

City of Wayzata Housing and Redevelopment Authority
Meeting Agenda
Thursday, April 30, 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 January 29, 2015.
4. Old Business
 - a. Update on Presbyterian Homes proposed redevelopment agreement amendments
 - b. Update on downtown parking
5. New Business
 - a. Policy for Communication between Boards, Commissions, Committees and the City Council
6. Next Meeting Date: July 30, 2015
7. Adjournment

1 HRA members present: T. Shaver, B. Ambrose, D. McGill, R. Wothe
2 HRA members absent and excused: B. Petit
3 City Staff/HRA Executive Director present: Heidi Nelson
4 City Staff present: Becky Malone, Bryan Gadow and Don Uram
5 Others present: James Lasher with LSA Design, Inc., Stacie Kvilvang with Ehlers and
6 Associates, City Attorney Robert Meller
7

8 Chairman Shaver called the meeting of the HRA to order at 7:33 am.
9

10 **APPROVAL OF AGENDA**
11

12 Wothe motioned to approve the January 29, 2015, annual meeting agenda as
13 presented, seconded by Ambrose. The motion passed 4/0 by voice vote.
14

15 **APPROVAL OF MINUTES – MINUTES OF OCTOBER 23, 2014**
16

17 Ambrose motioned to approve the October 23, 2014 minutes as presented, seconded
18 by Wothe as presented. The motion passed 4/0 by voice vote.
19

20 **ANNUAL MEETING 2014/2015**
21

- 22 a. **Election of officers (Current officers: Chair Shaver; Vice-Chair Wothe;**
23 **Secretary McGill)**
24

25 Shaver asked if there were any nominations.
26

27 Ambrose motioned to nominate the current slate of officers as: Chair Shaver, Vice-Chair
28 Wothe, and Secretary McGill, seconded by Wothe. The motion passed 4/0 by voice
29 vote.
30

- 31 b. **Appoint Executive Director**
32

33 McGill motioned to appoint Ms. Nelson as Executive Director, seconded by Ambrose.
34 The motion passed 4/0 by voice vote.
35

- 36 c. **Receipt of Financial Report (will be presented at April 30 meeting, post**
37 **audit)**
38

39 Ms. Nelson stated the post audit presentation would be done at the April 30 meeting.
40

- 41 d. **Confirm 2015 Meeting Schedule: April 30, July 30, and October 29**
42

43 Ambrose motioned to approve the 2015 HRA meeting dates of April 30, July 30, and
44 October 29, seconded by McGill. The motion passed 4/0 by voice vote.
45

46 **NEW BUSINESS**
47

- 48 a. **Consider Subordination Agreement for Marquee Place – Robert Meller**

1
2 Mr. Meller stated the owners of Marquee Place have requested that the HRA execute a
3 new subordination agreement for the property due to a refinancing of the real estate.
4 The City's legal counsel has reviewed the new subordination agreement and terms of
5 the development agreement and recommend approval of the new subordination
6 agreement.

7
8 Shaver stated the subordination agreement is something that had been pre-negotiated
9 and is part of a finance package. He appreciates the owners being cooperative with the
10 City and the ramp has worked well for the City.

11
12 Wothe clarified in the event of foreclosure the agreement would be null and void except
13 for Articles 4, 5, and 6.

14
15 Ambrose stated he would be more comfortable if everything pertaining to the parking
16 ramp were in one package.

17
18 Shaver clarified the subordination agreement was pre-negotiated relative to refinancing
19 and action on the overall parking plan is a future item. He does not believe these two
20 events could be linked. He does recognize that the City would continue to work with the
21 owners in regards to an overall parking plan.

22
23 Ambrose stated on page 2 of the Agreement, the sentence that starts "Accordingly", the
24 word "sufficiently" should be changed to "sufficiency".

25
26 Ambrose motioned to approve the Subordination Agreement for Marquee Place with the
27 correction, seconded by McGill. The motion passed 4/0 by voice vote.

28
29 b. Review of Wayzata Bay Center Redevelopment Tax Increment Financing
30 – Stacie Kvilvang
31

32 Nelson stated Ehlers had prepared an update on the status of the Bay Center
33 Redevelopment TIF district. They are currently 3-years into the project and four (4) of
34 the buildings should be completed this summer. Presbyterian Homes will be coming
35 forward with plans for the final block of the project in late winter/early spring. A
36 workshop with the City Council and the Planning Commission was held on January 20
37 to review the proposed use changes to the East Block as well as preliminary design of
38 the East Block.

39
40 Kvilvang provided background on the Promenade of Wayzata Project including the
41 approved site plan and the approved block plan. The current approved uses include
42 353 rental units, 59 condos, 100 hotel rooms, 129,000 square feet of retail, and 27,000
43 square feet of office space. She provided a comparison of what had been proposed for
44 uses and what was actually done. She reviewed the increase in market value through
45 2018, with the original market value at \$16,800,000 and the 2015 market value at
46 \$90,603,000 and estimated market value in 2018 at \$204,490,304. The market value in
47 2018 is based on the property being fully developed. She explained the City
48 participates in a pay-as-you-go TIF note and the HRA retains 5% of the increment that

1 is generated for administrative costs or other redevelopment costs. As part of the TIF
2 agreement there is a Look Back Provision to review the project to see that it is meeting
3 its goals.

4
5 Shaver asked if the project was currently at 95% occupancy for senior housing.

6
7 John Mehrkens, Presbyterian Homes, stated the project is not quite at 95% occupancy
8 but should be by mid-2015.

9
10 Kvilvang explained the changes that were being proposed to the project and the
11 increase in value this would create. The hotel units will be reduced in number from 100
12 to 82, and 29 condominium units have been added. She reviewed the upcoming
13 actions that would be required including District modifications and project area
14 modifications.

15
16 c. Update on Downtown Parking Improvements – Scope of Work – James
17 Lasher

18
19 Nelson stated at the January 6 City Council meeting a scope of work was authorized
20 with LSA Design to address Downtown Parking Improvements.

21
22 Jim Lasher, LSA Design, stated six (6) separate projects are proposed to be worked on
23 concurrently: plan of financing, parking district opportunities; ordinance and
24 management tools, pilot projects to address current parking issues, renovation of
25 Carisch Ramp, new Mill Street Parking Ramp, and wayfinding and real time signage.
26 LSA would go back to the Council after the first 4 items have been completed to
27 determine if there is a need to move forward with a new parking structure and/or
28 permanent wayfinding and real time signage. The anticipated completion date for all 6
29 projects is early May to get the City to a point where they can make a decision and
30 move forward.

31
32 Shaver asked when projects 1-4 would be reviewed.

33
34 Lasher stated these would be reviewed at the end of March to the first week of April.
35 He reviewed the full time schedule. The City had completed a parking study in 2014
36 and LSA broke this down into a smaller area and suggested considering a parking
37 district for the core area. The City would own parking for a large core area and allow for
38 flexibility for the City when the land uses change and to have a consolidated
39 maintenance plan. He stated the City's Parking Ordinance requirements might be
40 excessive so there could be some movement in the ratio of parking. They are also
41 looking at peak and off-peak parking and using these together for a shared parking
42 concept. The City should also look at revenue opportunities, what this change could
43 cost, and what changes it could create in the community. LSA is also looking at
44 integrating the development process through the parking district and setting parking
45 standards and having all development agreements in one place. LSA would be looking
46 at the Carisch Ramp and providing ideas to the City for utilizing this ramp. Other ideas
47 that LSA would be considering is valet parking including location and a valet policy and
48 parking meters. He believes parking is a problem in Wayzata because it is perceived to

1 be a problem and people are not sure what areas are available for parking including the
2 Carisch Ramp.

3
4 Shaver asked how the parking would be allocated in a district based on proximity to the
5 City owned property.

6
7 Lasher stated at this time they would consider structuring the district with the
8 assumption that the district can function as a whole, meaning that you could walk from
9 the furthest point of the district to the furthest point at the other end of the district and
10 still be within a comfortable retail walking distance. Any further than this would be
11 ineffective. They are looking at consolidating parking into a core and also making
12 shared uses function better. They would allocate parking according to the current use.
13 As the use changes the City would have the flexibility to manage parking in the entire
14 district to accommodate the changes. Businesses need to see a benefit for added
15 parking.

16
17 Shaver asked if the property owned by the City across from the MUNI would be
18 included in the study or if this was being taken into account.

19
20 Lasher stated they were taking this property into account. LSA had done an analysis on
21 development pressure by looking at two projects that are currently being reviewed by
22 the City. One project would require an additional 109 parking spaces and the other one
23 would require 119 parking stalls based on needs and the parking they would be taking
24 away. A formula would be used based on the development scenarios to determine
25 what the demand curve would look like. There will be land use changes over the next
26 10-years in the City. This model would recognize this change allowing the City to more
27 effectively manage the development curve.

28
29 d. Information of ULI Workshop – February 17, 2015 4:30 – 6:30 p.m.

30
31 Nelson stated ULI has been conducting workshops with communities around the metro
32 titled Navigating Your Competitive Future. This is a 2-hour workshop for communities
33 that are experiencing development and redevelopment. The workshop is a panel
34 discussion and will be held on Tuesday, February 17 from 4:30-6:30 p.m. and the City
35 Council, Planning Commission, Housing and Redevelopment Authority and the Heritage
36 Preservation Board have been invited to attend.

37
38 NEXT MEETING DATE: APRIL 30, 2015

39
40 Shaver stated the next meeting would be at 7:30 am on April 30, 2015.

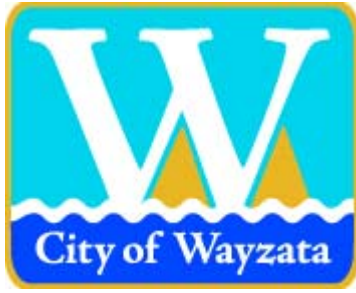
41
42 ADJOURNMENT

43 There being no further business; McGill motioned to adjourn at 8:23 a.m., Wothe
44 seconded the motion and the motion passed 4/0 by voice vote.

45
46 Respectfully submitted,
47
48

- 1 Becky Malone
- 2 Deputy City Clerk
- 3 City of Wayzata
- 4 Drafted by Tina Borg, *TimeSaver Off Site Secretarial, Inc.*

DRAFT



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

Mayor:
Ken Willcox
City Council:
Bridget Anderson
Johanna McCarthy
Andrew Mullin
Steven Tyacke
City Manager:
Heidi Nelson

MEMORANDUM

TO: Chair Shaver & HRA Members

FROM: Heidi Nelson, City Manager

DATE: April 23, 2015

RE: Update on Negotiations with Presbyterian Homes re Redevelopment Agreement Amendments

Staff has continued work on the proposed amendments to the Redevelopment Agreement with Presbyterian Homes. Attached to this memo is a status update provided by Stacie Kvilvang with Ehlers, the city's financial advisor. Staff will review this update with the HRA and request that a member of the HRA be appointed to serve as the representative of the HRA as we work to finalize negotiations.

As the HRA may be aware, the East Block of the Promenade of Wayzata PUD amendment and proposed design modifications were presented to the Planning Commission on March 16th and April 6th recommending approval of the PUD amendment and the design modifications, subject to conditions.

A special Council workshop is being planned with the developer for the end of the first week of May, on either the 7th or the 8th (date/time pending). Staff would recommend that the appointed HRA representative attend the special workshop. Following the workshop, an additional meeting of the HRA may be necessary in late May as the proposed redevelopment agreement amendments move forward for Council consideration, tentatively scheduled for the first meeting in June.



Memo

To: Heidi Nelson – City Manager
From: Stacie Kvilvang
Date: March 17, 2015
Subject: Discussion of Terms with Presbyterian Homes for Possible Inclusion in Amended Tax Increment Agreement

On March 17th the HRA met Jointly with the City Council and Presbyterian Homes to overview the proposed changes to the development of the East Block and changes required in the TIF Agreement for the project.

Since that time, staff and consultants have had on-going discussions with Presbyterian Homes and also met with them on April 22, 2015. Based upon these discussions, the majority of the preliminary terms reviewed by the HRA and City Council have been resolved on how to proceed. These include:

1. Change in development program
 - a. Plans submitted and determined through the standard planning process
2. Construction start and completion dates
3. Finalization of the look back to determine final TIF note amount
4. Existing parking illumination and wayfinding
 - a. Changing the brown “P” signs to blue so public understands they can park there
 - b. Adding wayfinding signage to better direct the public to parking
5. Possible changes in timing to right of first refusal for the lot on the corner of Lake and Superior
 - a. Providing a development plan for the site sooner so the City can determine parking needs
 - b. Possibly reducing the timeframe on the right of first refusal
6. Addressing the east landscaping buffer
 - a. What landscaping and sidewalk/trail elements to include
 - b. Escrow amount equal to 25% of the overall costs of the landscaping proposed for use by the City within 3 years to augment the landscaping if it is deemed necessary. These dollars will be returned to the developer if not used/needed.

Heidi Nelson

Discussion of Terms With Presbyterian Homes for Possible Inclusion in Amended TIF Agreement

April 30, 2015

Page 2

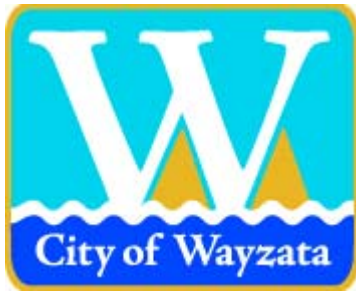
7. Addressing possible use of parking within their development if/when the City constructs a new structured parking facility along Mill Street; and
8. Addressing contractor parking during construction
 - a. Implementation of a parking protocol and enforcement policy for the construction contractors to prohibit them from parking on public streets, in public parking lots and immediately around the development which will include:
 - i. Providing the city with on-site and off-site stall counts and off-site contracts for construction work force parking. This shall be submitted and accepted by the city prior to issuance of the building permit for the East Block.
 - ii. Submittal of monthly reports of work force on site and parking stall counts, which shall match for each period of review.
 - iii. Enforcement by developer of the policy

Terms that require further review, discussion and negotiation are:

1. How to address parking shortages for the development, if any
 - a. To be determined through staff work with LSA and developer
2. Inclusion of the development within the parking district; and
3. Changes in the amount of TIF the HRA will receive from the project to dedicate towards payment for the parking ramp and other public improvements
 - a. Currently reviewing increased percent of the TIF generated from the East Block for use by the City

In order to come to a consensus on these issues to allow any development approvals to move along in tandem with required TIF development agreement approvals, staff would like to request that the HRA appoint a representative of the HRA to finalize terms of the agreement on behalf the HRA. It should be noted that the HRA will have the opportunity to review the final amendments to the TIF agreement and approve the amendments at a future HRA meeting. This request is only being made to address timing issues of when the HRA typically meets and reducing the need for special meetings.

Please contact me at 651-697-8506 with any questions.



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

Mayor:
Ken Willcox
City Council:
Bridget Anderson
Johanna McCarthy
Andrew Mullin
Steven Tyacke
City Manager:
Heidi Nelson

MEMORANDUM

TO: Chair Shaver & HRA Members
FROM: Heidi Nelson, City Manager
DATE: April 23, 2015
RE: Update on Downtown Parking

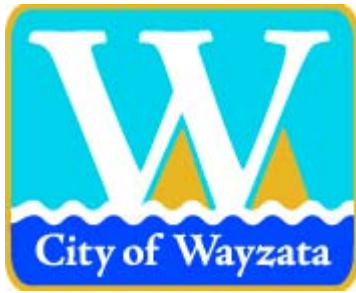
At the March 17th City Council meeting, staff and consultant Jim Lasher with LSA Design provided a progress report to the City Council on the Downtown Parking Improvement Project. As HRA members will recall the tasks associated with the work on downtown parking are as follows:

1. Pilot Projects: Look at some quick improvements the City can do to help alleviate the current parking problem (parking signage, possibly move employee parking further away from some businesses, bring back the trolley and a valet parking plan. These would also stay in effect during any parking ramp construction activities.
2. Parking District and Parking Ordinance: Create the framework for a Parking District Downtown that also includes a review of the current Parking Ordinance and possibly new parking ratio's and a more formal Shared Parking Formula.
3. Carisch Ramp: Look at some improvements that could be done to the Carisch Ramp to help modernize. Also, start negotiations with the Carisch Family to possibly extend the current parking easement between the Carisch Family and the City.
4. Plan of Finance: Prepare a Plan of Finance for the necessary Parking Improvements associated with all six projects.

Council directed that once these first four projects were underway, staff would come back and report preliminary findings before starting work on the next two projects, which are:

5. Programming, Pre-Design and Plan of Finance for a New Parking Ramp: Locate and design options for a New Parking Ramp for Downtown Wayzata (including looking at new development opportunities and their impacts on current parking as well as demand for new parking)
6. Wayfinding: A Plan for New Parking and Pedestrian Signage for the Downtown Parking District

Following the report to the Council on March 17th, staff and LSA Design were directed to proceed with Tasks 5 & 6 of the Downtown Parking Improvement Project. A workshop is scheduled with the City Council for May 5th to report back on continued progress of Tasks 1-4 as well as progress on Tasks 5 & 6. HRA representatives to the parking project are encouraged to attend the May 5th workshop.



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

Mayor:

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Steven Tyacke

City Manager:

Heidi Nelson

Related to the work on the Plan of Finance, the City has requested special legislation with regard to TIF District #3 (Widsten). Currently, the amendment to TIF #3 is in the House Tax Bill and pending action in the Senate Tax Committee. Staff is working with Senator Osmek's office to monitor the status of the tax bill. The amendment, if approved, would allow for the five-year rule to be met if we proceed with the parking ramp project as anticipated in the original TIF plan. This would create \$3M in revenue for the parking ramp project over the next seven years. Without this amendment, the district would decertify this year as the obligations have been met (bonds paid) and the value would be returned to the tax rolls. This legislation is enabling, but would require HRA and CC approval to adopt. The draft legislation is attached.

**Senate Counsel, Research
and Fiscal Analysis**

G-17 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1606
(651) 296-4791
Fax: (651) 296-7747
Tom Bottern
Director

Senate

State of Minnesota

S.F. No. 1843 - City of Wayzata; TIF 5-Year rule

Author: Senator David J. Osmek

Prepared By: Eric S. Silvia, Senate Counsel (651/296-1771)

Date: March 24, 2015

SF 1843 provides that the five-year rule for TIF district No. 3 in the city of Wayzata is considered met if revenues from the district are expended for any project contemplated by the original tax increment plan, including, without limitation, a municipal parking ramp within the district.

Effective upon compliance by the governing body of the city of Wayzata with local approval and filing requirements.

ESS/tg

MINNESOTA • REVENUE

PROPERTY TAX

Wayzata; five-year rule for Tax Increment Financing District 3 extended

March 19, 2015

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 1945 (Hertaus) / S.F. 1843 (Osmek) as introduced

EXPLANATION OF THE BILL

The proposal expands the tax increment financing (TIF) five-year rule for activities that must be undertaken within five years of certification for District 3 (Widsten) in the city of Wayzata. The district is considered to have met the five-year rule if the revenues from tax increments in the district are used for any project contemplated by the original TIF plan for the district, including a municipal parking ramp within the district. The proposal would be effective upon local approval.

REVENUE ANALYSIS DETAIL

The proposed changes to TIF provisions may have an impact on the local tax base and tax rate in the future, and may result in a small change in property tax refunds paid by the state.

PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral
<i>Efficiency & Compliance</i>	Neutral
<i>Equity (Vertical & Horizontal)</i>	Neutral
<i>Stability & Predictability</i>	Neutral
<i>Competitiveness for Businesses</i>	Neutral
<i>Responsiveness to Economic Conditions</i>	Neutral

The bill is scored on a three point scale (decrease, neutral, increase) for each principle in comparison to current law.

Source: Minnesota Department of Revenue
Property Tax Division - Research Unit
[www.revenue.state.mn.us/research_stats/
pages/revenue-analyses.aspx](http://www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx)

hf1945(sf1843)_pt_1/wkm

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 1843

(SENATE AUTHORS: OSMEK)

DATE	D-PG	OFFICIAL STATUS
03/18/2015	966	Introduction and first reading Referred to Taxes

1.1

1.2

1.3

1.4

A bill for an act
relating to the city of Wayzata; tax increment financing; extending the five-year
rule for Tax Increment Financing District 3.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5

Section 1. **CITY OF WAYZATA; TAX INCREMENT FINANCING.**

1.6

1.7

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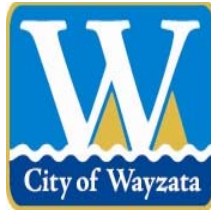
The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that
activities must be undertaken within a five-year period from the date of certification of a
tax increment financing district, are considered to be met for Tax Increment Financing
District 3 (Widsten) in the city of Wayzata if the revenues derived from tax increments
from the district are expended for any project contemplated by the original tax increment
financing plan for the district, including, without limitation, a municipal parking ramp
within the district.

1.13

1.14

1.15

EFFECTIVE DATE. This section is effective upon compliance by the chief clerical
officer of the governing body of the city of Wayzata with the requirements of Minnesota
Statutes, section 645.021, subdivisions 2 and 3.



**CITY OF WAYZATA
POLICY FOR
COMMUNICATION BETWEEN BOARDS, COMMISSIONS, COMMITTEES
AND THE CITY COUNCIL**

Purpose: The City of Wayzata recognizes and appreciates the valuable service and contribution Board, Commission and Committee members make to the community in advising the city council with regard to redevelopment and land use, park and trail amenities, historical assets, oversight of the city charter, city communications and volunteer efforts. In an effort to support and stay apprised of the work and initiatives of the Boards, Commissions and Committees, the City Council desires to establish regular communication with the City's Boards, Commissions, and Committees.

Regular Communication: Board and Commission membership, via the Chair, shall establish a regular communication process with the City Council that shall include, but not be limited to, bi-annual reports to the City Council in the form of a mid-year joint workshop and an end-of-year report at a regular City Council meeting. City staff will coordinate with the Board Chair to provide reports and schedule city council and workshop meetings to facilitate the communication between the Board/Commission/Committee and the City Council.

Adopted by the Wayzata City Council at a meeting held February 17, 2015