

**WAYZATA CITY COUNCIL
WORKSHOP MEETING MINUTES
June 16, 2026**

Mayor Mullin called the meeting to order at 5:30 p.m. Council Members present, in-person, in the community room at City Hall offices: MacDonald, Plechash, and Sorensen. Absent: Koch. City Staff included City Manager Yager, Community Development Director Sharpe, Police Chief Baker and Planner Hedblom. Also present: David Schelzel, City Attorney.

5:30 p.m. Discussion of the Status of Retail in Wayzata and What Actions the City Can Take

Community Development Director Sharpe presented an overview of Wayzata's retail environment, focusing on retail activity within the Promenade, the Lake Street corridor, and the Barry Avenue/Ferndale area. The discussion was prompted by concerns regarding retail vacancies, changing business trends, and the long-term vision for downtown Wayzata. Staff referenced a 2007 retail study that documented a decline in retail activity and noted that many of the trends identified at that time continue today. Current vacancy rates indicate the Promenade remains the area of greatest concern, while Lake Street continues to perform relatively well despite some vacancies and turnover.

Council discussed the challenges retailers face in Wayzata, including high rents and common area maintenance charges, and initial buildout costs including WAC and SAC charges. These costs can create significant barriers for independent retailers and start-up businesses. Members noted that while Wayzata remains a desirable destination, certain business types are unable to make the economics work despite being a good fit for the community.

Mr. Sharpe explained some of the zoning regulations in these downtown areas and noted that the current rules require 50 percent of ground-floor space be devoted to retail or service commercial. He added that the definition of "service commercial" is broad and may be allowing uses that do not support the City's goal of maintaining an active and vibrant retail environment.

Mr. Sharpe also reviewed potential financial incentives that could help attract desired businesses. Ideas included assistance with SAC charges, tenant improvements, startup costs, tax abatements, and other programs designed to reduce barriers to entry.

Council also expressed interest in exploring whether an arts district or similar initiative could help strengthen Wayzata's identity and create additional opportunities for retail activity, public art, and cultural attractions. Members noted that arts-focused destinations often encourage visitors to stay longer and support surrounding businesses.

The Council generally agreed that additional community input would be beneficial as these discussions move forward. Future Comprehensive Plan engagement efforts and the community survey may provide valuable insight into the types of businesses residents would like to see downtown and their willingness to support City investments aimed at strengthening the retail environment.

Consensus from the Council was to direct staff to further evaluate potential zoning amendments, including revisions to the definition of service commercial and other ground-floor use requirements. Additional next steps include researching direct financial incentive programs, funding mechanisms, tax abatement opportunities, and other tools that could support desired retail development. Additional information will also be gathered regarding arts district concepts and other retail attraction strategies.

Council expressed interest in forming a small advisory group consisting of commercial real estate professionals, business leaders, and other retail experts to provide recommendations regarding recruitment strategies and downtown retail goals. Staff will also continue exploring proactive business

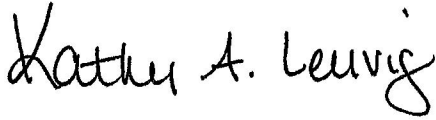
recruitment efforts focused on attracting “lifestyle” and destination-oriented retailers that complement Wayzata’s unique character.

6:30 p.m. Discussion of Future Agenda Topics

The Council briefly reviewed the proposed workshop schedule and discussed whether any additional topics should be added. No other additions or changes were suggested.

The workshop adjourned at 6:55 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Kathy A. Leervig". The signature is written in a cursive, flowing style.

Kathy Leervig, City Clerk