 (the "**Deed**").

C. Pursuant to the Development Agreement, Carisch executed a Declaration of Covenants and Restrictions (the "**Declaration**") dated September 18, 1987, and recorded September 30, 1987, in the office of the County Recorder of Hennepin County, Minnesota as Document No. 5329633, and October 1, 1987, in the office of the Registrar of Titles of Hennepin County, Minnesota as Document No. 1876488, imposing certain restrictions upon certain real property legally described on the attached Exhibit A (the "**Premises**"). The Declaration, together with the Development Agreement and the Deed, are the "**HRA Documents**."

D. Pursuant to the Development Agreement, Carisch and the HRA also entered into an Assessment Agreement, dated September 9, 1987, and recorded September 30, 1987, in the office of the County Recorder of Hennepin County, Minnesota as Document No. 5329632, and October 1, 1987, in the Office of the Registrar of Titles of Hennepin County, Minnesota as Document No. 1876487, setting for property tax purposes a minimum market value on the Premises and the improvements to be constructed thereon (the "**Assessment Agreement**").

E. On or about October 31, 2005, Carisch transferred the Premises to Borrower.

F. Borrower is borrowing $18,375,000 from Lender (the "**Loan**").

G. The Loan is evidenced by an Amended and Restated Promissory Note in the principal amount of $18,375,000 dated the same date as this Agreement (the "**Note**"), executed by Borrower in favor of Lender, and is being secured by an Amended and Restated Mortgage, Assignment of Leases and Rents, and Security Agreement and Fixture Filing (the "**Mortgage**") dated the same date as this Agreement, executed by Borrower in favor of Lender and recorded on December ____, 2014, in the Office of the Registrar of Titles of Hennepin County, Minnesota, as Document No. ___________ on the Improvements described in the Development Agreement.

H. As a condition to making the Loan, Lender has required the execution and delivery of this Agreement by the HRA.

ACCORDINGLY, and for valuable consideration, the receipt and sufficiently of which is hereby acknowledged, the HRA and Lender agree as follows:

1. Subordination. Regardless of the priority of any right or interest otherwise available or belonging to the HRA, each and every right and interest of the HRA in and to the Premises of any kind whatsoever under the HRA Documents is hereby made and shall be fully subordinate and subject to the lien of the Mortgage to the full extent of the indebtedness at any time secured thereby and to any other lien or security interest at any time hereafter acquired by Lender in all or any portion of the Premises to secure any sums advanced or costs incurred in connection with the Mortgage or the Note. The HRA agrees that Lender may, at any time and from time to time, without notice to or consent from the HRA, extend the time for, or alter the terms of, payment of any indebtedness secured by the Mortgage, or alter or amend or waive any term of the Mortgage or the Note in any way, provided that no less than the entire Premises may be encumbered by or released from said Mortgage.

2. No Obligation. Except as expressly set forth in paragraphs 4, 5 and 7 hereof, Lender shall have no obligation to the HRA of any kind whatsoever with respect to the Development Agreement, the Mortgage or the Note, and Lender may exercise its rights and administer its duties under such documents as it sees fit. Lender shall have no duty to the HRA to preserve, protect, maintain, insure, take possession of, foreclose, dispose of or otherwise realize upon the Premises.

3. Deed in Lieu of Foreclosure. If Lender accepts a deed to the Premises from Borrower or any of its successors or assigns following any Event of Default under the Mortgage, then, upon the recording of such deed, all right, title, claim and interest of the HRA in and to the Premises, whether pursuant to the Deed, the Development Agreement, the Declaration or otherwise shall be automatically null and void without the need for the execution or recording of any other document; provided, however, that the foregoing shall not limit the effect of paragraphs 4, 5 and 6 hereof.

4. Parking Ramp. Notwithstanding anything herein to the contrary, Lender agrees that if it succeeds to the interest of Borrower in the Premises, whether by foreclosure of the Mortgage,

acceptance of a deed in lieu thereof or otherwise, the Premises shall be subject to the provisions of paragraph 1 of the Declaration.

5. Insurance. Notwithstanding anything herein to the contrary, Lender agrees that if it succeeds to the interest of Borrower in the Premises, whether by foreclosure of the Mortgage, acceptance of a deed in lieu thereof or otherwise, the fee owner of the Premises shall provide comprehensive general public liability insurance, including personal injury liability for injuries to persons and/or property, including any injuries resulting from the operation of automobiles or other motorized vehicles on or about the Development Property, in the minimum amount for each occurrence of $1,000,000.00. The City of Wayzata and HRA shall be named as additional insureds.

6. Mortgage Financing. Notwithstanding anything herein to the contrary, Lender agrees that if it succeeds to the interest of Borrower in the Premises, whether by foreclosure of the Mortgage, acceptance of a deed in lieu thereof or otherwise, any mortgage or encumbrance placed on the Premises thereafter shall encumber the entire Premises and shall not be released from less than the entire Premises.

7. Assessment Agreement. Lender agrees that if it succeeds to the interest of Borrower in the Premises, whether by foreclosure of the Mortgage, acceptance of a deed in lieu thereof or otherwise, the Premises shall be subject to the Assessment Agreement, and any improvements built on the Premises, whether or not they are the improvements presently contemplated by the Assessment Agreement, shall be deemed to be the improvements referred to in the Assessment Agreement.

8. Representations and Warranties. The HRA represents to Lender that the making, delivery and performance of this Agreement have been duly authorized by all necessary action on behalf of the HRA, and this Agreement constitutes the valid and binding obligation of the HRA, enforceable in accordance with its terms.

9. Lender Not a Party to Development Agreement. The HRA acknowledges that Lender is not a party to the Development Agreement.

10. Successors and Assigns. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon and shall inure to the benefit of the HRA and Lender and their successors and assigns, including any successor to Lender's interest in the Premises.

11. Choice of Law. This Agreement is made and executed under and in all respects is to be governed and construed by the laws of the State of Minnesota.

12. Captions and Headings; Number. The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, and the plural shall include the singular.

(Execution pages follow)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

MARQUEE PLACE LLC, a Delaware limited liability company

By: Marquee Manager Inc., a Minnesota corporation
Its: Manager

By: ______________________
George L. Carisch
Its: President

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

On _______________ _______, 2015, before me, a Notary Public in and for said State, personally appeared George L. Carisch, the President of Marquee Manager Inc., a corporation under the laws of Minnesota, the Manager of MARQUEE PLACE LLC, a limited liability company under the laws of Delaware, on behalf of the corporation, on behalf of the limited liability company.

____
Notary Public

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF WAYZATA, a public body corporation established and existing under Minnesota Statutes §469.001 to §469.047

By: ______________________________

Name: ____________________________

Title: _____________________________

By: ______________________________

Name: ____________________________

Title: _____________________________

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

On _____________, 2015, before me, a Notary Public in and for said State, personally appeared _____________ and _____________, the _____________ and _____________, respectively, of THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF WAYZATA, a public body corporation established and existing under Minnesota Statutes §§469.001 to §469.047, on behalf of that body.

____

Notary Public

LENDER

LIFE INSURANCE COMPANY OF THE SOUTHWEST, a Texas corporation

By: ______________________________
Frank von Turkovich, Counsel and duly authorized representative

STATE OF VERMONT)
)
COUNTY OF WASHIINGTON)

On this _____ day of _____________, 2015, before me, a Notary Public of the State of Vermont, personally appeared Frank von Turkovich, Counsel and duly authorized representative for LIFE INSURANCE COMPANY OF THE SOUTHWEST, known to me, and acknowledged that he, being authorized to do so, executed the foregoing document for the purposes therein contained as his free act and deed and the free act and deed of LIFE INSURANCE COMPANY OF THE SOUTHWEST.

Before me,

____
Notary Public

____
Print Name

My Commission Expires: 2/10/15

THE PREMISES

Parcel 1:

Lot 1, Block 1, Carisch Brothers Addition, according to the recorded plat thereof, and situate in Hennepin County, Minnesota.

Together with the appurtenant easements contained in Declaration of Parking Easements filed as Document No. 5329634, amended by Document No. 5518560 in the office of the County Recorder and as Document No. 1876489, amended by Document No. 2001145 in the office of the Registrar of Titles; Adjacent Wall Easement Agreement filed as Document No. 5329635 in the office of the County Recorder and as Document No. 1876490 in the office of the Registrar of Titles; Utilities Easement Agreement filed as Document No. 5329637 in the office of the County Recorder and as Document No. 1876492 in the office of the Registrar of Titles; Sanitary Sewer Easement Agreement filed as Document No. 5329640, amended by Document No. 5401440, in the office of the County Recorder and as Document No. 1876496, amended by Document No. 1923522 in the office of the Registrar of Titles; and together with Easement for snow removal purposes as reserved in Warranty Deed filed in the office of the Registrar of Titles as Document No. 2507269, and Declaration of Storm Sewer Easement filed as Document No, 5348421 in the office of the County Recorder and as Document No. 1889057 in the office of the Registrar of Titles.

(NOTE: Part of the above parcel is registered land as evidenced by Certificate of Title No. 811985 said registered land being described as follows: That part of Lot 1, Block 1, Carisch Brothers Addition embraced within Lot 8, Block 1, Wayzata, according to the recorded plat thereof, and situate in Hennepin County, Minnesota.)

Parcel 2:

Lot 2, Block 1, Carisch Brothers Addition, according to the recorded plat thereof, and situate in Hennepin County, Minnesota.

Together with the appurtenant easements contained in Declaration of Parking Easements filed as Document No. 5329634, amended by Document No. 5518560 in the office of the County Recorder and as Document No. 1876489, amended by Document No. 2001145 in the office of the Registrar of Titles; Adjacent Wall Easement Agreement filed as Document No. 5329635 in the office of the County Recorder and as Document No. 1876490 in the office of the Registrar of Titles; Declaration of Storm Sewer Easement filed as Document No. 5329639 in the office of the County Recorder and as Document No. 1876495 in the office of the Registrar of Titles; Declaration of Retaining Wall Easements filed as Document No. 5329638 in the office of the County Recorder and as Document No. 1876494 in the office of the Registrar of Titles; and together with Easement for snow removal purposes as reserved in Warranty Deed filed in the Office of the Registrar of Titles, as Document No. 2507269 and also together with rights

reserved under Declaration of Easement filed in the Office of the County Registrar of Titles as Document No. 3274099.
(NOTE: Part of the above land is registered land as evidenced by Certificate of Title No. 811985, said registered land being described as follows: that part of Lot 2, Block 1, Carisch Brothers Addition embraced within Lots 1, 2, 8, 12 and 13, Block 1, Wayzata, according to the recorded plat thereof., Hennepin County, Minnesota.)

Abstract Property
Torrens Property
Torens Certificate No. 1179147

City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Date: January 21, 2015

To: Housing and Redevelopment Authority Members

From: Heidi A. Nelson, City Manager

Subject: Update on Bay Center Redevelopment TIF District and Project Completion

The City's Financial Advisors, Ehlers, has prepared an update on the status of the Bay Center Redevelopment TIF district for presentation during the HRA meeting of January 29th. Additionally, as the HRA may be aware, Presbyterian Homes with BohLand Development will be coming forward with plans for the final block of the project, the East Block, over the winter. A workshop with the City Council and the Planning Commission was held on January 20th to review the proposed use changes to the East Block as well as preliminary design of the East Block. In brief, the proposed uses include retail, hotel and condo, with the removal of the office use as anticipated in the original approvals. Staff will provide an update on the process going forward at the meeting.

Phone: 952-404-5300 Fax: 952-404-5318 e-mail: city@wayzata.org home page: www.wayzata.org

EHLERS
LEADERS IN PUBLIC FINANCE

The Promenade of Wayzata Project Update

Stacie Kvilvang & Jason Aarsvold – Ehlers

Approved Site Plan

Approved Block Plan

Current Approved Uses By Block

Block	Use	# of Rental Units	# of For-Sale Units	# of Hotel Rooms	Sq/Ft Retail	Sq/Ft Office	% Complete on January 2, 2014
North	Senior apartment with services	164	-	-	-	-	85%
Superior	Senior apartments - independent living	90	-	-	-	-	95%
	Retail	-	-	-	31,524	-	95%
West	Senior apartments - independent living	73	-	-	-	-	10%
	Non age restricted apartments	26	-	-	-	-	10%
	Retail	-	-	-	40,714	-	10%
Plaza	Condos	-	59	-	-	-	10%
	Retail	-	-	-	21,722	-	10%
East	Hotel	-	-	100	-	-	0%
	Office	-	-	-	-	27,314	0%
	Retail	-	-	-	35,155	-	0%
TOTAL	**N/A**	**353**	**59**	**100**	**129,115**	**27,314**	**N/A**

EHLERS
LEADERS IN PUBLIC FINANCE

Comparison of Proposed Vs. Actual (To Date)

Use	Proposed	Actual	Difference
Senior Rental	330	327	(3)
Non Age Restricted Housing	90	85	(5)
Retail	130,000	129,115	(885)
Office	27,000	27,314	314
Hotel	100	100	0

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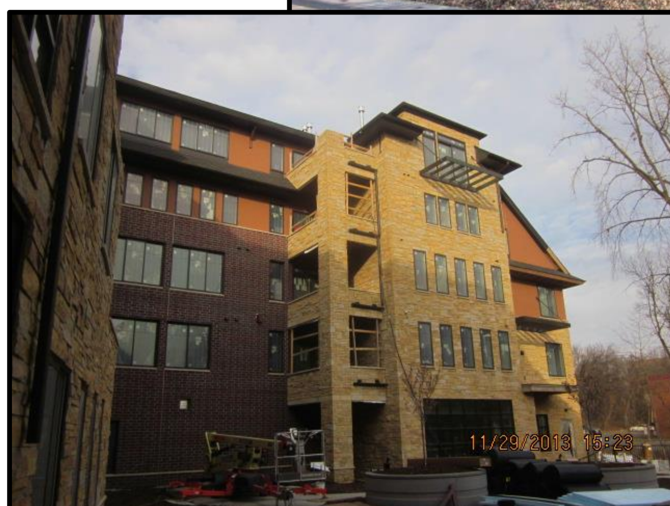
LEADERS IN PUBLIC FINANCE

North Block

- Apartments 100% occupied
  - ✓ 58 Independent living
  - ✓ 58 Assisted living
  - ✓ 18 Memory care
  - ✓ 30 Skilled nursing



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Superior Block

- 90 Independent living
  - ✓ 100% occupied
- Retail 80% leased (approximately 6,300 sq/ft vacant)
  - ✓ Lund’s
  - ✓ Sotheby’s
  - ✓ Olives & Sprigs
  - ✓ Twiggs

EHLERS
LEADERS IN PUBLIC FINANCE

Plaza Block

- All 59 condominiums presold
  - ✓ Average sales price of approximately $1M
- Both condos and first floor retail under construction
  - ✓ 5% leased
    - 1 lease signed and 1 pending

EHLERS
LEADERS IN PUBLIC FINANCE

West Block

- Apartments under construction
  - ✓ 77% preleased
- Retail under construction
  - ✓ Leasing has commenced
    - 35% leased
  - ✓ 2 leases signed
    - Anthropology
    - District Restaurant

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LEADERS IN PUBLIC FINANCE

The Promenade of Wayzata

EHLERS
LEADERS IN PUBLIC FINANCE

Increase in Market Value 2015 Through 2018

District	Original Market Value	Pay 2015 Market Value	Percent Increase in Value
Wayzata Bay	$16,800,000	$90,603,000	539.30%
		Pay 2016 Market Value	
		$150,315,000	894.73%
		Pay 2017 Market Value	
		$190,540,999	1134.17%
		Pay 2018 Market Value	
		$204,490,304	1217.20%

EHLERS
LEADERS IN PUBLIC FINANCE

TIF Assistance

- Pay-As-You-Go TIF Note
  - ✓ Up to $22.910 million
  - ✓ 8.75% interest rate
  - ✓ 26 year term
  - 95% of TIF generated
    - ✓ HRA retains 5% for authorized uses
      - Administration
      - Other qualified redevelopment purposes
    - ✓ 5% admin is estimated to be approximately $123,000 annually when full development value is determined
      - Assumed for pay 2018
      - Over 26 years generates approximately $3.1 million

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LEADERS IN PUBLIC FINANCE

TIF Assistance

- Note issued when qualified costs have been submitted
  - ✓ Demolition
  - ✓ Remediation
  - ✓ Land write down
  - ✓ Relocation of existing tenants (if any)
  - ✓ Public infrastructure
    - Paid by developer
  - ✓ Site improvements
  - ✓ City reimbursed consultant costs
  - ✓ Capitalized interest
- First tax increment for district expected in 2015

EHLERS
LEADERS IN PUBLIC FINANCE

TIF Assistance

- Look Back provision
  - ✓ Earlier of 95% occupancy of senior housing or 2 years after final CO for last senior housing
  - ✓ If debt coverage ratio on senior housing exceeds 1.39%
    - Amount over is applied as prepayment on the TIF Note
- Current estimates are PAYGO TIF Note will **NOT** be paid off
  - ✓ No recourse to the City if Note is not paid in full
  - ✓ Assumes no inflation
    - If we assume 1% annually, paid off in 22.5 years
    - 1% inflation was an assumption in sizing the original TIF Note

EHLERS
LEADERS IN PUBLIC FINANCE

Upcoming Approvals

- Final plans for East Block
  - ✓ City Council/Planning Commission Workshop held 1/20
  - ✓ Anticipated March Planning Commission consideration, late spring City Council
  - ✓ Proposed plans include 15,200 sf retail, 86 room hotel, 29 condo units (office use removed)
- Possible TIF Development Agreement amendments
- TIF district modifications
  - ✓ Future action when all new PID's are established
  - ✓ Clean up district issues
    - Budget
    - PID numbers
    - Statutory changes

EHLERS
LEADERS IN PUBLIC FINANCE

City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Date: January 21, 2015

To: Housing and Redevelopment Authority Members

From: Heidi A. Nelson, City Manager

Subject: Update on Downtown Parking Improvements

At the January 6th meeting of the City Council, a scope of work was authorized with LSA Design to address Downtown Parking Improvements. The attached presentation was provided to the Council for their consideration of the scope of work. Jim Lasher will be present for the HRA meeting to update the members on the progress of work on downtown parking.

Phone: 952-404-5300 Fax: 952-404-5318 e-mail: city@wayzata.org home page: www.wayzata.org

Wayzata City Council Work Session

Downtown Parking Scope of Work

Revisions to Dec. 16, 2014 Work Plan

December 16, 2014

Downtown Parking - Scope of Work

Stage One Services – Existing Conditions/Project Description

Completed:

- LSA Design worked with city staff and interested business owners to understand current parking issues.
- Findings were presented to the City Council on November 7, 2014 with direction given to develop a scope of work to:
  - Build consensus for and implement new Parking District
  - Move forward with 200-300 stall ramp at Mill Street
  - Review improvements to Carisch Ramp and long term agreement with City for public use of ramp

Downtown Parking - Scope of Work

Stage Two Services – Planning and Concept Design Services

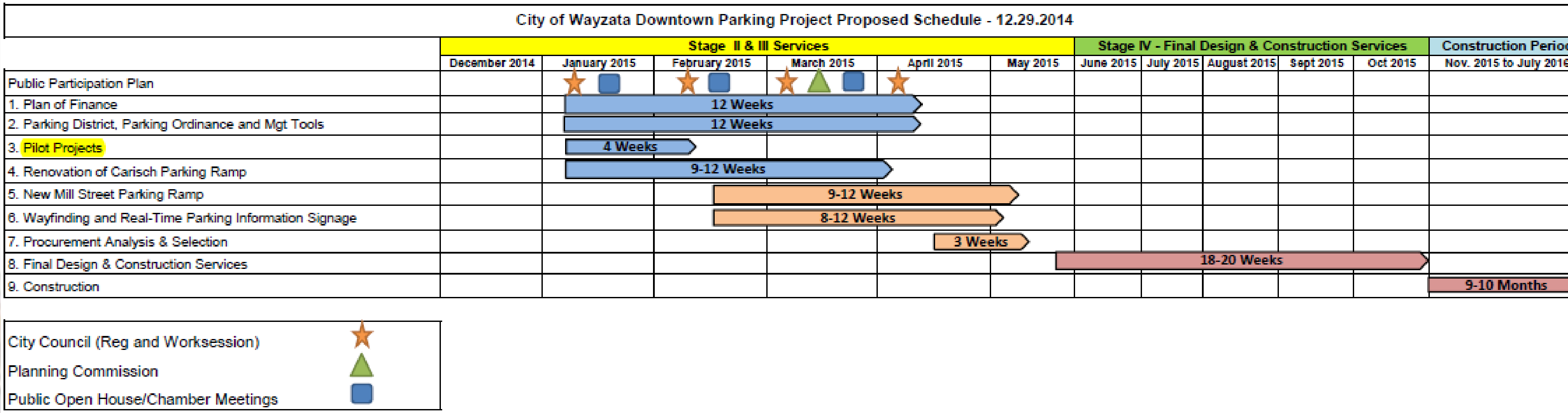
Six Separate Projects are proposed to be worked on concurrently:

1. Plan of Finance
2. Parking District; Ordinance and Management Tools
3. **Pilot Projects to Address Current Parking Issues**
4. Renovation of Carisch Ramp

City Council Authorization to Proceed Prior to Moving to Project #5 and #6

5. New Mill Street Parking Ramp
6. Wayfinding and Real Time Signage

Schedule



Schedule Impacts:

- 1.5 to 2 Month delay from initial schedule to allow for added Pilot Projects task and delay in authorizing Mill Street Parking Ramp Final Programming & Pre-Design efforts to begin.

Downtown Parking - Scope of Work

Project # 1: Plan of Finance:

Working closely with the City's financial planner, staff and Council, LSA Design will prepare a Plan of Finance that will document :

- City's funding sources and obligations,
- Sources and uses for each defined project, and
- Private partner participation.

Schedule: Plan of Finance will be implemented throughout Projects 2-5 (12 weeks).

Ehlers & Associates Estimated Fee: $5,000 to $8,000

Downtown Parking - Scope of Work

Project # 2: Parking District; Parking Ordinance and Management Tools

LSA Design will create a Parking District that will:

- Define the Parking District Boundary,
- Revise parking requirements (within the district),
- Potentially integrate parking agreements,
- Promotes shared parking, and
- Establish the means to manage, control, allocate and operate parking stalls in the Parking District.

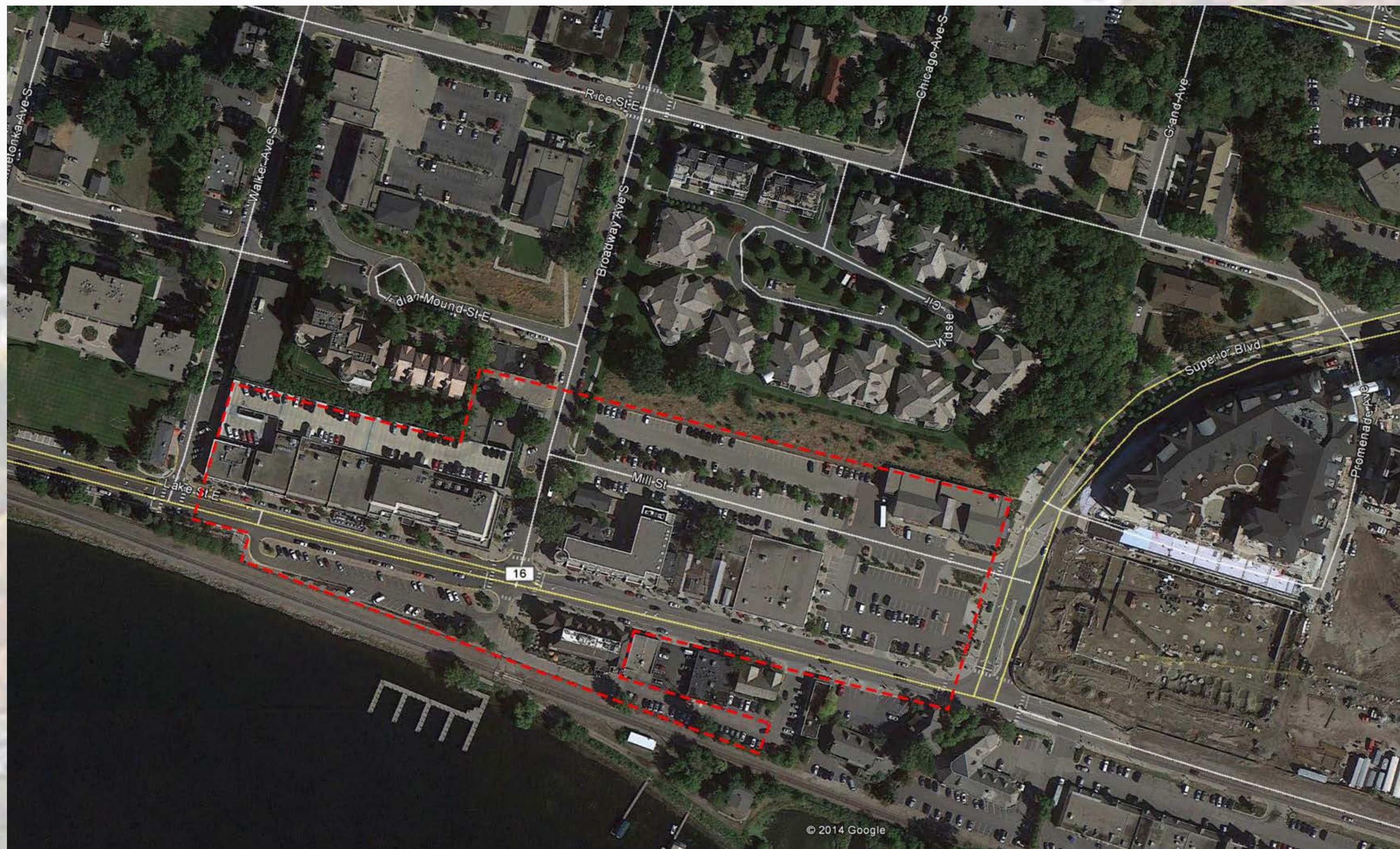
Several Public Open Houses, meetings with business owners and presentations to the City will be performed to provide feedback and consensus.

Schedule: 8-12 weeks

Dorsey & Whitney Estimated Fee: up to $15,000

Downtown Parking - Scope of Work

Initial Parking District Boundary



Downtown Parking - Scope of Work

Project # 3: Pilot Projects for Addressing Current Parking Issues

This project includes the analysis and development of a series of pilot projects that can be implemented by the city and their downtown business partners to address current parking and mobility problems in the downtown area. Pilot Projects that will be considered are:

- Valet Parking Opportunities, Rules and Regulations
- Shuttle/Transit Circulator
- Temporary Signage
- Employee Parking Management Opportunities
- Remote Parking Area Identification
- Snow removal concepts to preserve seasonal parking

As these opportunities are defined, we will prepare basic costs and operational requirements for city staff and City Council review and consideration and potential implementation.

Downtown Parking - Scope of Work

Project # 4: Renovation of Carisch Parking Ramp
LSA Design has completed a preliminary assessment of the Carisch Parking Ramp and has met with the City's Building Official to review required improvements.

LSA Design will provide a feasibility study that documents:

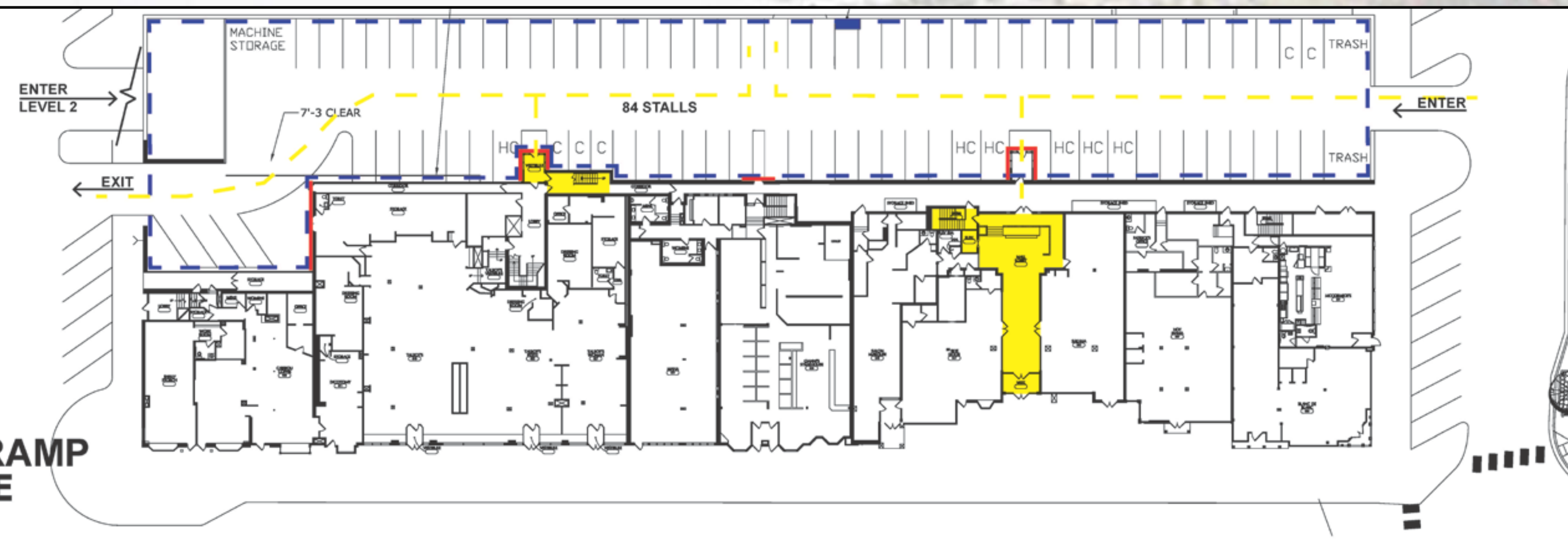
- City requirements for improvements
- Carisch requirements for improvements
- Schedule and Budget

This work will include Terms and Negotiation for a long term agreement between the Carisch's and the City for public use of the ramp.

Schedule: 9- 12 Weeks

Scope of Work

Project # 4: Renovation of Carisch Parking Ramp



Downtown Parking - Scope of Work

City Council DRAFT Presentation of Results of Projects #1-#4

- LSA Design will document the results of initial findings on Plan of Finance, Parking District, Pilot Projects and Carisch Ramp.
- LSA will prepare a presentation for City Council Work Session to review findings and assess the need to move forward with Final Programming & Pre-Design for a new Mill Street Parking Ramp and Downtown Wayfinding Projects.

Downtown Parking - Scope of Work

Project # 5: New Mill Street Parking Ramp

LSA Design will formally document the Programming for the Mill Street Parking Ramp.

- Definition of Project Need
- 200 – 300 stall parking structure with anticipated commercial development
- Mill Street programming

The program will be used as a basis of the Pre-Design of the Mill Street Parking Ramp with development of up to three concept designs that provide options for:

- Parking facility and commercial
- Mill Street
- Wayfinding and Circulation
- Massing and circulation

Downtown Parking - Scope of Work

Project # 5: New Mill Street Parking Ramp - continued

Several Public Open Houses, meetings with business owners and presentations to the City will be performed to build a consensus on a preferred option.

The preferred option will be used to define a budget, schedule and project impacts.

Schedule: 9 to 12 Weeks

Downtown Parking - Scope of Work

Project # 6: Wayfinding and Real-Time Parking Information Signage
LSA Design will create an information system and signage program for the Parking District. This will include parking identification and directional signage for Mill Street and Carisch parking facilities.

Several Public Open Houses, meetings with business owners and presentations to the City will be performed to build a consensus on a preferred concepts.

A project budget and schedule will be created.

Schedule: 8 – 12 weeks

Scope of Work

Stage Three Services - Project Implementation Strategies

LSA Design will present potential implementation strategies to the City Council to select a preferred procurement and implementation plan for the Projects. This document will support the City in moving from planning and preliminary design into implementation.

Schedule: 3 weeks

You are cordially invited to a joint workshop
with the Wayzata City Council, Planning Commission, Housing & Redevelopment Authority, and the Heritage Preservation Board.

"Navigating Your Competitive Future"

conducted by the Urban Land Institute - Minnesota Chapter.

The interactive workshop, which includes a panel discussion, provides a practical approach to the new challenges of redevelopment.

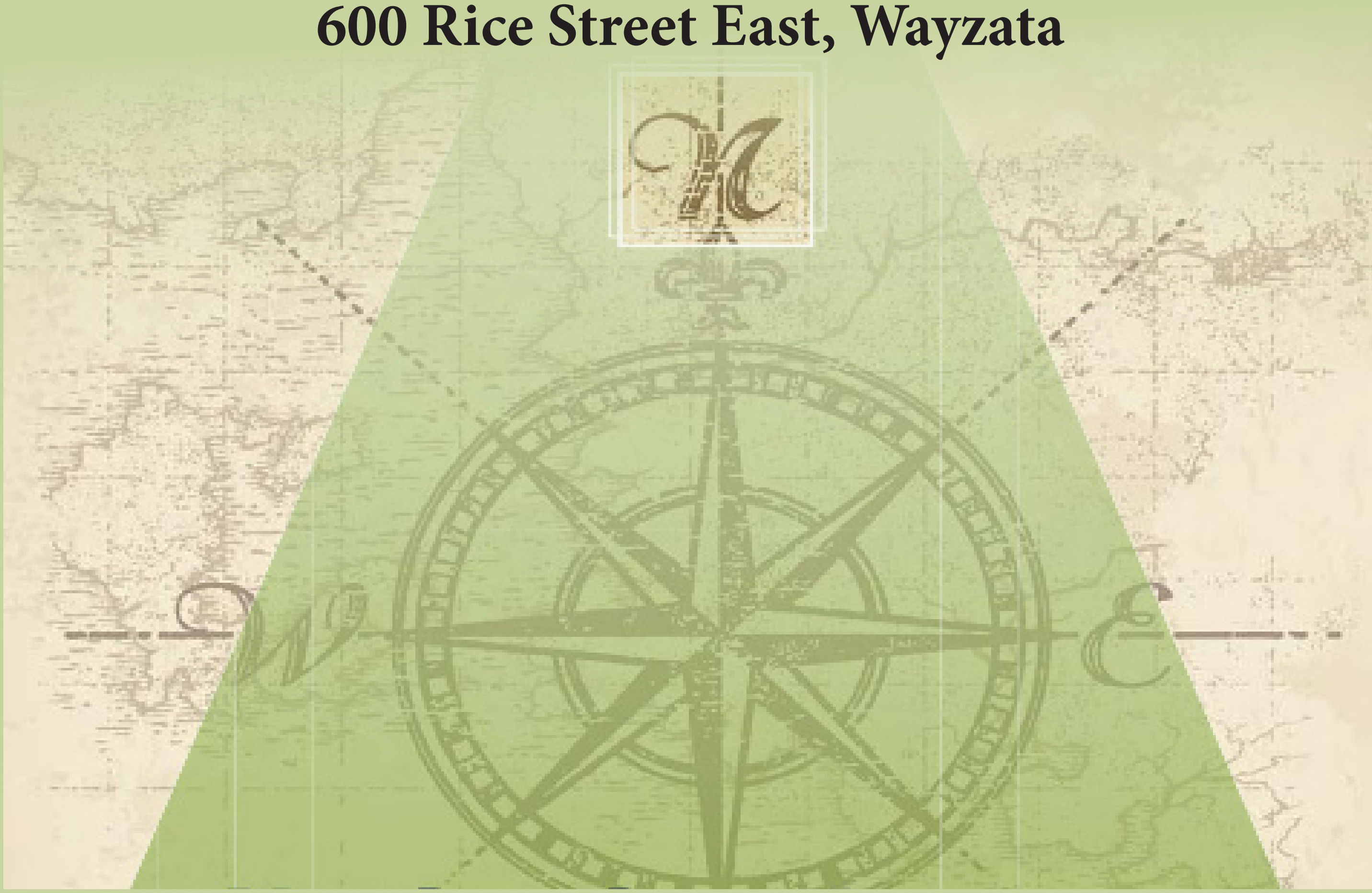
Navigating Your Competitive Future

Tuesday, February 17

4:30 - 6:30 p.m.

City Hall Community Room

600 Rice Street East, Wayzata



Please RSVP to Kristin at kclassey@wayzata.org
by Thursday, February 12.

ULI Urban Land Institute
Minnesota

Urban Land Institute
Minnesota

Navigating the New Normal

Navigating the New Normal

A ULI Minnesota public official education workshop

What

A two-hour interactive workshop for city officials that provides a practical approach to the new challenges of (re)development.

Three-part format

1. Overview of the New Normal.

2. Profile of community change information.

3. Discussion and dialogue among real estate industry leaders and city policy makers.

Audience

City councils, planning commissions, economic development and housing committees, and staff.

Outcome

Develop a better understanding of:

- The impact of the New Normal on your city, demographic trends, and market preferences.
- The connection between your city's demographics, new market preferences, and future growth patterns.
- The importance of partnerships between cities and developers.
- Strategies to position your community to be competitive and sustainable, and to attract the best quality development.

"The data, but especially the perspectives of the panel, were very helpful and stimulated a great deal of discussion. Please let them know how worthwhile this was for us as a city. We would be more than happy to recommend this program to other mayors/managers."

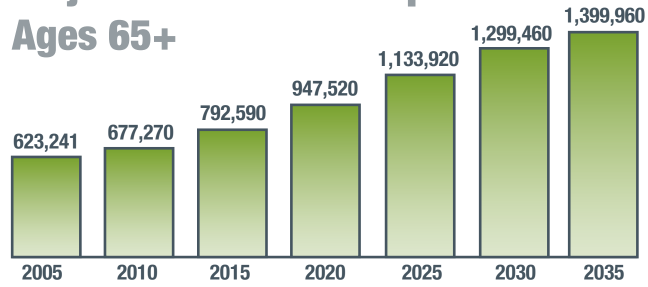
– Nancy Tyra-Lukens
Mayor, City of Eden Prairie
#1 Best Place to Live in America,
Money Magazine

New Neighbors, New Preferences, New Responses

Changing demographics and new market preferences are creating demand for different housing choices.

Our region is rapidly getting older. The number of Minnesotans 65 or older will nearly double in the next 20 years. At the same time, generation Y, with 80 million Americans, accounts for a greater percentage of the population than the generation that preceded it (generation X, born between 1965 and 1979, with 46 million Americans). Three-quarters of Minneapolis/St. Paul households are projected to be without children by 2035, and the number of new immigrants has grown an average of 12% since 2000 in Minnesota. These changing demographics bring new market preferences – amenity-rich walkable neighborhoods, rental housing, multi-generational homes, work/live spaces – creating a mismatch between housing inventory and market demand, and a need for different services and amenities. To be competitive, we must offer choices that reflect these shifts in a time of increasing financial constraints. It's about priorities. **It's all part of the New Normal.**

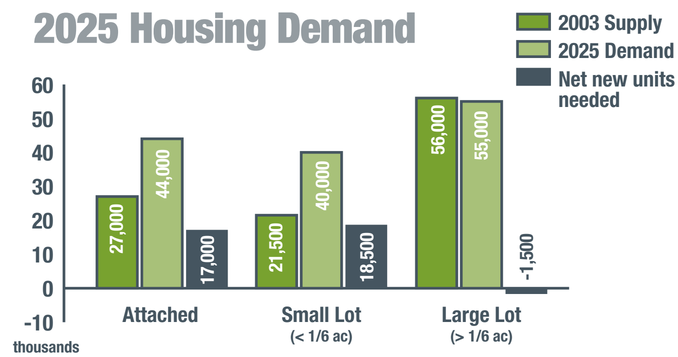
Projected Minnesota Population Ages 65+



Source: Minnesota State Demographic Center.

> **"These things usually creep along at the speed of a glacier. Not so with aging. In demographic terms, this is a tsunami. It doesn't get much bigger than this … "**
>
> – Thomas Gillaspy, Minnesota State Demographer.

2003 Housing Supply versus 2025 Housing Demand



Source: A.C. Nelson. "Leadership in a New Era." Journal of the American Planning Association. *Vol. 72, Issue 4, 2006, pp. 393-407.*

2/3 say that living in a walkable community is important

1/3 will pay more to walk to shops, work, and entertainment

Gen Y

Born between 1980 and 1996

Make up 30% of our population

80 million Americans

Influence as much as half of all spending in the U.S. economy

"As a developer, it is great to have an opportunity to interact with city officials in such an open way. The reality is that we are more often negotiating from opposite sides of the table. In this environment, we are getting to know each other and developing a deeper sense of what is possible. I believe that this is an important investment on both sides."

– John Breitinger, Vice President – Retail Advisory Services, Cushman & Wakefield-Northmarq

New responses are needed.

The way development is financed has changed, making it harder to complete quality projects. An increase in equity requirements has resulted in fewer developers who have the financial ability and risk appetite to deliver quality development. Local governments that embrace a collaborative approach to problem solving with developers will be more competitive and successful in implementing their vision for a prosperous community.

What are the **key policies and practices** that cities can embrace in times of scarce public resources to attract private investment, create jobs, and build the tax base? An approach that provides clarity, transparency, and efficiency in the development process helps attract investments that create thriving, sustainable communities. Working together to solve problems, identify and pursue new partnerships, and manage development risks will improve key decision-making skills, with the reward of being a competitive community. **Navigating the New Normal** provides a forum to foster meaningful dialogue between public and private sector leaders and builds trust and collaboration for common goals.

What Is the **New Normal**?

The term **New Normal** has been used to describe major changes to our economy. It has been shaped by a confluence of powerful forces – some arising directly from the financial crisis and some that were at work long before it began. The **New Normal** has been characterized as a time of slower economic growth, higher energy costs, a slumping housing market, an aging and more diverse population, and changing market preferences. **New Normals** are not a new phenomenon. This confluence of forces has a strong impact on the development and redevelopment of our communities and perhaps the American dream.

Want higher connectivity & more walkable areas

Seek active lifestyles, more interaction

Baby Boomers

Born between 1946 and 1964

75 million Americans

(Re)Development-Ready Guide

Local Government Policies and Practices

Strategy:

- **Cities can implement (re)development policies and practices that support quality, competitive, and sustainable communities.**
- **ULI MN provides technical assistance to local government through the Opportunity City and Navigating the New Normal programs.**

- [ ] **Establish** a vision and clearly articulate development expectations creating (re)development-ready sites.
- [ ] **Foster** collaborative and integrated strategies.
- [ ] **Provide** transparency that clearly defines the development process.
- [ ] **Work as a team** to coordinate the approval process across all agencies, departments, elected offices, and investment partners, e.g., planning, engineering, parks, metropolitan council, county, state, watershed districts, schools, and private sector.
- [ ] **Provide** existing due diligence information to developers up-front to increase efficiency and reduce development time and cost.
- [ ] **Shift** project review and approvals from reactive to proactive; fast track approvals when the project meets certain requirements; be flexible to achieve project goals.
- [ ] **Analyze and modify** land use regulations to allow for a compact mix of uses with increased flexibility that reflects changing market demands.

Discoveries

Cities will be more competitive when:

Land uses are integrated.

Walkability and accessibility to community assets are enhanced.

(Re)development tools are refocused to support future growth.

Diverse housing choices are offered to accommodate changing demographics.

Public engagement is an effective component of the (re)development process.

Trust and partnerships between the public and private sectors are strengthened.

About the Urban Land Institute

ULI Minnesota actively engages public and private sector leaders to foster collaboration, share knowledge, and join in meaningful, strategic action to **create thriving, sustainable communities.**

ULI Priorities

The mission of ULI is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

Creating Resilient Communities

- What are the best new business models in the real estate and land use industry, and how can we support their development?
- How can we best adapt and reuse existing real estate while eliminating obsolete space to create thriving communities?
- How can we influence land use leaders locally and around the world as they reshape the process of community building and developing both social and physical infrastructure?

Understanding Demand and Market Forces

- How can we best understand the demand (quantity, type, price, and location of the need) for real estate and discover what the market wants short-term versus what it needs long-term?
- How can we help balance local, regional, national, and global interests, as well as public and private interests, in terms of how they affect land use decisions and development?
- How will changing technology influence building and buildings, and how will people's use of technology influence how they interact with the physical environment?

Connecting Capital and the Built Environment through Value

- How can we best generate value in the built environment that is greater than its cost?
- What are the best ways to ensure the attractiveness of real estate as an investment as institutional capital allocators continue to change and become more global?
- What is the most effective way to demonstrate and explain the relationship between investment in both public projects (including infrastructure) and amenities and the impact on real estate value?

Promoting Intelligent Densification and Urbanization

- What are the most responsible ways to provide cost-effective housing for a rapidly increasing global population that is becoming increasingly urbanized?
- How can we advance the understanding of the relationship between a high quality of life and the built environment in order to promote creation of high-quality, appropriately priced density that is attractive to users?
- What is the relationship between a thriving economy and a thriving city – between a dynamic society and the built environment?

Integrating Energy, Resources, and Uses Sustainably

- How can we best reduce the negative impact of the built environment on our natural resources and climate?
- What are the best ways to use the world's energy resources and protect the built environment from volatile and unpredictable conditions?
- How will trends in energy and resources affect the future best use of land?

CONTACT US

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Urban Land Institute
Minnesota

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