WAYZATA CITY COUNCIL
MEETING MINUTES
SEPTEMBER 3, 2024

AGENDA ITEM 1. Call to Order.

Mayor Pro-Tem Plechash called the meeting to order at 7:00 p.m. Mayor Pro-Tem Plechash shared the multiple options for joining remotely and submitting comments or questions.

AGENDA ITEM 2. Pledge of Allegiance.

AGENDA ITEM 3. Roll Call.

Council Members present: Sorensen, MacDonald, Plechash, and Parkhill. Also present: Deputy City Manager Yager, Assistant Planner Quarles, Planning Consultant Zweber, and City Attorney Schelzel.

Council Members absent: Mouton (with prior notice)

AGENDA ITEM 4. Approve Agenda.

Ms. MacDonald made a motion, seconded by Mr. Parkhill, to approve the agenda, as presented. The motion carried 4/0.

AGENDA ITEM 5. Public Forum.

a. Update of Lake Minnetonka Conservation District Activities by Wayzata Representative Matthew Thompson

Deputy City Manager Yager stated that it appeared that Matthew Thompson was not currently present at the meeting or on-line.

Mayor Pro-Tem Plechash stated that they would move on in the agenda and could circle back if he arrived later in the meeting.

b. Update of Parks and Trails Board – Chair Tory Schalkle

Parks and Trails Board Chair Schalkle gave a brief overview of updates from the Parks and Trails Board over the last 6 months related to: Bell Courts; summer community education; Music in the Park; possible future partnership with Duffy Boats for a public dock space; Klapprich planning efforts; and ramping up for various winter/spring activities. He noted that they had been trying to engage the community and garner more feedback about the user experience by having signs where people could give feedback while they were in the park, however they did not receive much feedback and had become eyesores, so they have taken that signage down.

Mr. Sorensen stated that he was intrigued by the idea of making one of the docks public and having boat rides available and noted that he felt that would be well received and encouraged the Parks and Trails Board to continue looking into that possibility.

Mayor Pro-Tem Plechash stated that he had the opportunity to see the pickleball courts at the City-Staff picnic a few weeks ago and was amazed and thought it was well done. He stated that he would encourage anyone in the community who hasn't yet tried pickleball to go check them out. He asked about the QR code surveys that were in the parks and how many responses they received.

Mr. Schalkle stated that, over the course of a year, he believes that they got less than 20 responses.

Mayor Pro-Tem Plechash asked if Mr. Schalkle felt that the City should try to promote it once again. Mr. Schalkle stated that they could, but their thought was that either their park experience was already amazing or people were too busy to respond. He explained that the more effective way that they have been able to get feedback was with open houses. He explained that he did not think they had any big 'aha' moments from the QR code information.

Ms. MacDonald stated that the pickleball courts have been well received and have been used a lot. She stated that she had spoken with a neighbor earlier today who asked her to pass along the message that the noise has not been bothersome at all.

Mr. Schalkle stated that was good to hear and noted that they will still be adding signage that outlines the rules and hours for the courts.

Ms. MacDonald stated that she had also gotten a question from a resident about whether there was a place where people could go and look to see if the courts were open or reserved for lessons. Mr. Schalkle stated that there is, but it is through an app and noted that may be good information to add to their signage.

Ms. MacDonald agreed that it would be good information to have on the sign and suggested that it also be included in the Wayzata weekly newsletter as well.

<u>AGENDA ITEM 6. New Agenda Items.</u>

<u>AGENDA ITEM 7. Consent Agenda.</u>

Mayor Pro-Tem Plechash read the items on the consent agenda and asked if any Council member wished to pull an item for further discussion.

Mr. Sorensen explained that he had 3 items that he would just like to share a few comments or questions about, but did not want to pull them. He referenced item 7.b. and asked about an item under Lakefront Improvements for $1.61 million to J.F. Brennan Company. Ms. Yager explained that was related to Panoway Phase 2 and noted that J.F. Brennan Company was one of the hired contractors for that project.

Mr. Sorensen referenced item 7.e. and noted that this had included a donation of $220,000 to the City parks and trails and asked how they arrived at that amount. Ms. Yager stated that she was not involved in the development agreement process.

City Attorney Schelzel stated that he was not involved in the calculation of that amount, but his understanding was that it was a negotiation between the developer and the City, in recognition that with a PUD, the City wants to see some public benefit. He noted that this was something that the developer had voluntarily offered up as a way to contribute to the overall public benefit of the project.

Mr. Sorensen referenced item 7.l. and noted that the fee for the sidewalk café is $815 and asked if that was a fixed fee for all businesses and also requested information on the origin of the fee. Ms. Yager stated that according to the City's fee schedule it is a flat fee for the initial permit application and a different fee for renewals. She noted that there have been conversations at workshop meetings on whether the fee should actually be based more on square footage rather than a flat fee.

Mr. Parkhill asked to pull item 7.k. for further discussion and a separate vote.

Mayor Pro-Tem Plechash stated that he had a few comments he would also like to make on Consent Agenda items. He referenced item 7.g., the resignation of Polly Andersen from the Energy and Environment Committee. He explained that he wanted to call out Ms. Andersen for all the work she had done in the community and noted that she would be missed on that committee. He referenced item 7.j. related to the prairie restoration for the Little Woods project. He noted that he suspected he wasn't alone in not realizing that there was a 'Little Woods' in the City and explained that he wanted to call it out because one of the people that was mentioned in the packet was Henry Miles who has been voluntarily maintaining the area himself. He stated that he wanted to make sure that Mr. Miles got some recognition for all the work he has done and make sure that the City let him know that they appreciated all the work that he had done.

Hearing no additional requests, Mayor Pro-Tem Plechash asked for a motion to approve the Consent Agenda. Mr. Sorensen made a motion, seconded by Mr. Parkhill, to approve the Consent Agenda items a-j, and l:

a. Approval of City Council Workshop and Regular Meeting Minutes of August 20, 2024
b. Approval of Check Register
c. Approval of Municipal Licenses
d. Approval of Master Servies Agreement with WSB
e. Approval of the Development Agreement for Westway Condominiums at 201 Lake Street East
f. Approval of Second Reading and Adoption of Ordinance 839 Approving PUD Amendment for Wayzata Executive Park at 1903-1907 Wayzata Boulevard East
g. Acceptance of Polly Andersen Resignation from the Energy and Environment Committee
h. Award of Contract to Quality Flow Systems for Lift Station #6 Rehabilitation Project
i. Award of Contract to Quality Flow Systems for Lift Station #10 Rehabilitation Project
j. Award of Contract to Prairie Restorations for Little Woods Management Project
~~k. Approval of WSB Proposal for Engineering Services Related to Grove Lane Expansion Project~~ (pulled for separate discussion and vote)
l. Approval of 2024 Sidewalk Cafe Permit for Eloise Restaurant at 332 Broadway Avenue South

The motion carried 4/0.

Item k. Approval of WSB Proposal for Engineering Services Related to Grove Lane Expansion Project (formerly item 7.k. of the Consent Agenda – pulled for separate discussion)

Mr. Parkhill stated that his understanding is that this has been on the CIP for a while but until recently he did not know what it was specifically for and now that he knows, his question is why the City was doing this and creating a two-way on Grove Lane when it is a very nice, calm, quiet, one-way street. He stated that the City already has plenty of demands on their capital and questioned why they would spend this money for planning and even more on the actual project. He gave examples of other areas of need in the City such as a sidewalk on the east side of Klapprich Park or fully funding Klapprich Park. He stated that he did not feel the neighbors had been considered and did not feel that there was anything wrong with the way it was currently set up and operating. He stated that the bikers have parking spots in the parking lot which seems to be a natural, safe way to come off of the Dakota Trail rather than going down Lake Street and then over the railroad tracks and back. He reiterated that he did not know that this should be something that the City spends money on.

Ms. Yager stated that she had a bit of time prior to the meeting to discuss this project with Public Works Director Kelly and felt that perhaps there may not have been enough discussion among the Council before this item was placed on the Consent Agenda about the overall project and its need. She explained that in 2008, this used to be a two-way street and was narrowed in order to accommodate putting the Regional Trail in. She stated that now that the Regional Trail gets directed back onto Lake Street through the Panoway, the thought was that it was not really needed in this location any longer. She noted that Public Works Director Kelly had indicated that it had been talked about on and off for about 10 years, but perhaps not recently for the current Council. She stated that one of the benefits of this project would be just some general safety improvements by having two-way traffic and explained that this project would take place primarily on the southern part of the road. She stated that she would recommend that the Council table this item in order to allow for more time to talk about this. She noted that staff was proposing to pay for the design work out of TIF #5 so they could not reallocate it to the other projects mentioned by Mr. Parkhill.

Mr. Parkhill stated that he agreed that the Council should not make this decision tonight.

Mayor Pro-Tem Plechash stated that he had planned to comment on this item, but had not intended to pull it. He stated that this item was also a surprise to him because he did not realize that the City had been planning to turn this back into a two-way street either. He stated that he would like to know if the residents on that street had been contacted and if so, what their feedback had been. He stated that he would also support pulling this item in order to gather more information for the Council.

Ms. MacDonald stated that she had similar thoughts when she read through the packet because it did feel like a surprise and had also wondered about the surrounding neighborhood. She stated that she would also be comfortable with tabling this item and digging into it a bit further.

Mayor Pro-Tem Plechash asked for a motion to table this item. Mr. Parkhill made a motion, Ms. MacDonald seconded, to table item k, Approval of WSB Proposal for Engineering Services Related to Grove Lane Expansion Project. The motion carried 4/0.

<u>AGENDA ITEM 8. New Business.</u>

a. Consider Adoption of Resolution 37-2024 for Amendments to Conditional Use Permits for Eloise Restaurant Parking at 332 Broadway Avenue South

Assistant Planner Quarles reviewed the project location, zoning and land use for the surrounding neighborhood, history of the site, off-site joint use of parking arrangements, fee-in-lieu of parking (FILOP), current permits, and details of the CUP amendment requests.

Mr. Parkhill stated that his understanding was that from 5:00-6:00 p.m., seven days a week is the ‘problem’ they were dealing with and the applicant essentially needed a CUP for 1 hour/day.

Ms. Quarles stated that was correct but explained that the reason is that City Code breaks up the day into specific time blocks which, in this instance, is from 7:00 a.m. to 6:00 p.m. She noted that if they are given this entitlement, they will be allowed to open anytime between 7:00 a.m. and 6:00 p.m., but they have told the City that they would just like to open at 5:00 p.m.

Mr. Sorensen asked when the fee would be paid. Ms. Quarles stated that the fee could be paid either at the time that the CUP is approved or it can be over a period of time as outlined in the FILOP policy. She stated that the applicant has opted to go for the longer time frame payment which is one of the things the Council was being asked to approve.

Mr. Schelzel stated that it appeared that the resolution that was included in the packet did not pick up on that additional detail regarding financing. He clarified that the applicant has requested to pay all FILOP fees overtime in the manner of an assessment with a term of 10 years with an interest equivalent to the prime interest rate plus 2%, as outlined in the policy.

Mayor Pro-Tem Plechash asked if the FILOP program was fairly new in the City and had only been around 4-5 years. Ms. Quarles clarified that the City had amended the policy a few years ago but believed that the FILOP program dated back further than that.

Mayor Pro-Tem Plechash stated that theoretically when a new establishment comes into play and they do not have the ability to build parking in order to satisfy the need, the City asks for a fee in order to reserve an amorphous parking spot somewhere.

Ms. Quarles explained that for this particular establishment it would be Mill Street or the ramp for other places in the ’downtown mobility district’.

Mayor Pro-Tem Plechash stated that he would be curious about how many parking spots were actually available for FILOP and how many had already been spoken for.

Ms. Quarles stated that there are a few different ways that they can look at that, including looking theoretically at the number of spaces that have been spoken for, but she felt that a more accurate way to look at it was to look at the number of spaces that are actually being used through the City’s parking studies.

Mayor Pro-Tem Plechash noted that when there are special events, such as James J. Hill Days, the parking ramp is full, so he felt that there were moments throughout the year where the City really does not have the capacity. He stated that conceptually, he explained that the City could run out of spaces and asked if someone was tracking that so the City knew when they hit this ‘brick wall’ with parking.

Ms. Quarles answered that the City was not tracking it in terms of how many spaces they have given out to each project, but noted that she would say that number is far under their capacity right now. She stated that she felt that the parking study would be the best way to track that information and noted that was also built into the criteria for the CUP, so if, through this data, they found that there was not enough off-site parking within 300 feet, then the Council could not give out a CUP for that use.

Ms. MacDonald asked for a rundown of when, where, and what will actually be studied so that people can be assured that the parking is actually available. Ms. Quarles reminded the Council that the parking study would come before the Council for approval and reviewed details from some examples of past parking studies that had been conducted.

Ms. MacDonald stated that she was very relieved that staff was able to get some data ahead of time for the 2024 parking study and was glad that there did not appear to be any significant deficits in parking spots and explained that she would support this amendment to the CUP.

Mr. Sorensen stated that he has similar thoughts to Ms. MacDonald. He stated that there are a lot of criteria and requirements that go along with fulfilling the FILOP policy and noted that it appears that the applicant has complied with all of them. He stated that the parking study shows that there is adequate parking available and felt that this was a project that would enhance the vitality of the downtown area and thinks that the residents are looking forward to having another interesting place to go to in the evenings. He stated that the Planning Commission had unanimously recommended approval of this request and he would also support it.

Mr. Parkhill noted that he would also support this request.

Mayor Pro-Tem Plechash stated that Wayzata was not unique in having something like a FILOP program and noted that he felt it was a creative way of solving a parking issue. He stated that he did not think the City was close to saturating their parking needs, but it is nice that there is this kind of option.

There being no further discussion, Mayor Pro-Tem Plechash asked for a motion. Ms. MacDonald made a motion, seconded by Mr. Parkhill, to Adopt Resolution No. 37-2024 for Amendments to Conditional Use Permits for Eloise Restaurant Parking at 332 Broadway Avenue South. The motion carried 4/0.

b. Consider Adoption of Resolution 36-2024 for Approval of a Comprehensive Plan Amendment, Rezoning, Conditional Use Permit, Setback Variance, and Design Deviations and Approve the First Reading of Ordinance 840 Rezoning the Property to "Institutional" for Moments of Wayzata at 163 Wayzata Boulevard West

Planning Consultant Zweber reviewed the project location, zoning and land use of the surrounding neighborhood, a summary of the development application, previous approvals for Meridian Manor, existing conditions, previous approvals for Moments of Wayzata, details from the submittal by Moments of Wayzata in February of 2024 and changes that have been made since that time, reviewed details of the site plan and specific requests. He outlined the Planning Commission discussion and 5-0 vote to recommend approval of all the development requests. He clarified the voting requirements and explained that because there were only 4 Councilmembers present tonight, they would all need to vote in favor of the request Comprehensive Plan Amendment in order for it to be approved.

Mr. Parkhill asked if there had been any discussion or potential designs for putting the parking the rear of the parcel. Mr. Zweber stated that there were not because the 2021 approval included the parking in the front so the applicant wanted to continue that usage which was approved by the Council but denied by the Department of Health. He reviewed details of the approval from 2021 and explained that the Council had approved the design standard deviation to allow parking in front of the building.

Mr. Parkhill asked if, even though they were tearing the building down, because that was approved in 2021 if that meant the design modification approval would still stand. Mr. Zweber stated that this is a new request from the applicant.

Ms. Yager stated that in 2021 when the approval came through it was based on renovation of the existing building.

Mr. Parkhill stated that it appears as though that may be the biggest issue with the neighbors.

Ms. MacDonald stated that Mr. Zweber had mentioned that the property was guided for high density residential within the Comprehensive Plan and asked why that designation was chosen when there was already an elderly care facility in that location. Mr. Zweber stated that he could not answer that question because there was a different Community Development Director and consultant who had worked on that Comprehensive Plan at that time.

Ms. MacDonald asked if in Mr. Zweber's experience he found that designations for properties change in the Comprehensive Plan re-evaluations with existing uses on the parcels. Mr. Zweber stated from knowing the Comprehensive Plan, a guess would be discussion within the Plan in a number of areas about providing more variety of housing and more housing for people to age in place within the community. He stated that his guess was that this was a fairly large site with an aging building that could potentially meet the standards of the City's zoning district for a new apartment of condominium building but clarified that he was only guessing. He stated that this was discussed quite a bit at the April Public Hearing and noted that there were a few residents who had stated that they would prefer this to be designated as 'institutional' rather than 'high density residential'.

Ms. MacDonald asked when the Comprehensive Plan was studied and finalized. Mr. Zweber stated that he believed it was in 2018 and noted that it needed to be updated every 10 years.

Elizabeth Wright, 13564 Westernus Road, Minnetonka, applicant, gave a presentation and reviewed details of their reimagined plans for the Moments of Wayzata memory care facility. She described the importance of being able to have a linear building that would allow residents to move around and wander without hitting 'dead ends' that create exit seeking behaviors. She noted that Mr. Parkhill had asked a question on why they hadn't moved the building forward and the reason was that it was the find the best way to care for them. She stated that included things like open hallways, having the ability to see from one end of the building to the other, and having extensive outdoor space for the residents. She stated that she was very proud of what the Moments has become and noted that they had recently been named one of the top 4 operators to watch for in the nation for 2024. She referenced features of their existing Lakeville location with things like a koi pond and explained that it was really important to have more than a postage stamp sized outdoor space.

Jeff Schuler, 3953 Regent Avenue N, Robbinsdale, reviewed the most recent renderings of the proposed exterior of the building, renderings that depict the perspective and view from various angles throughout various seasons, new site design features, including a reduction in the amount of parking stalls in front of the building that faced Wayzata Boulevard. He outlined that overall building improvements that were being proposed with their updated plans and the variance and design deviations that they were requesting.

Ms. MacDonald stated that in the staff presentation they had referenced the proposed massing breaks, but in the renderings the developer had presented she questioned whether that went down to the first floor. Mr. Schuler explained that in the district that they are in, the massing breaks were only required on the floors above the first floor.

Mayor Pro-Tem Plechash stated that their presentation had mentioned that there were parking stalls that were added to the plan and then taken away because they faced Babcock and asked what the total number of parking stalls were now included in their plan. Ms. Wright stated that she believed the number of parking stalls facing Babcock were 13 and they had taken away 6 stalls that had been facing Babcock. She explained that they were trying to move the employee parking near the employee entrance. She noted that the other stalls would all be facing the building and the deliveries would be made in the back of the building.

Mr. Schuler noted that the existing site had 19 stalls facing Babcock in the same location that they were planning on using, and reiterated that they had reduced it down to 13 stalls with their latest plans.

Ms. MacDonald stated that there are only 13 spots in the back lot and asked if there would be more than 13 staff members. Mr. Schuler clarified that there were 20 stalls in the rear.

Ms. Wright explained that they will probably have the most employees for the evening shifts and noted that it would be around 14-15 on those shifts with less overnight.

Ms. MacDonald asked if the employees would specifically care for residents in this building. Ms. Wright stated that they would all be specific to the Moments of Wayzata and clarified that they would not have corporate offices located on site.

Mayor Pro-Tem Plechash stated that they had made a reference to dark skies and in the packet and asked if the City actually had a dark skies requirement. Mr. Zweber explained that the City currently did not have a dark sky requirement, but the Energy and Environmental Committee is currently evaluating a potential text amendment that would add this to their ordinance. He noted that there are code requirements of no more than 4-foot candles at a residential property line and this application is 0.5-foot candles at the most at the property line with Wayzata Boulevard, the church, or Highway 12. He clarified that their application meets the City's current code requirements and noted that he believed what the applicant brought up is they are picking light fixtures that meet dark sky requirements, even though the City Code did not currently require it.

Mr. Schuler noted that in their plans they have also made sure that the front parking lot is only served by a one-way access in order to help mitigate any issues with headlights.

Mayor Pro-Tem Plechash noted that there was one individual that had asked to make a public comment on this item.

David Kirkland, 176 Babcock Lane, stated that for the last 2.5 years, the neighbors have been consistent in their comments and concerns regarding the Moments of Wayzata project, where were tree preservation, light pollution, and residential scale architecture. He explained that their goal had always been to help influence the development of a beautiful and functional building on this site and noted that they have always been in favor of senior care, residential use facility. He stated that with the proposed zoning change they would comply with the City's tree preservation ordinance, even though they would be removing almost 50% of the significant trees on the site and replacing them with hundreds of saplings. He stated that maintaining the PUD zoning would allow for the protection of the trees and explained that the neighbors urge the Council to consider retaining the existing zoning. He stated that light pollution from high intensity LED headlights and the parking lot lighting were the most concerning things to the residents and explained that they have made multiple requests that the parking in front of the building not face the neighbors and should be moved to the rear or west side in order to comply with the design standards. He stated that if this was done, along with using the dark sky fixtures, the neighbors would be satisfied. He stated that by shortening their building by only 20 feet it would also bring it into compliance with the side yard setback requirement and would also create room to relocate the parking to the west edge of the property. He questioned what the hardship would be and reminded the Council that it cannot be something that is caused by the applicant. He stated that they feel the residential scale architecture should be both residential in appearance and scale in order to fit in and complement the architectural designs seen throughout the Highlands. He noted that a linear, two-story box with a large, covered entry does not feel like a large residential home and gives the appearance of a long, institutional building. He read aloud a few examples from industry studies on recommended design elements for memory care facilities and encouraged the Council to do their own research on the nature and treatment of memory disorders before making any final decisions on this application.

Mayor Pro-Tem Plechash reminded the Council that there was a super majority requirement for this item.

Mr. Schelzel clarified that there was a super majority requirement for the Comprehensive Plan amendment which would be necessary for the requested rezoning. He explained that under the City's zoning code, a super majority was not required for the other requests in the Application, but noted that the Comprehensive Plan amendment is kind of the 'but for' decision, because none of the other requests could really happen without that amendment. He noted that he would feel more comfortable with the rezoning if there was also a super majority vote for that item as well, given the change from residential to institutional.

Mr. Sorensen stated that this project has been around for a while when they had first planned to do a renovation to the existing building. He stated that when they had come back with plans for a new building, the Planning Commission had recommended denial and noted that there was also considerable neighborhood opposition and commentary about the plans. He stated that the most recent version of the plans had the Planning Commission unanimously recommending approval. He stated if you look at the Comprehensive Plan amendment request and the question of whether making a change like this was consistent with the Plan and he felt a big part of that would be providing a range of options for housing in the community. He stated that he felt that there was a growing need because of the aging population as well as a great demand for elderly care or memory care facilities. He stated that this project would serve a lot of their residents, would be welcomed by many in the community, and also believed that many would call this a high priority. He stated that he also felt that since this site had already been used for many years as an elderly care facility, he believed that this proposed use was appropriate and may be a better use than what the Comprehensive Plan currently called for.

Mr. Parkhill stated that he did not have any issues with the Comprehensive Plan amendment and rezoning and noted that Ms. MacDonald had mentioned that perhaps there should have been some consideration in making this institutional when they did the Comprehensive Plan the last time. He stated that he felt that was a decent reason to vote in favor of this request and noted that it was also remaining residential and would not be used for some other institutional use like a church. He explained that he did not have any issue with changing the Comprehensive Plan or the zoning for this property.

Ms. MacDonald stated that knowing the community is more behind this use with it being institutional, she felt comfortable amending the Comprehensive Plan and the zoning rather than having it remain high density residential.

Mayor Pro-Tem Plechash stated that it seems to him that the neighborhood north of Wayzata Boulevard is not the same as the neighborhood to the south. He stated that having a memory care unit in the City is probably something that they all want even those that may have some criticism about the design standards. He explained that he felt this was something that the City needed and would use so he agreed that changing the Comprehensive Plan and zoning for this property made sense. He stated that the Council appeared to have consensus on those larger, super majority items and suggested that they move their discussion onto the other requests.

Mr. Sorensen stated that he also supported moving to a CUP. He stated that related to the setback variance he felt that the Planning Commission and the Council needed to be very cautious in allowing any type of variance on a setback, but in this case, given the fact that the functionality of this building required the linear orientation, he did not see an adverse effect on the neighbors or anyone else in the neighborhood by approving this request and was another example of a combination of a unique site, grading changes, and the need to orient the building a certain way. He referenced the Wayzata Community Church that has parking in front of the building and noted that Meridian Manor had also had parking in front of the building. He reiterated that he felt the way the building was oriented made sense and felt that the applicant had done a good job in trying to mitigate the issues of parking in front of the building and did not have a major issue with that design deviation. He stated that for the massing breaks, he believes that the applicant did a good job of trying to give the appearance of a massing break with the glass in areas on the second floor and noted that for this building to function the way it needed to, they need to have consistent hallways. He stated that he felt that the issue with the entry door and the roof sheeting were both positive things given the type of use for this facility. He clarified that, in general, he understood the rationale behind the request and felt the deviations were appropriate.

Mr. Parkhill expressed appreciation to the Planning Commission for their hard work because they have spent a lot of time on this project. He stated that he was in support of elderly care and did not have any issues with the number of units or size of the building. He noted that he understood all the items listed under design standards deviations even though he didn’t love the idea of parking in front of the building. He explained that his biggest issue is the side yard setback because he felt it was a little bit of a developer created kind of situation. He stated that he does feel like the renderings look like a residential building as much as a large building can. He stated that he understood that a linear building was necessary, but suggested that perhaps it did not need to be quite as long a what they were proposing. He clarified that he was in favor of everything else that has been requested.

Ms. MacDonald stated that when reading about the CUP and the request for the recreation to be in the back, she felt that should be something that the applicant should be questioning. She stated that they had mentioned that they would rather have the residents in the back of the building to be away from traffic and noise, but she lived in the adjacent neighborhood and felt that there was nothing louder in the area than Highway 12. She asked if the applicant had spent much time in that back area of the property and explained that she was stuck on the CUP request for that reason. She stated that she agreed with Mr. Parkhill with concern about the side yard setback because if you have 4 acres and the building is starting from scratch she felt that you should be able to abide by those setback requirements. She stated that for the design deviations, she has issues with the parking in the front because this is the first property you would see as you entered the City. She explained that she felt it would be a regrettable decision if the City allowed the parking to be in the front and noted that the requests she felt were reasonable were the hallways upstairs and the exterior doors. She explained that she had done some of her own research about some of the awards that were mentioned during the Planning Commission and stated that she could not find a thru-line of long linear buildings and even thought she had looked at all the other award winners.

Mayor Pro-Tem Plechash stated that he also supported the CUP request because it is what the community wanted. He stated for the setback variance, he did not have a problem with it, because the idea behind the setback was related to the effect on the neighbors and, in this case, the neighbor that would be affected by this would be a highway and country club golf course. He noted that parking has been the design standard deviation that they have been talking about, but also wanted to give a shout out to the Planning Commission, because he felt they had done a masterful job in taking a look at all the different parts of this equation and reminded the Council that they had voted 5-0 in favor of this, the way it was being presented. He stated that the concern has been raised about parking in front and, generally speaking, the City's zoning says that any new building would have parking in the back, because people don't really want to look at cars, but in this case, if the City had them move the building forward and move the parking to the back, there would be consequences. He explained that having a few parking spots in front that appear to be very well shielded would be more than overcompensated by the possibility of having a big massive building being brought closer to the street and would much rather have a berm with cars that cannot be seen and the building situated further back. He explained that he felt the plans called for enough shielding that he did not think lights would be a problem and believes that the concerns that were expressed by the neighbors had been addressed. He stated that he did not have a problem with this as it has been presented.

Mr. Schelzel stated that based on the Council discussion, it appears that there is Council consensus on the 'big' issues of the Comprehensive Plan and Zoning amendments, but not necessarily on some of the subsequent items. He stated that if the Council decides to take action that is different than what is in the draft resolution that was prepared based on the Planning Commission Report and Recommendation, staff would recommend that Council direct staff to prepare and come back with a new resolution that reflects that different direction. Mr. Schelzel further noted that an advantage in doing that would also be that they would likely have a full Council at the next meeting.

Mr. Parkhill stated that he did not like the side yard setback request, but they have been working on this for 3.5 years, have come up with many iterations that they have presented to the City, and have worked with the neighbors to address their concerns. He noted that the reason that he didn't like the side yard setback request was not because it was close to a highway. He stated that he felt the building was very residential looking and explained that he would be willing to vote in favor of the side yard setback request which may change the direction that Mr. Schelzel was describing.

Mr. Schelzel stated that the Council could take two votes on the resolution that is currently before them, the first on the Comprehensive Plan and Zoning requests requiring an affirmative super majority vote, and the second on the other requests that require simple majorities. He suggested that if Council proceeds with that suggestion and if the second motion failed, he would ask that they direct staff to come back with an alternative resolution that would include denial of whatever issues the Council was split on, for example, the parking, and the full Council could decide at the next meeting. He stated that action could also have separate motions for all of the other issues as well if that was where the Council was headed.

Mayor Pro-Tem Plechash asked for a second motion on the draft resolution.

Mr. Sorensen asked what would happen if this next vote resulted in a 2-2 vote. Mr. Schelzel stated that Resolution No. 36-2024 would not pass, and Mayor Pro-Tem Plechash could ask for a motion on some of the items separately. He explained that if there was a 2-2 vote on any items, those items would not be approved. And as they do not have Findings of Fact to support denial of any of them, staff would have to come back with such alternative findings.

Mayor Pro-Tem Plechash reminded the Council that what was presented to them tonight had been looked at in depth by the Planning Commission, who had voted unanimously in favor of the Application.

Mayor Pro-Tem Plechash reiterated his request for a second motion on the balance of the resolution. Mr. Sorensen made a motion, seconded by Mr. Parkhill, to Adopt Resolution No. 36-2024 with respect to the requested Conditional Use Permit, Setback Variance, and Design Deviations for Moments of Wayzata at 163 Wayzata Boulevard East. The motion carried 3/1 (Ms. MacDonald opposed).

After adoption of Resolution No. 36-2024, Mayor Pro-Tem Plechash asked for a motion on the related Ordinance 840. Ms. MacDonald made a motion, seconded by Mr. Parkhill, to Approve the First Reading of Ordinance 840 Rezoning the Property to “Institutional” for Moments of Wayzata at 163 Wayzata Boulevard East. The motion carried 4/0.

c. Consider Adoption of Resolution 34-2024 Certifying to the County Auditor the Preliminary Property Tax Levy for Taxes Payable 2025 and Resolution 35-2024 Approving 2025 Preliminary Budgets

Ms. Yager reviewed the overall budget process that the City had been following and reminded the Council that the Preliminary Property Tax Levy sets the ceiling for how high it can be, but noted that they can lower it when the Final is set in December. She reviewed the City’s strategic priorities, and highlighted portions of the 2025 total budget including: revenues, General Fund revenues, General Fund expenditures, and budget goals. She also highlighted information from the proposed 2025 Preliminary Levy and reviewed the key levy drivers for 2025, key changes to General Fund revenue and expenditure budget, market value growth, property tax distribution, historical levy increases, and tax rates, comparison with other communities, and the impact to residents.

Mayor Pro-Tem Plechash stated that the Council had been discussing these things for quite a while and noted that he felt that the residents were mostly concerned with their property taxes. He asked staff what would happen if the City did not add any police protection and what that would do to the property tax levy increase. Ms. Yager stated that there would still be an increase, but it would not be as significant.

Mayor Pro-Tem Plechash explained that his point in asking that question was because the Council cared about safety in the City and felt it was clear that the Police Department needed their support in order to provide the level of safety that the community wants to have and this increase was essentially the consequence of that commitment to safety.

Mayor Pro-Tem Plechash asked for a motion. Mr. Parkhill made a motion, seconded by Ms. MacDonald, to Adopt Resolution 34-2024 Certifying to the County Auditor the Preliminary Property Tax Levy for Taxes Payable 2025. The motion carried 4/0.

Mayor Pro-Tem Plechash asked for a motion. Ms. MacDonald made a motion, seconded by Mr. Sorensen, to Adopt Resolution 35-2024 Approving the Preliminary 2025 Budgets. The motion carried 4/0.

<u>AGENDA ITEM 9. Deputy City Manager's Report and Discussion Items.</u>

a. Upcoming Events/Announcements

- Reminder that James J. Hill Days will be this coming weekend, Friday – Sunday and thanked the Chamber of Commerce for pulling together another great event
- Fire Department Pancake Breakfast will be on September 15, 2024 from 8:00 a.m. to 12:00 noon
- Remembrance of fallen officers that have been killed in the line of duty: August 31st marks the anniversary of the death of Sargeant J.W. Anderson; September 8th marks the anniversary of the death of Officer Bill Matthews.

b. Council Member Updates/Announcements

<u>AGENDA ITEM 10. Public Forum Continued (if necessary).</u>

There were no comments.

<u>AGENDA ITEM 11. Adjournment.</u>

There being no further business, Mayor Pro-Tem Plechash asked for a motion to adjourn. Mr. Sorensen made a motion, seconded by Ms. MacDonald to adjourn. Mayor Pro-Tem Plechash adjourned the meeting at 9:38 p.m.

Respectfully submitted,

Kathy A. Leuvig

Kathy Leervig
City Clerk

Drafted by Kayla Rokosz
TimeSaver Off Site Secretarial, Inc.