

**City of Wayzata Housing and Redevelopment Authority
Meeting Agenda**

Thursday, January 28, 2016

7:30 am – 8:30 am

Wayzata City Hall Community Room
600 Rice Street East
Wayzata, MN 55391

1. Call to Order – Chairman Shaver
2. Approval of Agenda
3. Approval of Minutes of October 29, 2015
4. Old Business
 - a. Election of officers (Current officers: Chair Shaver; Vice-Chair Wothe; Secretary McGill)
 - b. Appoint Executive Director (was Nelson)
5. New Business
 - a. Review Mill Street and Parking Ramp Pre-Design with HGA/Walker
 - b. City Council reappointment of Roger Wothe for a full five-year term to expire on December 31, 2020
 - c. Consider Amendments to the HRA bylaws to change the date of the annual meeting to the first meeting of each year
6. Next Meeting Date: 7:30 am on April 28, 2016
7. Adjournment

1 HRA members present: T. Shaver, B. Ambrose, D. McGill, B. Petit, R. Wothe
2 HRA members absent: None
3 City Staff/HRA Executive Director present: Heidi Nelson
4 City Staff present: Becky Malone, Jeff Thomson, Jason Peters
5 Others Present: Stacie Kvilvang with Ehlers and Associates, Jay Lindgren with Dorsey
6 and Whitney

7
8 Chairman Shaver called the meeting of the HRA to order at 7:33 am.
9

10
11 **APPROVAL OF AGENDA**

12
13 McGill motioned to approve the October 29, 2015, meeting agenda as presented,
14 seconded by Wothe. The motion passed 5/0 by voice vote.
15

16
17 **APPROVAL OF MINUTES – MINUTES OF JULY 30, 2015**

18
19 Wothe motioned to approve the July 30, 2015 minutes, seconded by Ambrose. The
20 motion passed 5/0 by voice vote.
21

22
23 **ANNUAL MEETING 2015/2016**

- 24
25 a. Election of officers and Executive Director (to be held at the first HRA meeting
26 in 2016)

27
28 It was the Consensus of the HRA to hold the annual meeting at the first meeting in
29 2016.
30

- 31 b. Consider future meetings at 7:30 am on the last Thursday in the months of
32 January, April, July, and October as follows:
33 a. January 28, 2016
34 b. April 28, 2016
35 c. July 28, 2016
36 d. October 27, 2016
37

38 McGill motioned to approve the 2016 HRA Special Meeting schedule as presented,
39 seconded by Ambrose. The motion passed 5/0 by voice vote.
40

- 41 c. Discussion of bylaws and any suggested amendments (to be discussed at the
42 first HRA meeting in 2016)

43
44 Nelson suggested the HRA consider amending the bylaws to have the annual meeting
45 scheduled at the beginning of the year. She clarified the financial reports should be tied
46 to the audit, which occurs in April. These suggested amendments would be put
47 together for review by the HRA at their January meeting.
48

1 Shaver stated Commissioner Wothe's term expires at the end of December and the
2 deadline for application for officers is October 30.

3
4 Wothe stated he has reapplied for appointment to the HRA.

- 5
6 d. Receipt of Financial Report (to be presented to the HRA at their April
7 meeting)

8
9 Shaver stated the financial reports would be received in April.

10
11
12 NEW BUSINESS

- 13
14 a. Review Term Sheet for Public/Private Parking Ramp Partnership (P3) with
15 Beltz for Mill Street Ramp/Commercial Corner and Consider Proceeding with
16 the Entitlement Process for Mill Street Area

17
18 Nelson reviewed the Draft Term Sheet for a public/private parking ramp partnership with
19 Beltz. The draft was provided to Beltz and the City Council for their review. Beltz has
20 not provided any feedback at this time. She clarified the HRA was being asked to
21 review the terms/conditions as drafted by staff and forward any feedback from the HRA
22 as the City proceeds with negotiations. Staff is proposing to proceed with the
23 entitlement process for the land in and around Mill Street by initiating the re-platting, re-
24 zoning and Comprehensive Plan amendment for the area north of Mill Street and east
25 of Broadway to allow for the construction of the Mill Street Ramp. The City Council
26 approved moving forward with this step on a 3/2 vote. Staff would request a proposal
27 from SRF to complete the new plat and proceed with the re-zoning for Planning
28 Commission and City Council consideration.

29
30 Ms. Stacie Kvilvang, Ehlers and Associates, reviewed the location of the proposed
31 ramp. The City Council has not made a determination on the size of ramp they would
32 be constructing. The term sheet presented assumes an on-grade structure with two
33 levels of parking on it with 450 stalls. The other option the City Council is potentially
34 considering is at level with one floor of parking. The structure would include an 8,000
35 square-foot retail/office component. She stated the City requirements as part of a
36 public/private partnership would be to approve selection of engineering and design team
37 and construction manager, review and approve preliminary and final design for the
38 project, finance the cost of the ramp and Mill Street improvements, complete
39 inspections for the project, and prepare drafts and final documents for construction
40 Management At Risk Agreement, Development Agreement, Ground Lease, and Parking
41 Lease Agreement. She clarified the City would retain ownership of the ramp and
42 annually asses operating and maintenance fees.

43
44 Mr. Jay Lindgren, special Council for the City and HRA, Dorsey and Whitney, stated
45 Beltz would be required to enter into an agreement with the City for construction of the
46 ramp, enter into a 99-year ground lease for approximately the size of the retail floor
47 footprint, and provide Construction Management (CM) that is acceptable to the City, at
48 its sole discretion. He reviewed the options to construct the ramp, including:

1 design/bid/build, agent construction manager, construction manager at risk, design/build
2 or construction manager/design team, design/build/operate/maintain and public/private
3 partnership (P3). He stated the City's requirements for Beltz for the construction of the
4 ramp include: entering into a Construction Management at Risk Agreement, secure all
5 necessary entitlement, prepare final design and construction documents, construct the
6 project, and turn over all recorded drawings, warranty documentation, and final consent
7 of surety.

8
9 Shaver asked if the Project included the two-level parking and retail or if it was the ramp
10 only.

11
12 Nelson clarified the term sheet reflects the construction of the ramp and commercial
13 building on Broadway. It is anticipated that Beltz would come forward with their plan for
14 redevelopment of the Mail Center and Gold Mine separately.

15
16 Shaver asked if Beltz would be acting as the developer for this Project including the
17 streets.

18
19 Nelson stated Beltz would take the lead and the City would retain control on what was
20 being built and design approval. The City would also approve the company Beltz would
21 use for the construction. The idea would be to have only one set of equipment on site.

22
23 Mr. Lindgren stated Beltz would be required to enter into a Parking Lease agreement for
24 the non-exclusive rights to the additional stalls required for the newly constructed 8,000
25 square-foot commercial space and enter into a Parking Lease agreement for the non-
26 exclusive rights to additional parking spaces if they redevelop their existing property.
27 Beltz would also accept annual obligation of paying operations and maintenance per
28 stall that would be required in the Parking Lease agreement and pay all property taxes
29 required for the 8,000 square-foot retail space and any portion of the parking ramp that
30 would be subject to property tax.

31
32 Wothe asked what happens to the ownership of the property.

33
34 Mr. Lindgren stated the ownership of the property remains the same. The City may
35 decide to shift some of this ownership from the City to the HRA but the land would
36 remain publically owned by the HRA.

37
38 Wothe asked who would be the recipient of the 99-year Ground Lease.

39
40 Nelson stated this lease reflects the developer moving forward with the 8,000 square-
41 foot commercial space and the lease would go to the building owner. The parking
42 structure would remain the property of the City. She clarified the next steps for the City
43 would be to determine the value of the 99-year Ground Lease, set up Wayzata Parking
44 and Mobility District Ordinance and issue TIF Bonds to construct the project. She
45 explained the debt service amount of \$9 million to \$9.5 million would be covered by the
46 Presbyterian Homes annual TIF amount. The City will also continue to work with
47 Legislation of the Widsten District to provide an additional seven (7) years of TIF for that
48 District. She noted the City Charter requires a 4/5 vote for issuing debt.

1
2 Shaver asked how the long-term capital improvements would be funded.
3
4 Nelson stated the annual lease payments could be used for long-term maintenance.
5
6 Mr. Lindgren stated the Parking and Mobility District funds could also be used for the
7 long-term maintenance of the ramp.
8
9 Nelson explained the operation and maintenance costs are also factored into the lease
10 costs.
11
12 Petit clarified there is not funding being set aside for the long-term capital maintenance
13 of the ramp.
14
15 Nelson described the Parking District cost allocations are assuming a grade plus 2
16 ramp. These lease costs would include an annual capital cost for future capital
17 improvements plus an annual operating cost. The high level of finish that the ramp
18 would require drives the capital costs.
19
20 Shaver stated the leases are not set so there is an opportunity to create a reserve as
21 part of the lease arrangement so the City is protected for future capital improvements.
22
23 Nelson stated the number of stalls available for lease would depend on what was built.
24 If the City moves forward with the 447 stalls proposed, the City would be ahead 267
25 stalls. The Beltz redevelopment would requirement 60-70 stalls and the 8,000 square-
26 foot commercial portion of the project would require 30 stalls. These would be leased
27 from the 267-stall overage the City has.
28
29 Petit asked if there was any anticipated retail expansion in the City.
30
31 Nelson explained the City only has the capacity to build so much due to restrictions on
32 the site and the City has worked within these restrictions. With the proposed 8,000
33 square-foot commercial space and the redevelopment of the Beltz properties the ramp
34 would net 90 parking stalls. This does provide for future development and changes in
35 use in the City.
36
37 Ms. Kvilvang explained the there would not be an expectation that the private market
38 would cover the long-term capital improvements because a significant portion of the
39 project is publically owned.
40
41 McGill asked why the City would issue TIF Bonds versus a pay as you go method.
42
43 Kvilvang explained the ramp would be a publically owned facility backed by the City's
44 tax stream. TIF Bonds provide a lower interest rate than what is available in the private
45 market.
46
47 Nelson explained the next steps for the HRA/City Council parking ramp and what would
48 be discussed at the upcoming meetings. She stated the redevelopment of the Gold

1 Mine and Mail Center would provide the City with an opportunity to create a TIF District.
2 This District would generate approximately \$40,000 annually.

3
4 Ambrose asked if the City or Beltz would choose the architect for the project.

5
6 Nelson explained the drawings presented in the packet are part of a presentation made
7 by Beltz to the City Council. This would be a concept of the redevelopment of the Gold
8 Mine and they are using Shea as their architect for this project. The City would have
9 control of which architect that is used for the ramp and because parking ramps are
10 specific, the City would ensure the firm they move forward with is experienced with this
11 type of structure.

12
13 Petit stated from a design view the proposed project has too many features that would
14 not be appropriate or needed. The walkway on the south side of the building would be
15 an even darker environment. Currently there are 93 spaces on Mill Street and the City
16 is proposing to spend \$1.3 million to take parking off Mill Street and put it into a ramp.
17 He stated he struggles with the City spending the resources and money on a walkway
18 that would be problematic and gaining only 60 spaces. He suggested the City might
19 want to consider other options to construct the ramp beyond the Construction Manager
20 at Risk because the CM at Risk will add additional costs.

21
22 Shaver stated it would depend on how far the design draws get before the CM puts
23 himself at risk. The City is working to solve the primary issue of parking in the City. He
24 would like to ensure the HRA has an understanding of the benefit additional public
25 parking would provide and an understanding that this is a matrix decision over what
26 additional public parking is going to be a derivative, either through option 1 or option 2.,
27 how much is going to be required to support Beltz at Gold Mine and Mail Center plus
28 the retail corner. He clarified there needed to be more study on what was truly the
29 matrix decision of the added parking benefit for what is perceived as a real parking
30 issue in the City. This goes to the added element of what additional benefit it provides
31 to the City for redevelopment within the City's commercial district and/or change of
32 uses.

33
34 Petit explained his struggles with the bigger picture and at what point is the density of
35 the City too much.

36
37 Shaver stated the Lake effect was to be a vision of what the City wants to be. The ramp
38 is a piece of this and is to solve an immediate parking issue and provide flexibility for
39 future development. He would like to see the nature of the true benefits of the public
40 portion of the ramp that is being proposed.

41
42 Nelson stated the City's parking easement with the Carisch ramp expires August 2017
43 and this ramp will no longer be required to be public. The City has offered to make
44 improvements to the ramp in exchange for extending the easement but at this time they
45 are not interested in furthering the encumbrance of that asset. They want to ensure
46 their tenant's needs are met and they do not want to be the backstop for all the
47 downtown parking. The idea had been to try and have something in place when this
48 easement expires.

1
2 Petit stated if the City is taking parking off Lake Street and out of the parking lot then the
3 City would need to provide spaces for these losses. The City loses 80 spaces with the
4 expiration of the easement at the Carisch ramp and allowing for future development of
5 existing buildings that impact parking, there would not be enough spaces available in
6 the proposed 447 stall parking ramp. He asked what the City's next steps would be if
7 the proposed ramp does not address the perceived parking shortage.

8
9 Shaver stated further study would be required to know what the effect would be for the
10 public parking needs. He stated, based on the drawings presented, it appears there is
11 only one access point to the proposed ramp. He asked if the impacts of this had been
12 discussed during the pre-design phase.

13
14 Nelson stated there is access on the east end at Mill Street with entry at grade level and
15 second level entry at Broadway with access to the third level.

16
17 McGill asked to have a full inventory of the property owned by the HRA versus the City.
18 He would like to have this available with the Financial Reports in April.

19
20
21 **NEXT MEETING DATE**

22
23 Shaver stated based on further discussions for the Mill Street Ramp project, Staff would
24 determine the next meeting date.

25
26 Nelson stated she has received an offer for the City Administrator position with Maple
27 Grove and this would be on the City of Maple Grove's Council agenda November 2.
28 She anticipates that she will be with the City of Wayzata until December 15. The City is
29 going to bring in someone on an interim basis and begin recruiting for the position. She
30 thanked the HRA for their work and the work they have done.

31
32 Shaver wished Ms. Nelson well and thanked her for her leadership and work in the
33 community.

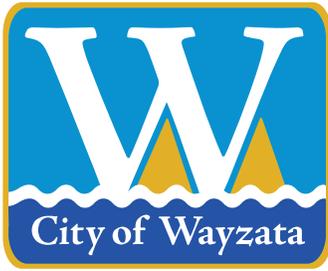
34
35 Ambrose recognized the professional advancement and wished her well.

36
37
38 **ADJOURNMENT**

39 There being no further business; McGill motioned to adjourn at 9:00 a.m., Ambrose
40 seconded the motion and the motion carried 5/0.

41
42 Respectfully submitted,

43
44
45 Becky Malone
46 Deputy City Clerk
47 City of Wayzata
48 Drafted by Tina Borg, *TimeSaver Off Site Secretarial, Inc.*



City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Mayor:
Ken Willcox

City Council:
Bridget Anderson
Johanna McCarthy
Andrew Mullin
Steven Tyacke

**Interim City
Manager:**
Doug Reeder

TO: HRA Commissioners
FROM: Doug Reeder, Interim City Manager
DATE: January 28, 2016
SUBJECT: Annual Meeting of HRA

At the last HRA meeting on October 29, 2015 the Commission discussed changing the date of the annual meeting from the third Monday in September at 6:00 PM as is now stated in the Bylaws to the first meeting of each year.

If the Commission wants to make this change in the Bylaws a motion would need to be made and at least 3 affirmative votes would be needed to approve the amendment.

The suggested motion would be to amend Article II, Section A. of the Wayzata Housing and Redevelopment Authority Bylaws to read as follows.

Section A. Date of Annual Meeting. The annual meeting shall be held in January of each year at the regular meeting place of the HRA unless scheduled by the Commission at an alternate date.

BYLAWS
of the
HOUSING AND REDEVELOPMENT AUTHORITY
In and for the City of Wayzata, Minnesota

PREAMBLE

The Housing and Redevelopment Authority in and for the City of Wayzata (HRA) was created in accordance with State Law by:

A resolution passed by the City Council of Wayzata, Minnesota, on the 4th day of April, 1967, providing for a hearing to determine the need for a Housing and Redevelopment Authority to function in Wayzata, Minnesota;

A resolution passed by the City Council of Wayzata, Minnesota, on the 16th day of May, 1967, determining the need for a Housing and Redevelopment Authority in Wayzata, Minnesota; and

A resolution passed by the City Council of Wayzata, Minnesota, on the 1st day of August, 1967, approving the appointment of the Commissioners of the Housing and Redevelopment Authority of Wayzata, Minnesota.

The original goals for the HRA were:

1. Set a standard for future development of Wayzata;
2. Exploit the natural advantages of Lake Minnetonka;
3. Preserve the distinctive atmosphere of Wayzata;
4. Create a business climate that will enable local businesses to compete with the planned investment in nearby commercial centers;
5. Attract businesses that will offer improved employment opportunities;
6. Establish an improved quality in multiple housing facilities; and
7. Maximize tax return.

Additional goals were established when tax increment districts were created in the City of Wayzata, Minnesota.

ARTICLE I. AUTHORITY

Section A. Name. The legal name of the HRA is “Housing and Redevelopment Authority of the City of Wayzata”.

Section B. Office. The offices of the HRA shall be at the City Hall in the City of Wayzata, Minnesota, but the HRA may hold its meetings at such place or places as it may designate.

ARTICLE II. MEETINGS

Section A. Date of Annual Meeting. The annual meeting shall be held on the third Monday in September of each year at 6:00 P.M. or as scheduled by mutual consent at the regular meeting place of the HRA. In the event such day shall be a legal holiday, the annual meeting shall be on the next succeeding Wednesday.

Section B. Quorum. There shall be a quorum, as defined in Article IV, to conduct business at all meetings. If a quorum is not present for an annual meeting, the Chair shall establish a date for a new annual meeting. If a quorum is not present for a regular or special meeting, the Chair shall adjourn the meeting to the next regular or special meeting of the HRA.

Section C. Annual Meeting. The following, among any other appropriate matters, may be considered at the annual meeting:

1. Election of officers;
2. Determination of need for regular meetings to be held until the next annual meeting and if necessary determination of dates for regular meetings;
3. Discussion of bylaws and any suggested amendments;
4. Receipt of Financial Report; and
5. Appointment of Executive Director

Section D. Regular Meetings. If determined necessary by the HRA, regular meetings shall be held at a fixed place and at a time as determined by the HRA at its annual meeting. The time may be changed by the HRA at any subsequent meeting by a majority vote of all Commissioners and after notification of such change in the City's official newspaper. Agendas for regular meetings shall include at least the following order of business:

1. Call to Order;
2. Approval of Agenda;
3. Approval of Minutes;
4. Unfinished or Organizational Business;
5. New Business; and
6. Adjournment.

Section E. Special Meetings. Special meetings of the HRA may be called by the Chair, or any two members of the HRA, for any proper purpose of the HRA upon oral or written notice to each of the Commissioners and to the local newspapers at least 3 days prior to the date of the special meeting. A written notice shall set forth the time and place of the special meeting and be posted at City Hall at least 3 days prior to the date of the special meeting.

Section F. Public Meetings. All meetings shall be open to the public in accordance with the provisions of Minnesota Statutes.

ARTICLE III. COMMISSIONERS, OFFICERS, ADMINISTRATOR, STAFF

Section A. Commissioners. The HRA shall consist of five (5) Commissioners who shall be residents of the area of operation of the HRA. The Commissioners shall be appointed by the Wayzata City Council. Each Commissioner shall serve a term of five (5) years in accordance with Minnesota statute § 469.003.

Section B. Officers. The officers of the HRA shall consist of a Chair, a Vice Chair, a Secretary, and such other officers as shall from time to time be chosen and appointed by the HRA.

Section C. Chair. The HRA shall select a Chair from among its Commissioners who shall preside at all meetings of the HRA.

Section D. Vice Chair. The HRA shall select a Vice Chair from among its Commissioners who shall preside at all meetings of the HRA in the absence of the Chair and shall perform such other duties as may be assigned by the Commissioners. In the case of death, retirement, or resignation of the Chair, the Vice Chair shall perform and be vested with all the duties and powers of the Chair until such time that a new Chair is chosen by the Commissioners.

Section E. Secretary. The HRA shall select a Secretary from among its Commissioners who shall be responsible for certification of official actions of the HRA.

Section F. Executive Director. The HRA may appoint an Executive Director, who shall not be a Commissioner. The Executive Director shall be responsible for:

1. Securing, supervising and directing any personnel required for work to be accomplished by the HRA;
2. Providing for the taking of and preparing minutes of each meeting of the HRA;
3. Maintaining any appropriate files as deemed necessary by the Commissioners, including files of minutes, publication of meetings, and meeting agendas;

4. The general administration and financial management of the affairs of the HRA pursuant to policies determined by the Commissioners; and
5. Any other responsibilities assigned by the Chair or Commissioners.

Section G. Staff Services. If the HRA appoints the City Manager as the Executive Director and/or uses personnel under the control of the City Manager, a contract for staff services shall be entered into which clearly designates the services provided.

ARTICLE IV. **QUORUM AND VOTING**

Section A. Quorum. A quorum of the HRA shall be three Commissioners. A quorum shall be required to conduct business at any meeting of the HRA.

Section B. Voting. A vote of approval by a majority of those Commissioners present shall be required to take action on or approve any matter before the HRA, except that with respect to the following matters a vote of approval by three (3) or more Commissioners shall be required to act;

1. To request replacement of the Executive Director or cancellation of the contract with the City;
2. To amend the Bylaws;
3. To change the regular meeting time;
4. To borrow money; or
5. To approve a project.

ARTICLE V. **FINANCE AND CONTRACTS**

Section A. Fiscal Year. The Calendar year shall be the fiscal year of the HRA. However, other fiscal years for specific purposes or undertaking of the HRA may be established as required or desirable.

Section B. Budgets. The Executive Director shall prepare a budget for each project that is being considered by the HRA. If an annual operating budget is desired by the HRA, the HRA shall submit its request in accordance with the City's established budget approval process. City Council approval of project and operating budgets is required.

Section C. Investments of the HRA. The investments of the HRA funds shall be the responsibility of the Executive Director in accordance with the investment practices of the City.

Section D. Project and Procurement Manager. The responsibility for Project Management and Procurement for each approved HRA project shall be outlined in a Project Manager/Procurement Contract.

Section E. Disbursements.

1. Federal and State funds. All funds received from the Government of the United States or any of its agencies, and the state of Minnesota or any of its agencies, shall be disbursed and accounted for in accordance with the regulations or requirements from time to time made by the Federal or State agencies furnishing funds to the HRA.
2. Official Depository. All monies received by the HRA from any source whatsoever shall be deposited in bank accounts in accordance with the established practices of the City. All disbursements shall be in accordance with the established practices of the City.
3. Checks. All checks drawn on bank accounts of the HRA shall indicate the fund and, in the case of a project, the project to be charged. All checks shall be signed by the Executive Director.

ARTICLE VI. **POWERS AND DUTIES**

Section A. General Powers and Duties. The HRA shall have the powers and duties provided to the HRA by Minnesota Statutes.

ARTICLE VII. **AMENDMENTS**

These Bylaws may be amended at any meeting of the HRA provided that notice of such proposed amendment is mailed to each Commissioner of the HRA at least ten days prior to such meeting. The amendment of the Bylaws and the vote required shall be in accordance with Article IV, that sets forth the voting provisions of these Bylaws.