

**WAYZATA CITY COUNCIL
WORKSHOP MEETING MINUTES
March 17, 2015**

5:00 PM – Discuss Potential Amendments to Development Agreement with Presbyterian Homes/Wayzata Bay Redevelopment Company, LLC

Mayor Willcox called the workshop meeting to order at 5 p.m. in the Community Room at Wayzata City Hall. Council members present: Anderson, McCarthy, Mullin and Tyacke. HRA Commissioners present: Ambrose and Shaver. Also present: City Manager Nelson, Director of Planning and Building Gadow, City Attorney Schelzel, Director of Administrative Services Uram and Consultant Stacie Kvilvang with Ehlers.

Ms. Kvilvang stated Presbyterian Homes (the “Developer”) is requesting changes to the development program for the East Block of their Wayzata Bay Center Redevelopment project. Because of this, the TIF Agreement must be amended to reflect any approved changes.

Ms. Kvilvang informed the council that staff met with the Developer on February 26, 2015 to discuss potential refined terms for the TIF Agreement. These terms would address not only the requested development program changes, but items/issues that have arisen since the Agreement was approved and construction of a significant portion of the project completed. At this time, no terms have been formally agreed to by either party and staff and the Developer are working on putting together the required information to determine next steps.

The Council reviewed the memo dated March 17, 2015 from Ms. Kvilvang. The following is a summary of the basic requested terms outlined in the memo:

1. Change in the development program as follows:

Use	Approved	Updated Request	Difference
Hotel	100	88	(12)
Condos	0	29	29
Office	27,314	0	(27,314)
Retail	35,155	26,300	(8,855)

Note: Updated retail includes restaurant in hotel. Unit count and sq/ft are approximate and subject to change

2. Construction start and completion schedule will be updated to meet the needs of the updated development program
3. Developer will work with the City to determine the appropriate amount of parking to be constructed within the overall updated development. If they are unable to prove they are “self-parked” they will work with the City to determine a solution.
4. The Developer would agree to be included in the City’s parking district
5. The term Available Tax Increment would be changed from 95% to 90% (increases administrative fee available to the HRA/City)

6. Developer agrees to supply the documentation necessary to complete the lookback to determine the size of the TIF Note prior to approval of an amendment to the TIF Agreement
7. Developer agrees to release the Remnant Parcel from the Right of First Offer/First Refusal Agreement or make an offer to purchase prior to amending the TIF Agreement
8. Developer agrees to allow the City to direct public parking to the development while the public ramp is under construction, to the extent it does not negatively impact the parking required for the existing uses within the Development. The City will work with the developer on enforcement issues that arise during the construction period.

Ms. Kvilvang said the developer is already working on addressing issues related to contractor parking in and around the site. They have agreed to work with City to put into place a parking protocol and enforcement policy. In addition, they will be replacing the existing covers on the illuminated parking signs from brown to blue to assure the public understands that they can park there when accessing retail businesses within the development. They have also agreed to work with the City to install additional wayfinding signage as appropriate to direct the public to parking within the Development.

Staff will continue to work expeditiously with the developer to come to a consensus on these issues to allow any development approvals to move along in tandem with required TIF development agreement approvals. This will include parking and the landscape buffer.

6:00 PM – Liquor Operations Assessment and Report

Mayor Willcox called the workshop meeting to order at 6 p.m. in the Community Room at Wayzata City Hall. Council members present: Anderson, McCarthy, Mullin and Tyacke. Also present: City Manager Nelson, Director of Planning and Building Gadow, City Attorney Schelzel, Director of Administrative Services Uram and Consultant Flora Delaney with Delaney Consulting.

Ms. Delaney reported that an assessment of the Wayzata Wine & Spirits retail liquor store and the Wayzata Bar & Grill has been completed. The goal of the project was to provide the city with an accurate view of the strengths, weaknesses and opportunities of each business from many vantage points, but primarily from the consumer point of view. Ms. Delaney provided a report to the Council which highlighted the results of the assessments as well as provided a list of prioritized recommendations. The recommendations were designed to help ensure each operations on-going profitability.

Mrs. Anderson asked about our ability to use information we collect through our Savour Rewards program to target market our customer base. She was also interested in knowing who the Wayzata Wine and Spirits customer was. Mr. Uram explained that the system collects specific information about trips, purchases and dollars spent, it has not been used for target marketing. In terms of who are customer is, that has not been defined. Mrs. Anderson would also like to see a cost/benefit analysis done on the changes we are making in the liquor operation. Both in the restaurant and in the liquor store.

Mr. Tyacke asked about our plans for cross marketing between the restaurant and the store. He said that it seemed that we are missing a significant opportunity to grow our business. Mr. Uram

1 responded that while we have not taken advantage of this opportunity in the past it is something
2 we are implanting. The first will be a wine tasting which will happen in April.

3
4 Mrs. McCarthy asked a question about how we control waste/shrinkage in the restaurant. She
5 indicated that this can impact the profitability of the business to a large degree. Interim General
6 Manager said that the restaurant has a system in place to manage inventory but that none exist in
7 the bar. Mr. Uram noted that this will be analyzed and a system implemented.

8
9 Ms. Delaney spent the majority of the time reviewed the two by two matrix for each of the
10 operations. The two by two matrix identified the recommended changes and prioritized them by
11 least cost/easy to do to more cost/harder to do.

12
13 The workshop meetings were adjourned at 6:50 p.m.

14
15 Respectfully submitted,

16
17 *Becky Malone 4-7-2015*
18

19 Becky Malone
20 Deputy City Clerk
21