WAYZATA CITY COUNCIL
MEETING MINUTES
September 15, 2015

AGENDA ITEM 1. Call to Order and Roll Call.

Mayor Willcox called the meeting to order at 7 p.m. Council Members present: McCarthy, Mullin and Tyacke. Council member absent and excused: Anderson. Also present: City Manager Nelson, City Attorney Schelzel, City Planning Consultant Eric Zweber with WSB & Associates, Inc., Director of Public Service Dudinsky, City Financial Consultant Steve McDonald with AEM, and Management/Planning Intern Peters.

AGENDA ITEM 2. Approve Agenda.

Mr. Tyacke made a motion, seconded by Mrs. McCarthy, to approve the meeting agenda, as presented. The motion carried 4/0.

AGENDA ITEM 3. Public Forum – 15 Minutes (3 minutes per person).

a. Wayzata Fire Department Pancake Breakfast

Fire Chief Klapprich announced the Wayzata Fire Department Relief Association will have a pancake breakfast fundraiser on September 20 at the Fire Station.

The Council thanked the Fire Department, Police Department, City staff and Public Works Department for their work at James J. Hill Days.

Paul Webster, 726 Widsten Cir., thanked the City for their work in cleaning up after the James. J. Hill Days events.

AGENDA ITEM 4. New Agenda Items.

None.

AGENDA ITEM 5. Consent Agenda.

Mrs. McCarthy made a motion, seconded by Mr. Mullin, to approve the consent agenda:

a. Approval of City Council Workshop Meeting Minutes of September 1, 2015 and City Council Regular Meeting Minutes of September 1, 2015
b. Approval of Check Register
c. Municipal licenses which received administrative approval (informational only)
d. Police Activity Report
e. Building Activity Report

The motion carried 4/0.

AGENDA ITEM 6. Public Hearing.

a. Public Hearing on Special Assessment for Lift Station No. 5 Project; Consider Approval of Resolution No. 33-2015 Certifying to the County Auditor Assessment for Lift Station No. 5 Project

Mr. Dudinsky reported that at the May 5 Council meeting, Council approved the proposed upgrades to Lift Station No. 5, awarded the project to the low bidder, and proposed the City assess the benefitting Boatworks property. Boatworks II, LLC has agreed to be assessed $109,660. Staff recommends approval of Resolution 33-2015 certifying the assessment.

Mr. Dudinsky stated this upgrade cost is higher compared to others due to the unique conditions with the site.

The Council asked about the impact this work will have on the oak trees nearby. Mr. Dudinsky stated the contractor did not think it would have any impact on the trees.

Mayor Willcox opened the public hearing at 7:15 p.m. There being no input, Mr. Willcox closed the public hearing at 7:16 p.m.

Mr. Tyacke made a motion, seconded by Mrs. McCarthy, to Adopt Resolution No. 33-2015 Certifying to the County Auditor Assessment for Lift Station No. 5 Project. The motion carried 4/0.

AGENDA ITEM 7. New Business.

a. Consider Resolution No. 34-2015 Certifying to the County Auditor the Preliminary Property Tax Levy for 2016

Mr. Steve McDonald of AEM, Financial Consultant, presented the 2016 preliminary budget and property tax levy. He reported on legislative impacts, and revenue and expenditure changes that affect the budget. The overall proposed tax levy increased is 2.95 percent from 2015.

Mr. Tyacke made a motion, seconded by Mrs. McCarthy, to Adopt Resolution No. 34-2015 Certifying to the County Auditor the Preliminary Property Tax Levy Payable for 2016. The motion carried 3/1. (Mullin)

b. Consider Recommendation from Lake Effect Design Selection Committee for Signature Project Design firm

Ms. Mary deLaittre, Lake Effect Project Consultant, gave an overview of the process for selecting the Lake Effect Signature Project Design firm. She reported Civitas was selected by the Lake Effect Design Selection Committee as the recommended design firm and their proposed fee for the project is $310,000.

Ms. Nelson stated the presentation and proposal provided by Civitas will be available on the website tomorrow.

The Council asked for clarification on what is included in the Signature Project as it relates to the design firm. Ms. deLaittre reported it covers the area from the park up to the Section Foreman House and from Lake Street down to the water.

The Council asked about the $310,000 fee and wondered if it will change in the process of finalizing a contract. Ms. deLaittre stated in negotiations like this, design firms are eager to have a fee that is appropriate to the City and she is not concerned about the fee going higher.

Ms. Nelson stated Civitas understands the need to involve the community in this process. Beginning in late October, they hope to begin implementation of a three-part plan: 1) To have an open house where people from the community can come and meet the designers; 2) After a design plan is put together, to have an opportunity for people to view the plan and provide feedback; and, 3) To return with the final draft of the design.

Ms. Nelson reported the Lake Effect discussions with Civitas did include the need for parking in the Lake Street area and how to incorporate that within the Lake Effect designs. Ms. Nelson stated staff recommends Council approve Civitas for this project, and direct staff to proceed to negotiate a contract.

Mr. Mullin commented this initiative is about open public space and not commercial development. The assumption is that this project is to be funded privately and is not designed to be funded by the taxpayers of Wayzata. The team that was put together to select this firm included expertise to deal with the unique challenges of the area.

Mr. Willcox thanked the Selection Committee for their work and stated the final decision on the recommendation was made by experts in different areas.

Mr. Mullin made a motion, seconded by Mr. Tyacke, to approve Civitas as the design firm for the Lake Effect: Signature Project Design and authorized staff to negotiate a contract.

Mr. Mullin acknowledged the volunteers and citizens that have been part of this project over the past six years.

The motion carried 4/0.

c. Review Draft Report for Downtown Parking Project at Mill Street

Ms. Nelson reported two options have been presented in the draft report for the Mill Street Ramp for Council consideration: 1) a grade plus one level ramp with no commercial corner, and 2) grade plus two level ramp with a commercial corner. Both options include a flexible street concept for Mill Street. Staff is recommending the Council consider the grade plus two level ramp with the flexibility for a commercial corner.

Mr. Jim Lasher, SRF Consulting, reported on additional details for the parking ramp options. A grade plus one level ramp with no commercial corner would hold 328 cars and cost $7.1 million; a grade plus two level ramp with a commercial corner would hold 447 cars and cost $9.72 million.

The Council asked about a roof on the parking structure. Mr. Lasher stated a roof would cost between $2.5 million and $3 million and would increase the height approximately eleven feet. Mr. Lasher reported on Mill Street as a "Flexible Street" and handicap parking options.

Mr. Richard Lang, Visual Communications, St. Paul, reported on wayfinding and signage options.

Mr. Lasher reported on the Preliminary Plan of Finance. Parking ramp Option No. 1 would cost $7.2 million. TIF District No. 5 could pay 100% and the City would have funds remaining. Option No. 2 would cost $9.72 million and the City would continue to pursue a Widsten TIF amendment in the 2016 Legislative Session to be used in the first five years (nearly $500,000/year in TIF) to negate any shortfalls.

Mr. Mullin stated the plan of finance potentially puts the entire burden of paying for parking on the commercial property owners in downtown Wayzata. It is not being paid for by home owners and condo owners.

Mr. Lasher reported on procurement options. He stated the public/private partnership (PPP) opportunity is best used in the event there is a commercial component to the parking structure.

Ms. Nelson stated staff is looking for direction from Council on the programming and pre-design of the ramp, and what that structure is, and the procurement options.

The Council asked what authority the HRA has over the parking ramp option. Ms. Nelson stated the HRA has appointed two members to represent the HRA with the downtown parking project. The HRA currently holds some of the land where the parking ramp would be constructed.

The Council asked what the advantages are to having a commercial building on the west end. Mr. Lasher commented it enlivens that corner, provides potential revenue for the City, and provides an interesting urban design component that would work well with the Beltz project across the street.

Mr. Lasher outlined the project schedule under both options with ramp construction beginning in October 2016 and completion in June 2017.

The Council asked if the proposed corner commercial development could work with parking ramp Option No. 1. Mr. Lasher said it could work, but there would be less parking available with the smaller ramp option.

Mr. Jack Morrison, 728 Widsten, stated he feels like his voice has not been heard and wondered why the plan is so different since the last City Council meeting.

Ms. Nelson stated since the last regular Council Meeting on this topic, there was a workshop meeting with the Beltz group on September 1. The Council reviewed the plan brought forth by the Beltz group and expressed interest in moving forward with some of the concepts presented, as the plan related to the feel of Mill Street and had advantages from an urban design perspective. She also sees a potential opportunity for a PPP that would be beneficial to the City.

Mr. Mullin stated a formal proposal came from the Beltz group at the workshop meeting on September 1. If a developer is willing to assume a financial risk that stays off the City's ledger, it is a radically different plan of finance than using TIF money from Presbyterian Homes. He stated it is his fiduciary responsibility on behalf of all the taxpayers to remain open to this type of proposal.

Mr. Tyacke stated he is concerned with the height of the parking ramp. He likes parking ramp Option No. 1 and the plan of finance that goes with it because there is no shortfall in the projected numbers presented. He would possibly be open to Option No. 2, but there is not yet enough information on it.

Mrs. McCarthy stated from a financing standpoint, she supports parking ramp Option No. 1 and supports constructing it in a way to allow for expansion in the future.

Mr. Lasher stated Option No. 1 does include the pricing for construction that will allow for expansion in the future, which is about $220,000. The future construction for an additional ramp level could be between $2.5 and $3 million.

Mr. Mullin stated support for Option No. 2 and authorizing staff to continue discussion with the Beltz group to see if a Letter of Intent is possible. However, if Council does not agree, he suggested moving forward with Option No. 1, but allow for discussions with the Beltz group to see if a Letter of Intent is possible and explore the plan of finance.

Mr. Willcox stated he supports Option No. 2 and would like to investigate a PPP with the Beltz group.

Mr. Tyacke stated he supports meeting with the Beltz group to see if there could be agreement on a Letter of Intent.

Mrs. McCarthy stated she needs to see overwhelming evidence for the need of a larger ramp. She is open to looking at a Letter of Intent from the Beltz group, as it does not tie the City to anything.

Ms. Nelson suggested Council direct staff to prepare a term sheet for the Beltz group to look at that would reflect a PPP that would explore the desired ramp option with or without the commercial corner.

d. Consider Approval of Third Amendment to Development Agreement and CUP for Boatworks II, LLC

Mr. Schelzel reported earlier this year, Council had approved an amendment to the existing PUD and a new CUP to allow the operation of a microbrewery, taproom, and distillery facility at 294 Grove Lane East (Boatworks). As a condition of that approval, the owner of the property was required to amend the existing development agreement to incorporate the new approval and the conditions of the approval.

Mrs. McCarthy made a motion, seconded by Mr. Tyacke, to approve the Third Amendment to the Development Agreement and CUP for Boatworks II, LLC. The motion carried 4/0.

~~**e. Consider Approval of Second Amendment to Development Agreement and CUP for Clock Tower Venture, LLC**~~

This item was removed from the agenda at the request of the property owner.

f. Approval of Contract to Provide Law Enforcement Services to the City of Long Lake for a Period of Five Years

Ms. Nelson reported staff provided the City of Long Lake a proposal for continued police services that attempted to address cost concerns of Long Lake, extended the contract term, and identified two policy issues that could provide assistance to help manage police calls in the area of rental housing and massage oriented business. This contract would begin on January 1, 2016 and terminate on December 31, 2020 unless renewed. Staff is seeking approval of the revised contract as outlined in the meeting packet.

The Council asked if additional services were needed, would there be a way to recover the increased costs. Mr. Schelzel stated there was no express language on this point but language could be put in the contract to make sure that is covered. Ms. Nelson stated this is not a condition that has been in the contract before and it would have to be discussed with the City of Long Lake.

Ms. Nelson reported it is a good when cities can share services. Due to hiring two more officers to meet this joint need, the City of Wayzata is stronger. The longer term contract benefits the City's relationship with Long Lake.

Mrs. McCarthy made a motion, seconded by Mr. Tyacke, to approve the Contract to Provide Law Enforcement Services to the City of Long Lake for a period of five years, subject to approval by the City Attorney. The motion carried 4/0.

AGENDA ITEM 8. City Manager's Report and Discussion Items.

a. Update on the Bushaway Project

Ms. Nelson announced the Bushaway Road Landscape Committee will meet on September 17 at 7:30 a.m. at City Hall. Following that meeting at 9:00 a.m. there will be a Bushaway Project update meeting. The Council is invited to tour the Bushaway corridor on September 23 at 5:00 p.m.

b. Upcoming Dates

The Fire Department will have a pancake breakfast fundraiser on Sunday, September 20, from 8:00 a.m. noon.

Ms. Nelson announced Public Safety Day is Monday, October 5, and from 4:30 p.m. to 6:30 p.m., there will be displays at the Fire Station all focused around public safety.

Ms. Nelson announced on October 6, during workshop time, a representative from Forecast Public Art will talk about the public art concept and the east roundabout.

Ms. Nelson announced on October 8, from 7:00 p.m. to 8:00 p.m., the Renovation Celebration will be at City Hall hosted by the HPB.

Ms. Nelson announced Pull-It Day is on October 24 at 8:30 a.m. and requested volunteers sign up on the website.

Mrs. McCarthy asked about the City of Wayzata changing school start times and what impact it will have on the residents. Ms. Nelson stated the middle school and high school will move to a later start time. It may help the commuter traffic and is seen as a benefit.

Mr. Mullin asked staff to prepare a memo that gives information about a proposed 20-unit condo being constructed at the Meyers Dairy site that had been reported in the press.

AGENDA ITEM 9. Public Forum Continued (if necessary).

There were no comments.

AGENDA ITEM 10. Adjournment.

Mr. Tyacke made a motion, seconded by Mrs. McCarthy to adjourn. There being no further business, Mr. Willcox adjourned the meeting at 9:53 p.m.

Respectfully submitted,

Becky Malone 10/06/2015

Becky Malone
Deputy City Clerk

Drafted by Shannon Schmidt
TimeSaver Off Site Secretarial, Inc.