

**WAYZATA CITY COUNCIL
MEETING MINUTES
November 15, 2016**

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, Anderson, and Tyacke. Also present: City Manager Dahl, City Attorney Schelzel, and Director of Planning and Building Thomson.

AGENDA ITEM 2. Approve Agenda.

Mrs. Anderson made a motion, seconded by Mr. Tyacke, to approve the agenda. The motion carried 5/0.

Mr. Willcox advised the Council met in Workshop prior to the meeting to conduct a six-month performance evaluation of City Manager Jeff Dahl. They concluded City Manager is well respected and overall the Council is pleased with his work. The only area of improvement includes more detail with City finances, which will come with more time in his role.

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

a. Update on Light Up The Lake Celebration

Becky Pierson, Chamber of Commerce President, announced Light Up the Lake Celebration will begin on November 25 at the Depot. In addition to the usual festivities, the Police Department will begin collecting Toys for Tots, there will be a Candy Cane Hunt, and Elf on a Shelf. Also, Small Business Saturday will be on November 26, Jingle Mingle will be on December 1, and Shop for a Purpose on December 16.

Mayor Willcox announced a new evergreen tree was donated to the City to replace the tree near the Depot that was damaged in a storm this past summer.

b. Proclamation for Restorative Justice Week

This item was addressed following Item 7e.

AGENDA ITEM 4. New Agenda Items.

None.

AGENDA ITEM 5. Consent Agenda.

Mr. Tyacke referred to page 20 of the meeting packet and inquired about the \$9,840.60 charge to the Metropolitan Council. City Manager Dahl confirmed it was for sewer hookup and stated the City receives the money through the building permit process and it is then given to the Metropolitan Council with no net cost to the City.

Mr. Tyacke pointed out a license for Gianni's and inquired about the plan to remove the pergola structure at that business. Mr. Dahl stated the business owner is aware it needs to come down before it snows and is working on it.

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

- a. Approval of City Council Special Workshop Meeting Minutes of October 31, 2016, City Council Workshop Meeting of November 1, 2016, and City Council Regular Meeting Minutes of November 1, 2016
- b. Approval of Check Register
- c. Municipal Licenses Which Received Administrative Approval (Informational Only)
- d. Approval of Municipal Licenses
- e. Police Activity Report
- f. Building Activity Report

g. Approval of 2017 Liability Insurance Coverage Waiver Form
The motion carried 5/0.

AGENDA ITEM 6. Canvass Election Results

a. Consider Approval of Resolution #51-2016 Canvassing the Returns and Declaring the Results of the November 8, 2016 City General Election

City Manager Dahl reviewed the Resolution Canvassing the Returns and Declaring the Results of the November 8, 2016 City General Election. He stated Wayzata voter turnout was 82% and 50% of people who voted, did so before the election.

The Council thanked City staff who handled early voters and the election judges that helped on election day.

Mr. Tyacke made a motion, seconded by Mrs. McCarthy, to adopt Resolution No. 51-2016 Canvassing the Returns and Declaring the Results of the November 8, 2016 City General Election declaring that Ken Willcox has been duly elected to the Office of Mayor for a four-year term and Dan Koch and Alex Plechash have been duly elected to the Offices of Council Member for four-year terms. The motion carried 5/0.

AGENDA ITEM 7. New Business.

a. Consider Resolution No. 50-2016 Calling for a Public Hearing for Sale of Bonds for Mill Street Parking Ramp Financing.

City Manager Dahl provided the following details on financing for the Mill Street Parking Ramp:

- Total bonding amount will be \$10,295,000
- It is a 24-year term
- \$2.370 million in cash allowance from the City
- City is rated AA+
- Starting in 2019, there is \$490,000 in TIF available. At 105% coverage, there will not be any need for a general fund levy.

Stacie Kvilvang, Ehlers and Associates, reported in detail on the report provided by Ehlers regarding financing of the Mill Street Parking Ramp, and the timeline of action, which are provided in the meeting packet.

Mr. Tyacke inquired if it is still projected that the tax increment revenues will provide enough to cover the debt service on the bonds and what becomes of any unused amount of money.

Ms. Kvilvang responded it is still projected that the tax increment revenues will be adequate to provide debt service on the bonds and any remaining unused money will be placed in the City's debt service account and used toward debt service on the bonds. The City will receive \$10,000,000 in bond proceeds of which the City can use about \$7,700,000 in construction costs. They City can choose to spend the bond proceeds first and use the cash second.

Mr. Mullin inquired if there are any prepayment penalty provisions. Ms. Kvilvang stated these are 24-year bonds and cannot be prepaid until after the 8-year call.

Mr. Willcox inquired if this bond has any effect on the City's overall borrowing capacity. Ms. Kvilvang responded it does not count against the City's debt limit or capacity.

Mrs. Anderson inquired about pursuing a new bond rating. Ms. Kvilvang responded they are recommending the City switch to Standard & Poor's bond rating because they are more transparent in their rating, give more control over things that can be done in the community, and are hoping to establish the City's AAA bond rating through the process. The cost ranges from \$8,000 - \$15,000. The City's healthy financials, population, and redevelopment are all positive things that could help get a AAA bond rating.

1 Mr. Mullin inquired if the pledged TIF stream revenue off The Landing has any impact
2 on how the rating agency looks at this. Ms. Kvilvang stated it does not since it is a general
3 obligation.

4 Mr. Tyacke made a motion, seconded by Mr. Mullin, to adopt Resolution No. 50-2016
5 Providing for the Sale of \$7,925,000 General Obligation Tax Increment Bonds, Series 2016A.

6 Mr. Tyacke referred to item No. 2 in the Resolution, and inquired if it should state a
7 public hearing will be held in the meeting. Ms. Kvilvang advised a public hearing is not held on
8 the bond sale, but is held on the amendments to the TIF plan.

9 Mrs. Anderson advised her reasons for voting no were stated at the previous Council
10 meeting.

11 The motion carried 4/1. (Anderson)

12
13 **b. Review Parking Mitigation Plan and Consider Approval of Contract with**
14 **Unparalleled Parking for Valet Services**

15 City Manager Dahl reported on the details of the parking mitigation plan that are outlined in the
16 meeting packet. The City will use social media and the website to highlight parking that is
17 available and communicate any changes throughout construction.

18 Mr. Willcox inquired if the valet parking sign said it was free. Mr. Dahl stated he would
19 look into it.

20 Mr. Tyacke referred to page 65 in the meeting packet, Sections 1(B) and (C), and
21 inquired if there was an obligation for Unparalleled Parking to carry insurance to protect the City.
22 Mr. Dahl stated the City would require a Certificate of Insurance. City Attorney Schelzel
23 recommended the Council approve this with the condition that the City Attorney address it before
24 moving forward.

25 Mr. Mullin encouraged the City to be steady with valet parking even if it is not used as
26 much as anticipated. They do not want to frustrate business owners, residents, commuters, or
27 guests.

28 Mrs. McCarthy stated it is very important for the City to hold the contractors accountable
29 as to where they are going to park.

30 Mrs. Anderson referred to page 68, Section 4(G), and pointed out the company has
31 agreed to collect extensive data. She expressed concern with how accurate data is and how it is
32 being collected. Mr. Dahl suggested they strike item Nos. iii through vi under Section 4(G). Mr.
33 Willcox commented some of the data may be useful.

34 Mr. Willcox inquired about the data that was being taken at the docks. Mrs. Anderson
35 stated she thinks it was not done last summer due to so much transition. Mr. Dahl stated he will
36 look into it.

37 Mrs. Anderson suggested staff review data collection expectations in the contract with
38 Unparalleled Parking and revise the agreement as necessary.

39 Mrs. Anderson made a motion, seconded by Mr. Tyacke, to approve the Agreement
40 between the City of Wayzata and Unparalleled Parking for Valet Parking Service, with Section
41 4(G) revised at the discretion of the City Manager and renewal of the insurance provision by the
42 City Attorney. The motion carried 5/0.

43
44 **c. Consider Approval of Fee-in-Lieu-of-Parking (FILOP) Policy**

45 City Manager Dahl reported on the following changes made to the FILOP policy: 1) All
46 references to "higher density" development in both the resolution and policy were removed; and
47 2) Added the following clarifying language: a) term is now 20 years for projects requiring 25
48 parking spaces or less and 30 years for projects requiring 26 or more spaces; and, b) interest rate
49 is set by referring to the current Federal Prime Rate (currently is 3.5%).

50 Mr. Tyacke inquired if the difference between the 20-year term and 30-year term puts the
51 City in the same place financially. Mr. Dahl stated it takes longer for the City to get its money

1 back with the 30-year term, but it is close. Depending on the project, the term may be shortened if
 2 the City needed the money sooner.

3
 4 **d. Consider Resolution No. 47-2016 Adopting Fee-in-Lieu-of-Parking (FILOP) Policy**
 5 **and Setting Fee**

6 Mr. Tyacke made a motion, seconded by Mr. Mullin, to adopt Resolution No. 47-2016 Adopting
 7 Fee-in-Lieu-of-Parking Policy and Setting the Fee Per Stall. The motion carried 5/0.

8
 9 **e. Consider Resolution No. 49-2016 Denying Preliminary and Final Plat Subdivision at**
 10 **15610 Holdridge Road East**

11 Director of Building and Planning Thomson reported that the property owners Anna
 12 Ovsyannikova and Yengeny Ogranovich, have submitted a development application to subdivide
 13 the property at 15610 Holdridge Road East into two single-family residential lots. The existing
 14 house would remain and one new home would be constructed on the new lot. The proposal
 15 requires preliminary and final plat review.

16 Mr. Thomson reported the Planning Commission recommends denial of the application
 17 because the proposed subdivision would not be consistent with the character of the neighborhood
 18 in these specific areas: 1) The proposed lots would be smaller than existing lots in the
 19 neighborhood; 2) Building pads do not preserve sensitive areas because of the removal of trees
 20 and potential for additional tree impacts, and amount of grading and fill needed to construct on
 21 the slope; and, 3) Significant stands of trees would be removed.

22 Mrs. McCarthy inquired how big the surrounding properties were compared to the
 23 proposed subdivision. Mr. Thomson directed the Council to page 78 of the meeting packet. In
 24 reference to lot widths, there are two other lots in the area that are wide enough to be subdivided
 25 and still meet minimum the 100-foot width requirements.

26 Mr. Tyacke pointed out the zoning classification is R-2 medium density single family,
 27 but the Comprehensive Plan it is designated at low density single family. He inquired if this
 28 application is going against the intent of the Comprehensive Plan. Mr. Thomson explained the
 29 title of the R-2 zoning district. The minimum lot size requirements in the R-2 zoning district are
 30 consistent with the low density residential land use category in the Comprehensive Plan. Mr.
 31 Thomson stated that the R-2 zoning is not in conflict with the Comprehensive Plan.

32 Anna Ovsyannikova and Yengeny Ogranovich, 15160 Holdridge Road East, applicants,
 33 commented they want to subdivide the lot because they will never use the east portion of it. The
 34 acreage of the lot will be less and behind the house, but the lot frontage consistency will not
 35 change. Regarding the amount of grading needed, the lot is sloped, the neighbor's house was built
 36 on the same slope, and the proposed home will be a walkout to accommodate the slope. The small
 37 wetland on the property and trees will remain undamaged during construction. Since moving in to
 38 the existing home on the property, they have had their yard professionally landscaped and planted
 39 hundreds of trees and shrubs. The lot could be split differently to give the second lot more
 40 acreage.

41 Mr. Tyacke inquired about the amount of grading and fill needed on the lot. Mr.
 42 Ogranovich stated they Planning Commission asked about the amount of grading and fill needed.
 43 The architect just provided the numbers today, and he will submit them to the City. Ms.
 44 Ovsyannikova stated they are excavating for the foundation and using the same dirt to level the
 45 area for the driveway.

46 Mr. Willcox inquired how steep the driveway is. Ms. Ovsyannikova responded the
 47 requirement is 10 degrees maximum and they are just under that. There will be a couple of
 48 retaining walls around the driveway, but most of the dirt used will be from the foundation. They
 49 may need three addition truckloads of dirt, but it is hard to determine that at this point.

50 Mrs. McCarthy inquired if they are committed to building the house. Ms. Ovsyannikova
 51 stated she hopes to build the home, move into it, and sell the existing home.

1 Alex Calingart, 15804 Holdridge Road East, commented he opposes the subdivision and
2 thanks an increase in density will change the character of the neighborhood.

3 Suzanne Candell, 15804 Holdridge Road East, commented she opposes the project due to
4 the resulting smaller lot size, and the number of trees to be removed, including two heritage trees.
5 She expressed concern on how it will affect the neighborhood, the natural woodland, and the
6 wetland.

7 Eric Nagle, 15709 Holdridge Road East, commented he opposes this project and
8 requested they vote with the recommendation of the Planning Commission. He expressed concern
9 that more people may want to subdivide in the neighborhood.

10 Anne Glad, 15611 Holdridge Road East, commented she opposes the project. She stated
11 additional fill is needed around the house that has not been discussed and she is concerned with
12 the impact to the trees.

13 Mr. Tyacke stated the applicant has made beautiful improvements to the neighborhood,
14 but expressed concern with the fill and grading, trees, lot design, creating a precedent in the
15 neighborhood, and the scale and mass of house being different than others in the neighborhood.

16 Mr. Mullin commented he does not have any issues with the subdivision on the front of
17 the home, noting there are several homes on the street that have a two-story home and this design
18 is similar. Due to the work the applicant has put towards improving the existing property, he is
19 open to the subdivision.

20 Mrs. Anderson commented the applicant has added value to the neighborhood. She is
21 open to the subdivision because it falls in line with the existing codes, but encouraged the
22 applicant to find a character and style of home that is in line with the neighborhood. She would
23 like more information regarding the fill issues, wetland impact, and run off issues.

24 Mrs. McCarthy commented she is conflicted in what is being proposed because it fits
25 within the zoning for a subdivision, but all the other lots are much larger. She encouraged the
26 applicant to find a home design that better fits in with the existing neighborhood and thanked the
27 applicant for the work they have done on the property. She preferred the second proposal for the
28 subdivision with two more equally sized lots. Mrs. McCarthy stated the proposal falls within the
29 zoning requirements, but those requirements may need to be looked at by neighborhood instead
30 of by region. She requested more information regarding fill and the water issues.

31 Mr. Willcox thanked the applicants for their work on their current house and how they
32 have handled this application. He struggles with the steep slope on the lot. The subdivision
33 ordinance requires conformity to the neighborhood and the final result is not one the ordinance
34 had envisioned. He supports the recommendation for denial of this application.

35 Mr. Mullin inquired about the new tree ordinance and what the impact would be with this
36 application. Mr. Thomson stated the ordinance allows the removal of up to 25% of the inches of
37 significant trees before any mitigation is required. Removal of heritage trees requires two inches
38 of replacement for every one inch removed. There is also a requirement that the house must be
39 located to minimize tree removal. In addition, during construction the trees need to be
40 appropriately protected. This project is under the 25% for tree removal of significant trees, and
41 the plans include the removal of one heritage tree.

42 Mr. Mullin inquired about the fill on the property and if the grading plan could require
43 administrative approval before a house it built. Mr. Thomson stated since the house is designed
44 and the grading plan has been submitted, it can be reviewed to see how much fill is needed and to
45 determine any potential drainage impacts.

46 Regarding the application, Mr. Thomson advised there is an additional 60 days before it
47 expires.

48 Some members of the Council agreed they would like to see more specifics regarding the
49 slope on the lot and requested the applicant look at what they could do to improve the back area
50 of the lot.

1 Mr. Tyacke inquired about the process for redrawing the lot lines. City Attorney Schelzel
2 stated the applicant would have to start over and submit a new application since it is a different
3 plat. Mr. Mullin stated the plat should not be redrawn or the application resubmitted until the
4 Council has seen more information regarding the grading plan and is comfortable moving
5 forward.

6 Mrs. Anderson stated she does not have an issue with the shape of the lots, but more of
7 whether it's a subdivision or not. She supports tabling the application in order to receive
8 additional information from the City Engineer regarding drainage, grade, and fill, and have a
9 better concept of the driveway. Regarding the design of the home and how it fits into the
10 neighborhood, house plan approval could be made a condition of approval before construction
11 could begin. She expressed concern with timing of the application since there will be two new
12 Councilmembers after the end of the year that may hold a different opinion.

13 Mrs. Anderson made a motion, seconded by Mr. Mullin, to table Resolution 49-2016
14 Denying Preliminary and Final Plat Subdivision at 15610 Holdridge Road East until the next
15 Council meeting. The motion carried 5/0.

16
17 **AGENDA ITEM 3. Public Forum – 15 Minutes (3 minutes per person). (Continued)**

18 **b. Proclamation for Restorative Justice Week**

19 Police Chief Risvold announced Restorative Justice Week and provided examples of how it
20 works in Wayzata. He explained it refers to low-level, first-time offenders, and instead of
21 arresting them, they try to keep them out of the criminal justice system by crafting a contract with
22 them. If the offender completes the requirements of the contract, the case is not referred to the
23 criminal justice system or the court. Mayor Willcox read the proclamation declaring November
24 13-19, 2016 as Restorative Justice Week in the City of Wayzata.

25
26 **AGENDA ITEM 7. New Business. (Continued)**

27 **f. Discuss Addendum to CIP for Mill Street Parking Ramp**

28 City Manager Dahl reported they are moving forward with the ramp without the roof. At the last
29 Council meeting, he was directed to look into additional funding for the roof and put it in the
30 Capital Improvement Program (CIP). He reported due to a healthy reserve in the Library Fund,
31 staff is comfortable transferring \$150,000 to help fund the roof.

32 Mrs. McCarthy inquired about the creation of the CIP for the roof. If it is part of the
33 downtown parking CIP, it will be difficult to track the money going in and out. She would prefer
34 it be clearly identified as specifically for the roof.

35 Mr. Dahl stated it is identified as its own project, but is part of the Downtown Parking
36 District CIP. The benefit to having it there is that there are revenues that could potentially be a
37 part of it.

38 Mrs. Anderson stated she thought it would be a separate fund so it shows there was an
39 effort to move forward with it. Mr. Willcox stated they wanted to maintain visibility on it.

40 Mr. Dahl advised he will make it a separate line item.

41
42 **AGENDA ITEM 8. City Manager's Report and Discussion Items.**

43 **a. Celebration of Service for Outgoing Councilmember**

44 City Manager Dahl announced the Celebration of Service will take place on December 15 from
45 5:00 to 7:00 p.m. with a program at 6:00 p.m. in the Community Room.

46
47 **b. Volunteer Appreciation Dinner**

48 Mrs. McCarthy announced the Volunteer Appreciation Dinner will take place on November 17.

49
50 Mayor Willcox reminded everyone of Light Up The Lake celebration on November 25.

1 **AGENDA ITEM 9. Public Forum Continued (as necessary).**

2 None.

3
4 **AGENDA ITEM 10. Adjournment.**

5 Mr. Mullin made a motion, seconded by Mr. Tyacke to adjourn. There being no further business,
6 Mayor Willcox adjourned the meeting at 9:17 p.m.

7
8 Respectfully submitted,

9
10 *Becky Malone 12-06-2016*

11
12 Becky Malone
13 Deputy City Clerk

14
15 Drafted by Shannon Schmidt
16 *TimeSaver Off Site Secretarial, Inc.*