HRA members present: T. Shaver, B. Petit, B. Ambrose and S. Fox
HRA members absent and excused: R. Wothe
City Staff present: City Clerk Becky Malone, Director of Planning and Building Jeff Thomson, City Manager Jeff Dahl (8:30), City Attorney David Schelzel, City's Contracted Finance Director Steve McDonald

Chairman Shaver called the meeting of the HRA to order at 8:09 am.

APPROVAL OF AGENDA

Ambrose motioned to approve the December 5, 2017 meeting agenda as presented, seconded by Fox. The motion passed 4/0 by voice vote.

APPROVAL OF MINUTES OF August 3, 2017 and November 16, 2017

Ambrose stated there was a missing "z" in Mr. Zitzloff's name on page 3 line 13 of the minutes for August 3.

City Attorney Schelzel stated he was in attendance at the August 3, 2017 meeting and this should be noted.

Ambrose motioned to approve the minutes of August 3, 2017 as amended and November 16 as presented, seconded by Petit. The motion passed 4/0 by voice vote.

OLD BUSINESS

None

NEW BUSINESS

a. City Council Reappointment of Steve Fox to HRA

Shaver congratulated Mr. Fox for his reappointment to the HRA for a 5-year term.

~~b. Approval of Resolution 03-2017HRA adopting a Modification to the Redevelopment Plan for the Central Area Redevelopment District; adopting the Modifications to the TIF Plans for the TIF Districts Therein; and Establishing TIF Financing District No. 6 – Downtown West Therein and Adopting a TIF Plan therefor~~

Shaver moved Item B to later in the meeting to allow City Manager Dahl to arrive.

c. Approval of Future HRA meetings at 7:30 am on the following dates:
a. January 25, 2018

b. April 26, 2018
c. July 26, 2018
d. October 25, 2018

Petit stated he would be unavailable for the January meeting.

Shaver stated he would be unavailable for the January meeting as well. The January meeting would be rescheduled to a February and staff would work with the members to find a date that would work.

Ambrose moved to approve the HRA 2018 meeting dates as amended by rescheduling the January meeting to a date to be determined in February, seconded by Petit. The motion passed 4/0 by voice vote.

d. Discussion of Lodging Tax

Thomson stated there has been general discussion about adding a lodging tax to fund visitor services. This is a tax that is allowed in State statute and allows cities to adopt this tax up to 3% of the lodging in the community. The City Council had reviewed the Strategic Plan for the City, updated it, and outlined the goals and work plan for the City for the next 5-years. The lodging tax was brought up as something to explore and for the City Council to review and consider in 2019.

Fox stated the concept of a lodging tax has been considered for at least the last 3-years and the Chamber of Commerce has not been able to get anywhere with it. They had been in discussions with Excelsior to implement this in both Excelsior and Wayzata. Excelsior has other issues they are facing and it is unlikely that the two communities would find a common interest. There is a need to have more promotional effort for tourism and hospitality in Wayzata. Waiting another 2-years before the concept is brought back up for discussion would mean that even if the City approved the lodging tax in 2019 the City would not see a revenue stream from it until 2020. At this time, a lodging tax would only affect the Hotel Landing. This is not unfair to the hotel or residents because it is not the hotel or residents that pay the tax but rather the visitors to the community. He does not understand why the City would wait another 2-years to discuss something this straight forward and forgo an estimated $200,000 in revenues.

Petit stated the law requires that these revenues be used to promote tourism and hospitality. He is not sure the City has a promotional problem. He is not sure that another tax is what the City needs. The parking ramp was built out of need in the community.

Ambrose stated the City would want to promote the local business and ensure there is enough traffic to support them. He then asked Fox what the Chamber's view might be.

Fox stated he could not speak to the view of the Chamber but their local restaurants have expressed they would like to see a lodging tax to promote Wayzata. The City's website has three pathways or target groups and the visitor pathway is static and is only one paragraph. This does not promote the City's tourism or hospitality. The City lacks resources to entice people to come to Wayzata through the website.

Petit stated the City website is a separate and different challenge that should be resolved.

Fox stated if the City does not have the resources to populate the website with relevant information for the end user or visitor. Content does require resources.

Petit asked what Kristin Classey's job description was as a Communications Specialist.

Thomson stated she is the coordinator for all of the City's communication including the website, newsletter, and social media. There is a content component to her position but she pushes the communication out. The City is currently looking at establishing a special services district that would help pay for the maintenance of the ramp and would apply to those properties that are benefitting from the ramp. There had been a survey that including questions regarding marketing of the downtown area and other services that could be included as part of the funds raised with the establishment of a special services district.

Shaver expressed concerns that the Hotel Landing is a single entity and he would like to see the investment for the benefiting group be broader based. Being able to bring people into the community is something the City needs to look, at but the marketing investment should be broadly based.

Dahl joined the meeting at 8:30 a.m.

Fox stated it is unfortunate that at this time Wayzata only has one hotel, but there are still dollars available that would not be a tax on residents. He stated the City should take advantage of these types of funds because it is a significant amount of money.

Petit stated this is more of a discussion on how a community markets itself. Wayzata does self-market because it is unique. The energy and momentum exist to market the City and he does not believe that this is a tax that the City would benefit from.

Owner of the Hotel Landing, Steve Bohl, stated he had put together a list of how this tax would impact the community and his business. He stated he had compiled 24 reasons why not to implement a lodging tax. Some of these are biased but a lot of it is reality. What the Hotel has already contributed to the community through its investment, employment, economic vitality and what it draws to the community. To extract a tax from one particular use for the benefit of several other people is wrong. He understands the marketing of a community and the overall benefit to the Lake. He stated reasons for not wanting the tax included: this would be a tax and there is only one hotel, there is a way to look at the City's marketing and improve it, and he does not feel that the tax generated would provide a larger impact than the changes that have occurred over the last 5-years without the tax. The momentum and vitality of the City will carry it to the level of activity that the City wants to see. The idea that the tax is not an impact on his business because visitors pay it is not true. The Chamber is important in promoting businesses in communities but it should not be the responsibility of one business to pay for the marketing for all the businesses in a community. He stated if a tax is implemented, they would redirect some of the funds away from what they currently contribute to charitable and local events in the community. To single out one business to tax for the benefit of everyone else is wrong.

Petit stated that the State allows for a maximum of 3% tax but there is an option to do less.

Shaver stated there would be continued discussions on the lodging tax. There is a gap in the promoting of the City through its website and content and this could be something that is budgeted for.

e. Approval of Resolution 03-2017HRA adopting a Modification to the Redevelopment Plan for the Central Area Redevelopment District; adopting the Modifications to the TIF Plans for the TIF Districts Therein; and Establishing TIF Financing District No. 6 – Downtown West Therein and Adopting a TIF Plan therefore

Dahl stated this resolution is the HRA's step in establishing TIF District No. 6. The City Council will hold a public hearing and the HRA will review the TIF Plan and to adopt the geographical parameters of the district. The TIF Plan defines the budget, the reimbursable expenses, defines the overall objectives and could fund public infrastructures. The objectives are for the shared public and private parking lot on the west side of downtown, the removal of blight, and correction of soils. The Planning Commission will review the plan to ensure it is consistent with the City's Comprehensive Plan. The City Council will hold a public hearing on December 19 to adopt the plan. There are development applications that the City anticipates receiving in 2018.

McDonald provided a high-level summary of the District and the estimated increment expected. The cash flow of the district provides enough funds to adequately support the plan.

Ambrose asked what the timing was for the development applications the City was working on.

Thomson stated Wayzata Blu construction would start spring 2018. The Meyer Place project has been approved by the City and could start construction but their development approvals will expire at the end of 2017. They have requested an extension of these approvals and the City Council would review this request on December 19. They are planning to start construction spring 2018. The concept plan for the 253 Lake Street project will be reviewed by the City Council on December 19. Formal development plans have not been received for the Hughes project. We anticipate that they will go through the first part of their entitlement process in early 2018 and plan to construct in 2018.

Dahl stated there are three properties that have requested TIF assistance for blight and "ground-down" expenses. Meyer Place and Wayzata Blu have not asked for assistance and the increment generated from these properties could be used for more public improvement including parking, public infrastructure, and administration. The three properties that have requested assistance will be responsible for generating increment that they could receive. It is not expected the increment from one property would be used for another property.

Petit motioned to Approve of Resolution 03-2017 HRA adopting a Modification to the Redevelopment Plan for the Central Area Redevelopment District; adopting the Modifications to the TIF Plans for the TIF Districts Therein; and Establishing TIF Financing District No. 6 – Downtown West Therein and Adopting a TIF Plan therefore, seconded by Fox. The motion passed 4/0 by voice vote.

NEXT MEETING DATE: February – To Be Determined

ADJOURNMENT

There being no further business; Petit motioned to adjourn at 8:58 a.m., seconded by Fox. The motion passed 5/0 by voice vote.

Respectfully submitted,

Becky Malone 02-22-2018

Becky Malone
City Clerk
City of Wayzata
Drafted by Tina Borg, *TimeSaver Off Site Secretarial, Inc.*