

**WAYZATA CITY COUNCIL
WORKSHOP MEETING MINUTES
September 5, 2017**

5:00 PM Discuss Redevelopment Plans along Lake Street West of Manitoba

Mayor Willcox called the meetings to order at 5:00 pm in the Community Room at Wayzata City Hall. Council Members present: Koch, McCarthy, Plechash and Tyacke. HRA Commissioners Present: Ambrose, Fox, Shaver and Wotho. Planning Commissioners present: Buchanan, Flannigan, Gonzalez, Gruber, Iverson, and Murray. Also present: City Manager Dahl, Director of Planning & Building Thomson, City Attorney Schelzel, and City Consultant Stacie Kvilvang with Ehlers.

Mr. Dahl stated that given the magnitude of the development area and diverse set of property owners, staff wanted a chance for the Council, HRA, and Planning Commission to get on the same page in terms of the potential scale of redevelopment in the area, the uses, accesses, and a public financing mechanism in the form of Tax Increment Financing (TIF) that is planned to be utilized to reduce the blight and provide a public benefit.

Mr. Dahl reviewed the development area and the potential establishment of a TIF District.

Ms. Kvilvang provided the group with the following background on Tax Increment Financing (TIF):

- Summary of TIF
 - TIF is ability to capture and use all increased local property tax revenues from new development within a defined geographic area. There are several different types of TIF Districts, but the three most common are housing, redevelopment, and economic development. Each type of district includes requirements that the defined area must meet.
 - Staff has been exploring establishment of a redevelopment district as its main purpose is to eliminate blight. As such, at least 50% of buildings must be structurally substandard within the defined area.
 - Potential use of increment generated includes the following public and private expenditures: land acquisition; demolition; public utilities; relocation; administration; parking; and site cleanup/stabilization.
- Objective of TIF within this area
 - Staff has been moving forward under the assumption that a potential TIF District along Lake Street at the western of Manitoba could be established for two primary reasons: in order to eliminate blight by offsetting site development costs AND adding public parking. Staff also intends to explore utilizing potential TIF dollars for future public infrastructure and streetscape improvements along Lake Street.

Mr. Dahl stated that at this point, staff continues to work on conceptual development plans with the different property owners of the area. In addition, staff has been working with LHB on the necessary blight analysis to ensure that a redevelopment district could be established. Upon receiving that information, the City could move forward with the establishment of a TIF District when one of the developments that has requested it is ready to work towards a development agreement. He stated that it will take approximately 60-90 days for the process of establishing a TIF district.

Mr. Dahl and Thomson when over the individual development sites:

- 105 Lake Street East---Meyer Place

- 3-story residential building with 22 condominiums and underground parking
- Project has been approved by City Council and construction is expected to start mid-September
- 235 Lake Street East---Hughes Property
 - 3-story building with 39,000 square feet of office with surface parking on the back of the property
 - Concept sketches submitted to the City for the workshop meeting
- 253 Lake Street East---Hoyt Property
 - 3-story residential condominium building on top of one level of enclosed parking, with the land behind the building donated to the City for shared parking
 - Concept sketches submitted to the City for the workshop meeting
- 275 Lake Street East---Wayzata Blu
 - 3-story mixed use building with 3,000 square feet of commercial on ground level and 18 residential condominiums.
 - Plans include an 85-stall parking lot on back of the property for the Boatworks parking easement, and proposed PUD would allow City to construct public parking in the back as part of future redevelopment on the block.
 - Applicant has submitted the development application for final approval by the City and is scheduled for the September 19th City Council meeting.
- 305 Lake Street East---Zitzloff Commercial Property
 - 3-story building with ground level retail/commercial and upper level office
 - Concept sketches submitted to the City for the workshop meeting
- 304 to 318 Barry Avenue South---Zitzloff Residential Property
 - Properties are currently vacant and guided in the City's Comprehensive Plan for Central Business District and Medium Density Residential (5-12 units/acre).
 - Property owner has discussed a residential development for the site, but no concept drawings have been submitted to the City.

Brad Hoyt provided a development update on his property at 253 Lake Street East. He indicated that he is looking to develop the property similar to the Garrison Landing development.

Tom Dillon, representing the Hughes Property at 235 Lake Street indicated that his client is hoping to construct a 3-story office building.

Lowell Zitzloff, property owner of 305 Lake Street East and 304-318 Barry Avenue South indicated his desire to develop a three story commercial building at 305 Lake Street and higher density residential, consistent with what thinks the City wants, at his Barry Avenue property.

6:30 PM Honors Plaza Committee Update

Mayor Willcox introduced this item at 6:30 pm.

Council Member Alex Plechash stated that at its January 17, 2017 City Council Workshop meeting, the City Council heard a presentation from a group of esteemed community members regarding their desire to build an honors plaza/reflection area at the northwest corner of Superior Boulevard and Lake Street. He said that the Committee has met twice to discuss potential locations for an Honors Plaza.

Council Member Plechash said that at its first meeting, possible locations for an Honors Plaza were discussed including the one proposed by the ad hoc citizens group, which had come before the Council with the initial proposal. The committee felt that the initially proposed location was not the best answer given

1 the impact on parking, noise/activity level of the Superior/Lake Street intersection, limits on future uses of
2 the land, etc. The committee felt that a more suitable location for an Honors Plaza would be alongside Lake
3 Street in a section of the "green" at the Wayzata Place property. As a result, Dave Dudinsky approached the
4 homeowners' association president and discussed this with him. There was some receptivity to the idea but
5 given that it is privately and jointly owned by the homeowners, a quid pro quo would need to be involved.
6 Several ideas were discussed with the most preferred being that the city would consider granting up to three
7 boat slips to the homeowners association, which would represent around \$6,000 in lost revenue opportunity
8 to the City per year.

9
10 Council Member Plechash stated that at the second committee meeting, the Wayzata Place option were
11 discussed but the committee felt that it would be better to find an option that would not cost the City any
12 money. The committee settled on the idea that a section of the City property on the south side of Lake
13 Street, directly across the street from Ben & Jerry's, would be the best location. This site is already City-
14 owned, is sized appropriately, is centrally located, would be less of a pass-by location and indeed would
15 even be an inviting place to linger and view the plaques and artifacts. It is already a gathering place for
16 people and could also easily be incorporated into the Wayzata Lake Effect initiative without disruption.

17
18 Council Member Plechash said the committee feels this idea should move forward and is seeking
19 guidance on what next steps and/or commission/committee reviews are needed.

20
21 Mr. Dahl asked the Council for feedback regarding the direction of the Honors Plaza.

22
23 There was consensus from the Council that they agreed with Council Member Plechash's recommendation
24 and directed staff to work with the Lake Effect designers to see how the Honors Plaza could be incorporated
25 into Urban Plaza portion of the plan. They also directed Council Member Plechash to meet with the original
26 interested community members to see if they still would support the project at this new recommended
27 location.

28
29 The workshop meetings were adjourned at 6:55 pm.

30
31 Respectfully submitted,

32
33 *Becky Malone 09-19-2017*

34
35 Becky Malone
36 City Clerk