

**WAYZATA CITY COUNCIL
WORKSHOP MEETING MINUTES
October 18, 2016**

4:45 PM Parking Policy Discussion

Mayor Willcox called the workshop meeting to order at 4:45 pm in the Community Room at Wayzata City Hall. Council Members present: Anderson, McCarthy, Mullin and Tyacke. Also present: City Manager Dahl, Public Services Director Dave Dudinsky, Director of Planning and Building Thomson, and City Attorney Schelzel.

Mr. Dahl provided the council with a background regarding how the City is moving forward with three significant initiatives to create a downtown parking district:

1. Building the Mill Street Parking Ramp;
2. Facilitating the creation of Special Services District (Mobility District) in order to, at a minimum, pay for maintenance and operations costs of the Mill Street Parking Ramp, and also provide other services such as wayfinding signs, valet parking, etc.; and
3. Developing a Payment-in-Lieu-of-Parking (PILOP) Policy that would provide another option for developers to maximize the use of their property by utilizing public parking stalls.

Mr. Dahl stated that in addition to these initiatives, the City has also amended its parking ordinance and reduced the required amount of parking stalls for commercial uses in the downtown district. The overarching goal of these initiatives is to add more spaces downtown and maximize the efficiency of these spaces.

Mr. Dahl stated that the City is in the bidding process of building the ramp and has just hired a consultant to help facilitate the Mobility District. The pending initiative that still needs work is the PILOP Policy.

Mr. Dahl said the City discussed a draft PILOP Policy its September 20 workshop meeting. The Council had provided feedback regarding different changes in land use that would trigger using the policy as a development option. Ultimately, the discussion was cut short given time constraints.

Mr. Dahl stated that staff has continued to research the issue and has prepared another draft of the PILOP Policy. Mr. Dahl reviewed the revised policy and reviewed the changes that had been made to it. He stated that a critical component of the policy is what the per stall fee would be and would the fee be allowed to be paid over a defined period of time. He stated that staff recommends that the fee (which would be identified in the City's annual fee schedule) is \$10,000 per stall and could be financed through the City over a term of not to exceed 20 years with a market-based interest rate plus 1.5% to cover City financing and administrative costs.

Mr. Dahl said the recommended fee of \$10,000 per stall was determined by the following:

- Industry standard is approximately \$25,000 per stall for structured parking and \$5,000 for surface parking (not including land costs). The City's inventory of parking stalls will be a combination of both structured and surface parking.
- Looking at other cities' PILOP policies, the average of comparable cities is around \$15,000. For example: Excelsior, MN is \$24,000 (their annual rate per stall over 20 years), Laguna Beach is \$20,000, Lake Forest, IL is \$22,000, Santa Monica, CA is \$20,000, Kirkland, WA is \$6,000, Coconut Grove, FL is \$10,000, and Jackson, WY is \$8,500 to \$17,000.
- Parking stalls would still be "public stalls" that are tracked as a pool. These stalls are not exclusive to the developer. It is the City's duty to ensure it has not "over promised" stalls and therefore must utilize the funds to fund maintenance and capital costs of the existing and future additional stalls if needed.

- 1 • \$10,000 amortized over 20 years with a 6% interest rate, for example, is \$832 payment per year,
- 2 similar to the two options articulated in the December 2015 SRF Report which provided two per stall
- 3 examples of \$660 per stall and \$783 per stall but assumed NO interest.
- 4 • The only previous City agreement that identified a cost per stall was \$7,500 in 1988. This amount
- 5 was based not the equivalent cost per stall rather the projected benefit to the property.
- 6 • Staff believes that a \$10,000 per stall would be an adequate amount to assist in funding future
- 7 downtown parking improvements such as improvements to existing City-owned parking lots as well as
- 8 future additional facilities. As a result, a Downtown Parking District Fund has been created will be
- 9 discussed as a part of the CIP discussion.

10
11 Mr. Dahl stated reasons why the City would allow an assessment of up to 20 years:

- 12 • To give the property owner the opportunity to add it as a lease charge +in order to reduce upfront
- 13 capital costs.
- 14 • A market-based interest rate as well as an administrative fee is added on to ensure that the City
- 15 does not lose money as a result of financing.
- 16 • Must be paid off if property is sold.
- 17 • Anything more than 20 years could outlast the length or value of the parking stall.
- 18 • Similar to the term of for the financing of the parking ramp.

19
20 Mr. Dahl said the PILOP Policy would be completely optional to a developer. Property owners always

21 have the option of providing parking on their own property or working out agreement with adjacent

22 property owners. This Policy would help streamline future development processes to avoid the ad-hoc

23 parking agreements of the past.

24
25 Jimmy Beltz indicated his preference for a substantially reduced per stall fee as the fee will ultimately just

26 get passed onto the tenants, which could make the development not feasible.

27
28 The Council discussed the proposed fee and asked staff to look into extending the term and reducing the

29 interest rate.

30
31 The Council directed staff to present a draft PILOP policy and fee schedule for consideration at the

32 November 1, 2016 City Council meeting.

33 34 **5:15 PM Wayzata Community Sailing Center Improvements**

35 Mayor Willcox introduced this item at 5:45 pm in the Community Room at Wayzata City Hall.

36
37 Barry Petit, representing Wayzata Community Sailing Center, presented plans for its site at 456 Arlington

38 Circle South.

39
40 The Council provided feedback regarding the project, including: maintain the City's right-of-way along

41 Arlington Circle, recognize the previous community engagement process, work with Parks and Trails

42 board on ideas for the "Little Beach", maintain a residential character, consider buffering and screening

43 from the surrounding neighborhoods, including the homes to the north of the railroad tracks, and maintain

44 the vistas to the lake.

45 46 **5:45 PM Telecom Relocation Update**

47 Mayor Willcox introduced this item at 6:05 pm.

48
49 Mr. Dudinsky provided a recap regarding SEH's report regarding the Wayzata West Middle School

50 Communication Tower Feasibility Study.

1 The study revealed that our costs are significantly higher than anticipated due to the poor soil conditions
2 at the site. In addition, the four current tenants have requested a reduction in their lease rates.
3

4 The Council asked Mr. Dudinsky to move forward with ordering of final plans and specifications for the
5 Wayzata Middle School Communication Tower with the Council considering on November 1st the
6 approval to authorize the ad for bid. Mr. Dudinsky stated the award of bid could then be considered by the
7 Council in February of 2017
8

9 **6:15 PM CIP Discussion**

10 Mayor Willcox introduced the item at 6:30 pm.
11

12 Mr. Dahl stated that since the October 4th workshop meeting, staff has worked with Steve McDonald from
13 AEM to add to the CIP a Downtown Parking District Fund that contains parking related improvements
14 such as the parking ramp, maintenance and operations for the ramp and other municipal parking lots, as
15 well as future parking expansion projects.
16

17 Mr. Dudinsky reviewed requests made by the Parks and Trails Board for their added park related
18 improvements. The Council had positive feedback regarding all of their proposals with the exception the
19 of the bike kiosks.
20

21 Because time was cut short, Staff agreed to schedule a special workshop meeting sometime during the
22 first two weeks of November.
23

24 The workshop meetings were adjourned at 7:00 pm.
25

26 Respectfully submitted,
27

28 *Becky Malone 11-01-2016*
29

30 Becky Malone
31 Deputy City Clerk