

**City of Wayzata Housing and Redevelopment Authority**  
**Meeting Agenda**  
Tuesday, August 2, 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 Workshop Minutes of April 28, 2016 and Minutes of April 28, 2016
4. New Business
  - a. Resignation of David McGill
  - b. Update on Mill Street Parking Ramp
  - c. Update on Peter Herfurth Offer to City
  - d. Other
5. Next Meeting Date: October 27, 2016
6. Adjournment

1 HRA members present: T. Shaver, D. McGill, R. Wothe, B. Petit, B. Ambrose  
2 City Council Present: Mayor Willcox, Councilmembers Anderson, Mullin, Tyacke, and  
3 McCarthy  
4 HRA members absent and excused: None  
5 City Staff present: Deputy City Clerk Becky Malone, Director of Planning & Building Jeff  
6 Thomson, and Interim City Manager Doug Reeder  
7 Others present: City Financial Consultant Steve McDonald with AEM

8  
9 Chairman Shaver called the HRA workshop meeting with the Wayzata City Council to  
10 order at 7:32 am.

11  
12

13 **UPDATE ON MILL STREET PARKING RAMP PROJECT**

14

15 Reeder stated the parking ramp is currently designed as a 2-level ramp and will have  
16 approximately 155 stalls. Construction is expected to start in October 2016 and be  
17 completed by May 2017. The facility will be situated into the hill for screening and  
18 aesthetic reasons. The HRA owns most of the property and has agreed to allow the  
19 structure to be built on this property. He reviewed the types of materials that were being  
20 considered for the roofing and the cladding of the facility. He clarified there would be no  
21 elevator, bathrooms, air conditioning or sidewalk included with this facility.

22

23 Willcox explained the City Council had voted 3/2 to move forward with the ramp design  
24 and to reduce the number of levels for the ramp from 3-levels to 2-levels because they  
25 felt the 3-level structure was too large and the Steering Committee worked to reduce the  
26 mass of the building and preserve the number of parking spaces the City felt were  
27 needed in a parking structure.

28

29 Wothe asked about the bracing for the second level.

30

31 Petit clarified the project is in preliminary design at this time and these are things that  
32 would be worked through during the design process. The City Council has requested  
33 an Owner's Representative to look at the design to be sure it is cost effective and the  
34 best design. He explained the design also took into consideration potential future uses  
35 for the parking ramp if the City's needs change including converting the lower level to  
36 office space.

37

38 Reeder stated the Beltz family intended to apply to develop the corner and would like to  
39 try and work with the City in order to coordinate the construction and disruption to the  
40 area.

41

42 Shaver suggested designing the structure so that a third level could be added in the  
43 future if needed.

44

45 Reeder explained the financing for this project includes a 401 Fund with \$730,000, TIF  
46 cash from Presbyterian Homes and bonding. If the Legislature acts this session there

1 would be an additional \$400,000 available. There is a total amount available for the  
2 project of \$10,400,000 and the project is within this budget.

3  
4 Shaver suggested having an Owner's representative for the design phase and the  
5 construction phase in order to protect the City and oversee the project.

6  
7 Anderson asked if the City should take out additional insurance to cover any unforeseen  
8 costs associated with the project.

9  
10 Shaver explained the City could not insure for all unforeseen circumstances. If the City  
11 were the Engineer, then it would be the City's liability but if the City contracts this then it  
12 would be the responsibility of the contractor. He asked if the City had plans for the on-  
13 going maintenance of the ramp.

14  
15 Mullin explained the Mobility District and how this includes pro-rata maintenance costs  
16 which is an on-going funding mechanism for the maintenance of the parking ramp.

17  
18 Reeder stated they would not sign any contracts until they had the support of the HRA  
19 on the Mill Street Ramp.

20  
21 Ambrose recommended making adjustments so that it would be easy to add charging  
22 stations for electric cars if needed.

23  
24 It was the consensus of the HRA to support the Mill Street Ramp project.

25  
26 The HRA Workshop meeting with the City Council was adjourned at 8:25 a.m.

27  
28

29 Respectfully submitted,

30  
31

32  
33 Becky Malone

34 Deputy City Clerk

35 City of Wayzata

36 Drafted by Tina Borg, *TimeSaver Off Site Secretarial, Inc.*

1 HRA members present: T. Shaver, D. McGill, R. Wothe, B. Petit, B. Ambrose  
2 HRA members absent and excused: None.  
3 City Staff present: Deputy City Clerk Becky Malone, Director of Planning & Building Jeff  
4 Thomson, and Interim City Manager Doug Reeder  
5 Others present: City Financial Consultant Steve McDonald with AEM  
6  
7

8 Chairman Shaver called the meeting of the HRA to order at 8:31 am.  
9

10  
11 APPROVAL OF AGENDA  
12

13 McGill motioned to approve the April 28, 2016, meeting agenda as presented, seconded  
14 by Ambrose. The motion passed 5/0 by voice vote.  
15

16  
17 APPROVAL OF MINUTES – MINUTES OF JANUARY 28, 2016  
18

19 McGill motioned to approve the January 28, 2016 minutes as presented, seconded by  
20 Wothe. The motion passed 4/0/1 by voice vote (Ambrose abstained).  
21

22  
23 OLD BUSINESS  
24

25 a. Distribution of Revised HRA Bylaws (Revised 01-28-2016)  
26

27 McGill motioned to approve the Revised HRA Bylaws as presented, seconded by Petit.  
28 The motion passed 5/0 by voice vote.  
29

30 b. Review of HRA Property Inventory (attachment 1 of Steve McDonald  
31 memo)  
32

33 McDonald reviewed the property information received from City Assessor, Dan Distel,  
34 which included any parcel referencing the HRA. The Hennepin County records are  
35 somewhat incomplete on the land values. He clarified all of Heritage Park is under the  
36 HRA.  
37

38 McGill asked if the HRA should be reimbursed if the property was being used by other  
39 entities. He asked if there should be a rental agreement between the HRA and other  
40 entities that use HRA property such as the City of Wayzata for the water tower.  
41

42 Shaver asked Staff to find out what the working relationship was between ownership  
43 under the HRA versus an active City process or other activities taking place. Given the  
44 separation or ownership he asked if there was some form of agreement that would need  
45 to be put in place such as an operating agreement.  
46

1 Reeder stated the HRA could also look at all the properties and determine who should  
2 own them based on the use. Property could be under the City if there is no HRA  
3 purpose for the property.

4  
5 McGill stated he would also like to look at the ownership and what this entails including  
6 advantages/disadvantages of ownership by the HRA. He asked what the HRA's  
7 responsibilities were if properties can be transferred to the City due to the City's  
8 function. He would like to see this information for all nine (9) parcels.

9  
10 Shaver stated this would be important to know for the Mill Street Ramp project and who  
11 would own and operate the property.

12  
13 Reeder stated Staff would prepare this information for the Commission's next meeting.

14  
15 c. Receipt of Financial Statements for 2015 (attachment 3 of Steve  
16 McDonald memo)

17  
18 McDonald reviewed the Financial Statements for the HRA. He explained the three (3)  
19 funds under the HRA are Debt Service Fund, Capital Projects Fund, and Special  
20 Revenue. The final bond payment for Widsten would be in 2016. He clarified there had  
21 been discussions of pooling about \$200,000 of the Debt Service balance for the Mill  
22 Street Parking project.

23  
24 Shaver clarified if the City used \$200,000 from this fund it would not cause problems  
25 with the special legislation the City is seeking or put anything else at risk.

26  
27 Reeder clarified all funds have allocated as appropriate.

28  
29 McDonald stated the \$285,000 cash balance in the Special Revenue fund has also  
30 been allocated for the down payment on the parking ramp.

31  
32 Shaver asked if the amended TIF District that had been put in place would be  
33 considered a fourth district that could be used as revenue source going forward.

34  
35 McDonald stated this would fall under the district that was being modified. In this case it  
36 would be the Bay Center. He stated for accounting purposes they would be able to  
37 support the needs of the HRA.

38  
39 Shaver stated he would like to see this reported separately.

40  
41 McDonald clarified the Widsten District continues for a couple of years after the final  
42 bond payment is made. This could have been done to accommodate for valuations not  
43 lining up.

44  
45 Reeder stated if the City no longer has obligations in the district then it must be  
46 decertified but the City is seeking special legislation to get this extended.

47

1 Wothe motioned to accept the HRA Financial Statements as presented, seconded by  
2 Petit. The motion passed 5/0 by voice vote.

3  
4  
5 NEW BUSINESS

- 6  
7 a. Summary of ramp financing options (attachment 2 of Steve McDonald  
8 memo)

9  
10 McDonald reviewed the financing options for the parking ramp. Option 1 is a ramp with  
11 no roof for \$8.1 million and Options 2 and 3 include a roof and range from \$9.5 to \$9.6  
12 million depending on roof materials. The green roof option is not included at this time.  
13 The City has identified \$1.68 million cash on hand for the project and the remaining  
14 amount would be a 20 or 24-year bond. Based on Presbyterian Homes TIF the City  
15 would be able to cash flow option 1. If the City decided to include a roof option, the  
16 difference in costs would be included in a tax levy, or other existing City funds.

17  
18 Reeder explained the City had a 401 Fund with \$732,000 that could be used toward a  
19 roof option for the ramp. Most of this fund is the result of the 2015 budget surplus and  
20 is dedicated to the parking ramp as a contingency.

21  
22 Shaver stated there would be an offset to the cost if the City went with the solar roof  
23 option.

- 24  
25 b. Consider approval of Resolution In Support of Possible Mill Street Parking  
26 Ramp

27  
28 Shaver stated the City Council has approved a design contract to further the design  
29 process subject to the HRA approval. The proposed resolution is for the HRA to  
30 support the process for the parking ramp and is not the final approval.

31  
32 Petit motioned to approve the Resolution in Support of Possible Mill Street Parking  
33 Ramp, seconded by Ambrose.

34  
35 Shaver stated at this concept stage there has been discussion regarding ownership and  
36 funding sources. These are things that will need be finalized as the process moves  
37 forward. The HRA has a significant interest in the project because they do own the land  
38 and the City is looking for support from the HRA to continue moving forward with this  
39 project.

40  
41 McGill asked if there was an HRA redevelopment plan for the Mill Street property.

42  
43 Reeder stated he had discussed this with the City Attorney and he is not sure there is a  
44 redevelopment document specific to Mill Street.

45  
46 McGill stated they would not be able to reference a redevelopment plan if one does not  
47 exist. The fourth "Whereas" statement in the resolution references the "HRA  
48 redevelopment plan".

1  
2 Reeder suggested adding language referencing the HRA redevelopment plan as it  
3 currently exists.

4  
5 McGill stated there is a difference between the HRA principle use of land and an actual  
6 redevelopment plan.

7  
8 Ambrose stated this could be considered to be consistent with a number of original  
9 goals for the HRA.

10  
11 Shaver suggested changing this to read: "Whereas, a parking ramp at Mill Street is  
12 consistent with the HRA Bylaws. Whereas to support development activities, which  
13 would include the Mill Street property."

14  
15 Ambrose offered the friendly amendment to the fourth "Whereas" statement to read:  
16 "Whereas, a parking ramp at Mill Street is consistent with the HRA bylaws. Whereas to  
17 support the development activities which would include the Mill Street property."

18  
19 Petit accepted the friendly amendment.

20  
21 Shaver called the motion for the Resolution in Support of Possible Mill Street Parking  
22 Ramp as amended.

23  
24 The motion passed 5/0 by voice vote.

25  
26 c. Consider appointment of Jeffrey Dahl as Executive Director, replacing  
27 Doug Reeder, effective May 16, 2016

28  
29 Wothe motioned to appoint Jeffrey Dahl as Executive Director, replacing Doug Reeder,  
30 effective May 16, 2016, seconded by McGill. The motion passed 5/0 by voice vote.

31  
32  
33 NEXT MEETING DATE: 7:30 am on July 28, 2016

34  
35 Reeder stated he and Mr. Thomson had met with IOCP, a group interested in building  
36 affordable housing in the City. They are advocating for a 50-unit affordable housing  
37 project. They will be meeting with members of the City Council. This would be a  
38 difficult project to building Wayzata due to the land mass required. The group is also  
39 considering other cities for this project.

40  
41 McGill asked Reeder if he was aware of the City Council Resolution (Resolution No. 10-  
42 2010) adopting the Affordable Housing Taskforce narrative report and policy statement.  
43 Reeder indicated he was not aware of this policy and requested McGill forward the data  
44 regarding this policy to him.

45  
46  
47  
48

1 ADJOURNMENT

2 There being no further business; McGill motioned to adjourn at 9:12 a.m., Wothe  
3 seconded the motion and the motion passed 4/0 by voice vote.

4

5 Respectfully submitted,

6

7

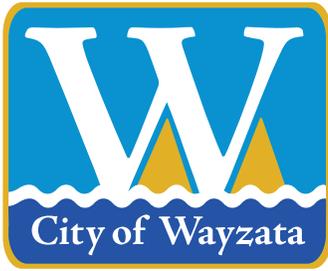
8 Becky Malone

9 Deputy City Clerk

10 City of Wayzata

11 Drafted by Tina Borg, *TimeSaver Off Site Secretarial, Inc.*

DRAFT



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

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**Chair:**  
Tom Shaver

**Commissioners:**  
Dr. David McGill  
Barry Petit  
Roger Wothe  
Bob Ambrose

**Executive Director:**  
Jeffrey Dahl

**DATE: June 29, 2016**

**TO: HRA Commissioners**

**FROM: Jeffrey Dahl, Executive Directors**

**SUBJECT: Accept Dr. David McGill's Resignation from the HRA and Charter Commission**

### **Update**

In July, the City received resignation letters from Dr. McGill from his positions on both the Charter Commission and the HRA. His resignation comes as a result of his pending move to the City of Plymouth. At its July 19<sup>th</sup> Meeting, the City Council tabled action on accepting the resignations given his accomplished record with the City with the hopes there would be an opportunity to continue to serve if: Dr. McGill is willing; and the bylaws allow for a non-resident to serve.

Unlike other commissions of the City, the bylaws of both the HRA and Charter Commission clearly indicate that all members must be residents of the City. As of August, Dr. McGill will no longer be a resident of Wayzata.

Because the City Council tabled this item, the City is able to offer Dr. McGill a more appropriate recognition of service to the community. The tabling also it allows him to participate in one final HRA meeting.

**J. David McGill D.D.S.**  
355 Lake Street West  
Wayzata, Minnesota 55391  
13 July 2016

Dear Mayor Willcox, Chairman Shaver, and City Manager Dahl,

Due to my pending change of residence to outside of Wayzata I must submit my resignation from the Wayzata Housing and Redevelopment Authority effective July 15, 2016.

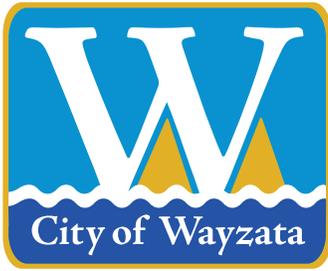
It has been a privilege serving on the Wayzata Housing and Redevelopment Authority in and for the greatest city in the country.

Respectfully submitted,

A handwritten signature in cursive script that reads "J. David McGill".

J. David McGill D.D.S.

Cc. Housing and Redevelopment Authority Members  
Wayzata City Council



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

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**Chair:**  
Tom Shaver

**Commissioners:**  
Dr. David McGill  
Barry Petit  
Roger Wothe  
Bob Ambrose

**Executive Director:**  
Jeffrey Dahl

**DATE:** July 29, 2016  
**TO:** HRA Commissioners  
**FROM:** Jeffrey Dahl, Executive Directors  
**SUBJECT:** Update of Mill Street Parking Ramp

**Update**

Attached are the latest construction plans and financing options of the parking ramp. Also attached is a background memo from the July 5<sup>th</sup> meeting where the Council voted to move forward with Design Development of the ramp with the roof and additional landscaping as bid alternates.

The Steering Committee, with HRA Commissioners Wothe and Petit continue to meet.

Staff will be providing a verbal update at the meeting.



**WALKER**  
PARKING CONSULTANTS

# CITY OF WAYZATA

## MILL STREET PARKING STRUCTURE

Joint City Council / Steering Committee Workshop

August 3, 2016

# Design Presentation

## Contents

- **Ramp Overview & Floor Plans**
- **North Retaining Wall Update**
- **Entry Portal Update**
- **Exterior Materials**
- **Landscape and Site Lighting**
- **Design Schedule**
- **Owner's Representative Update**

# Ramp Overview & Floor Plans

# Ramp Overview

## Base Ramp



# Ramp Overview

## Base Ramp + Roof

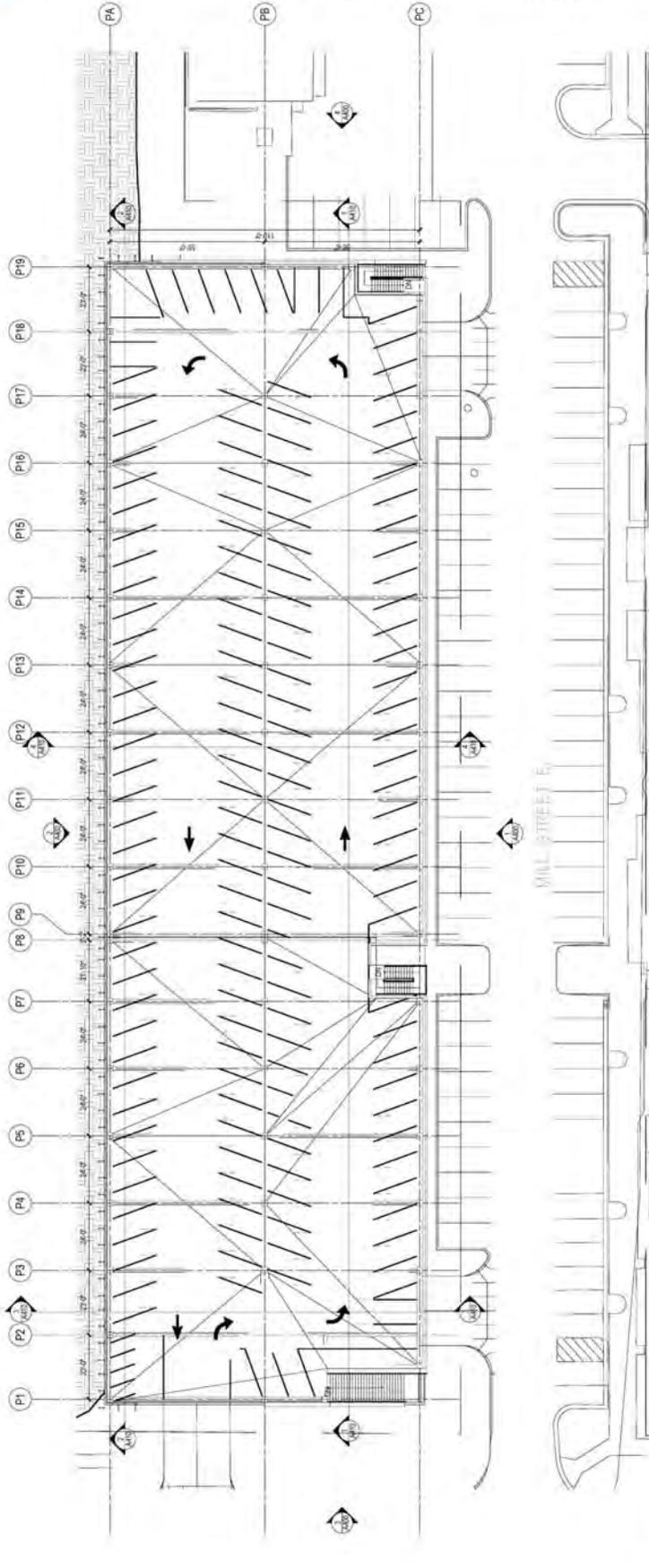




# Floor Plan Level P2



MILL STREET  
PARKING  
STRUCTURE



1 LEVEL P2 FLOOR PLAN  
1/8" = 1'-0"

NOT FOR CONSTRUCTION  
DATE

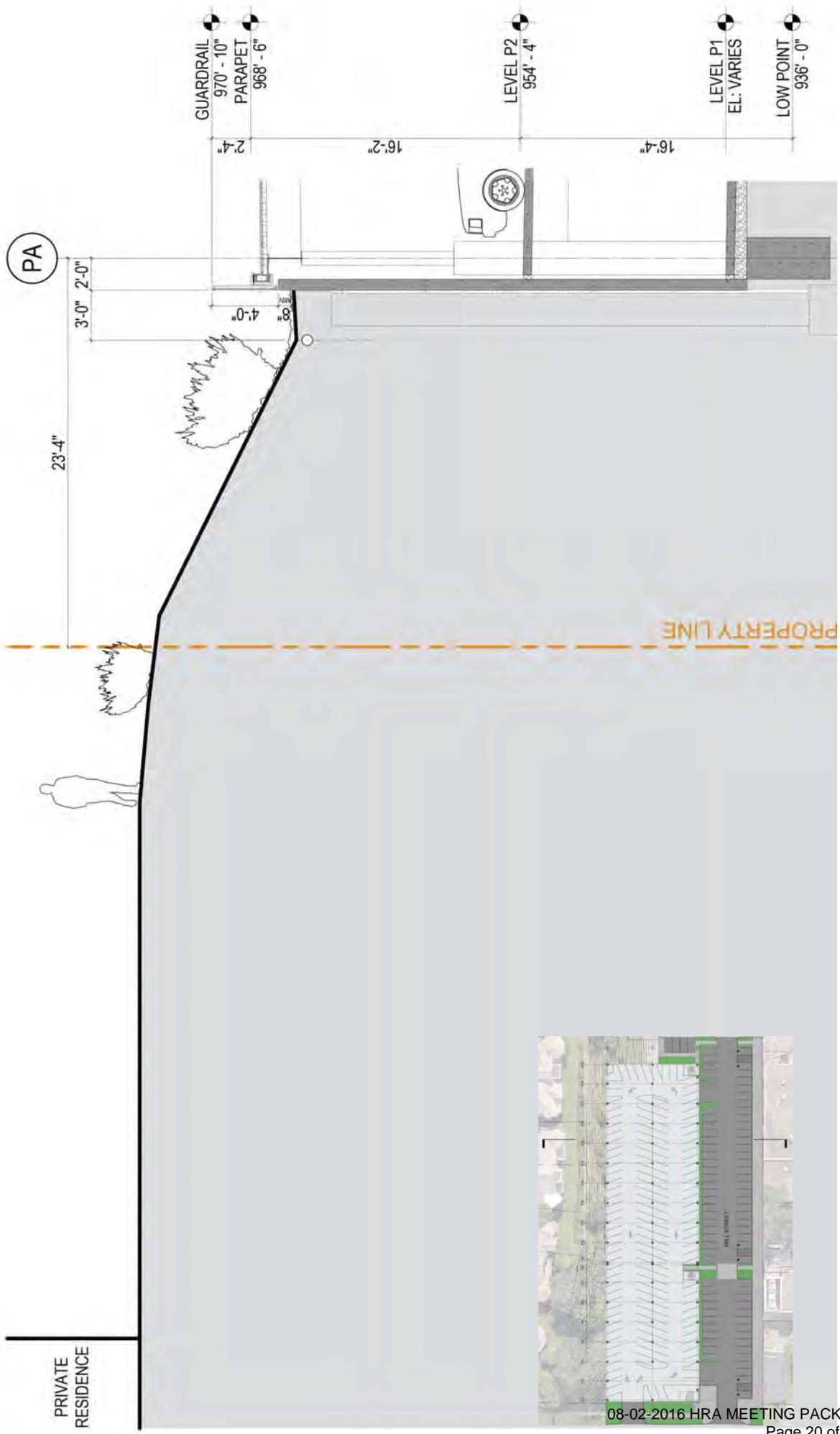
HRA NO: 2014-022-02  
LEVEL P2 FLOOR PLAN

DATE: Month DD, YYYY  
DESIGN DEVELOPMENT

A202

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# North Retaining Wall Update



# Entry Portal Update

# Entry Portal Update

## Schematic Design



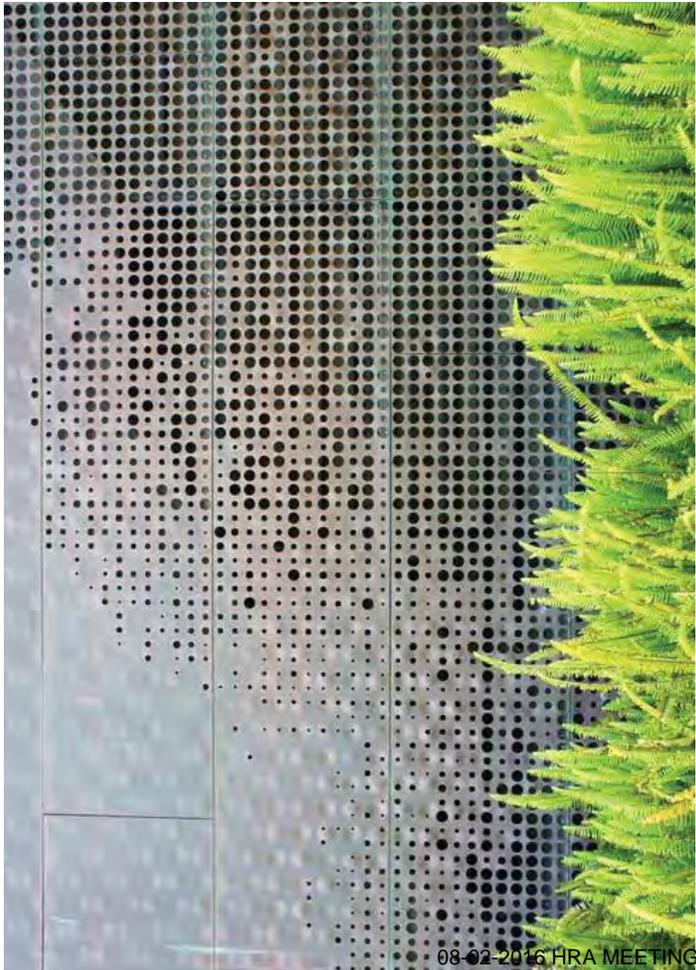
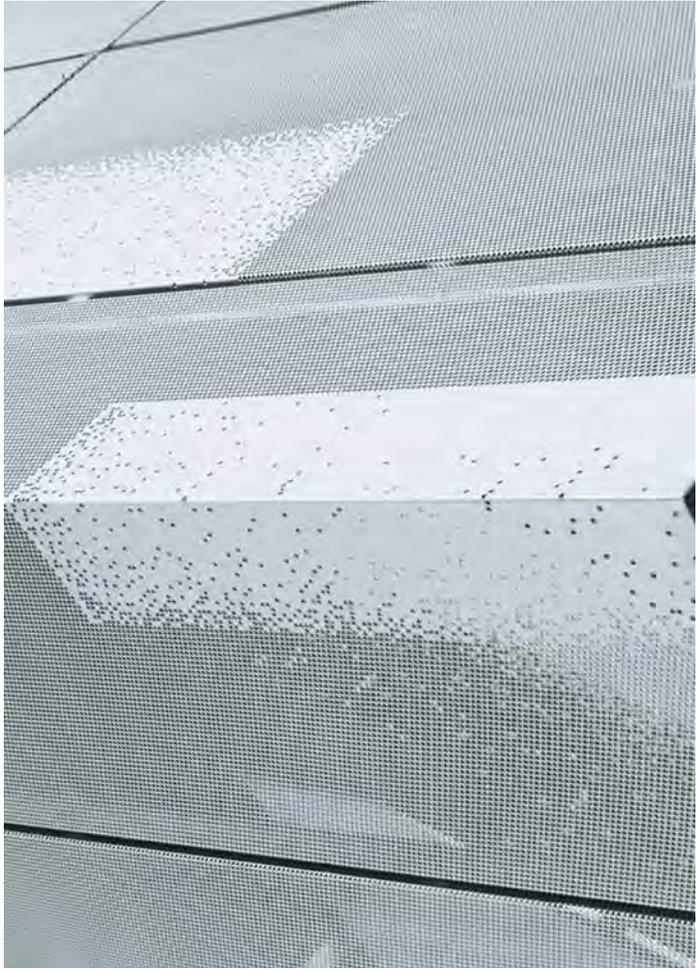
# Entry Portal Update

## Design Development



# Entry Portal Update

## Perforated Metal Examples



# Exterior Materials

# Exterior Materials

## Brick Option – Manganese Ironspot



# Exterior Materials

Dark Concrete & Ipe Wood



# Exterior Materials

## Light Concrete Option - Smooth



# Landscape and Site Lighting

# Site Design



# Site Elements

## Trees

*Freeman Maple*

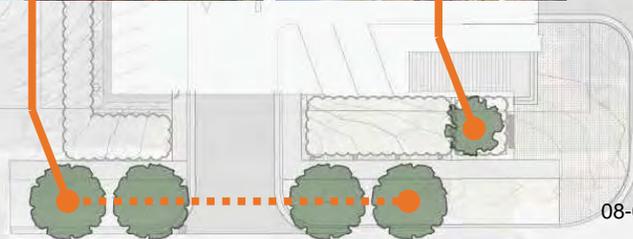


*Eastern Redbud*



# Site Elements

## Trees



# Site Elements Plantings

*Calgary Carpet Juniper*



*Blue Chip Juniper +  
Golden Carousel Barberry*



*Crimson Pygmy Barberry*



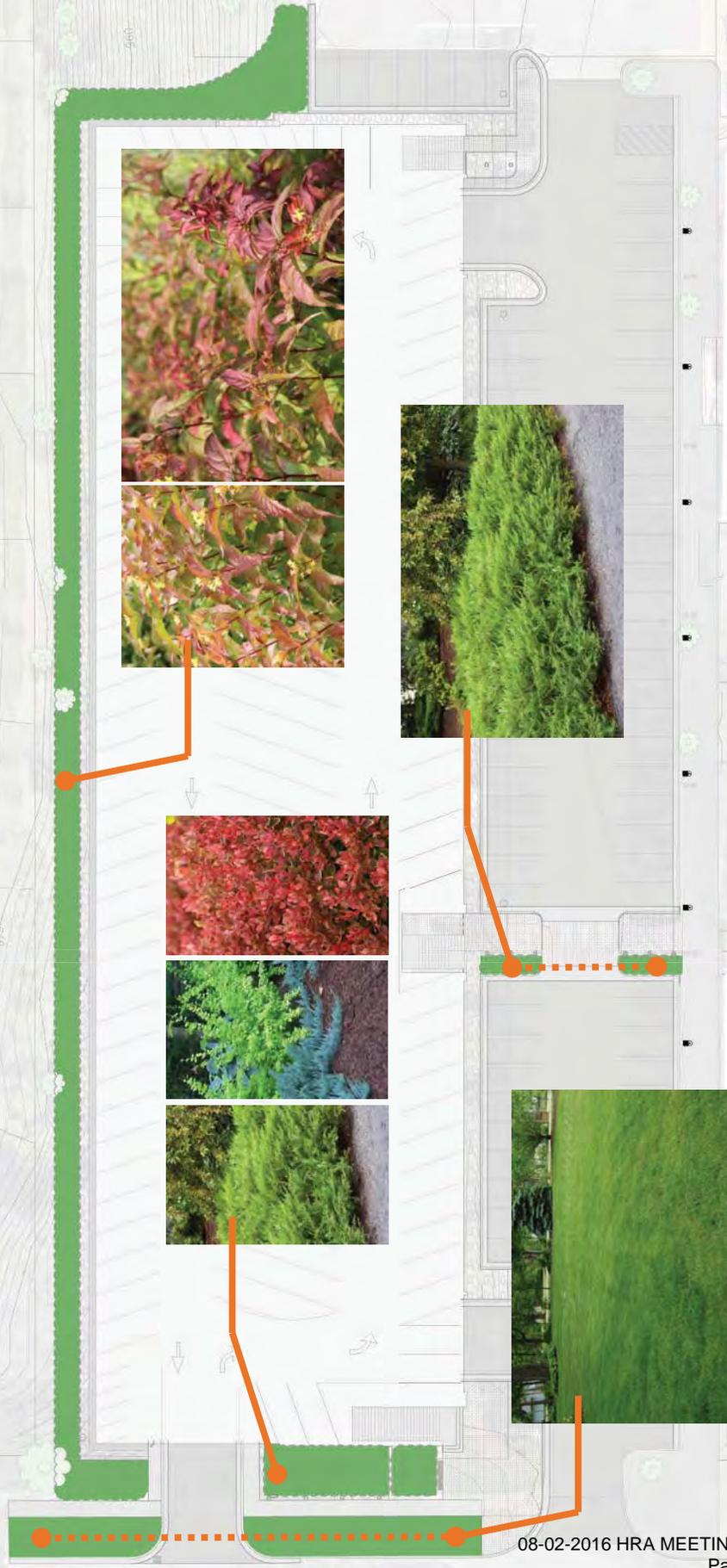
*Dwarf Bush Honeysuckle*



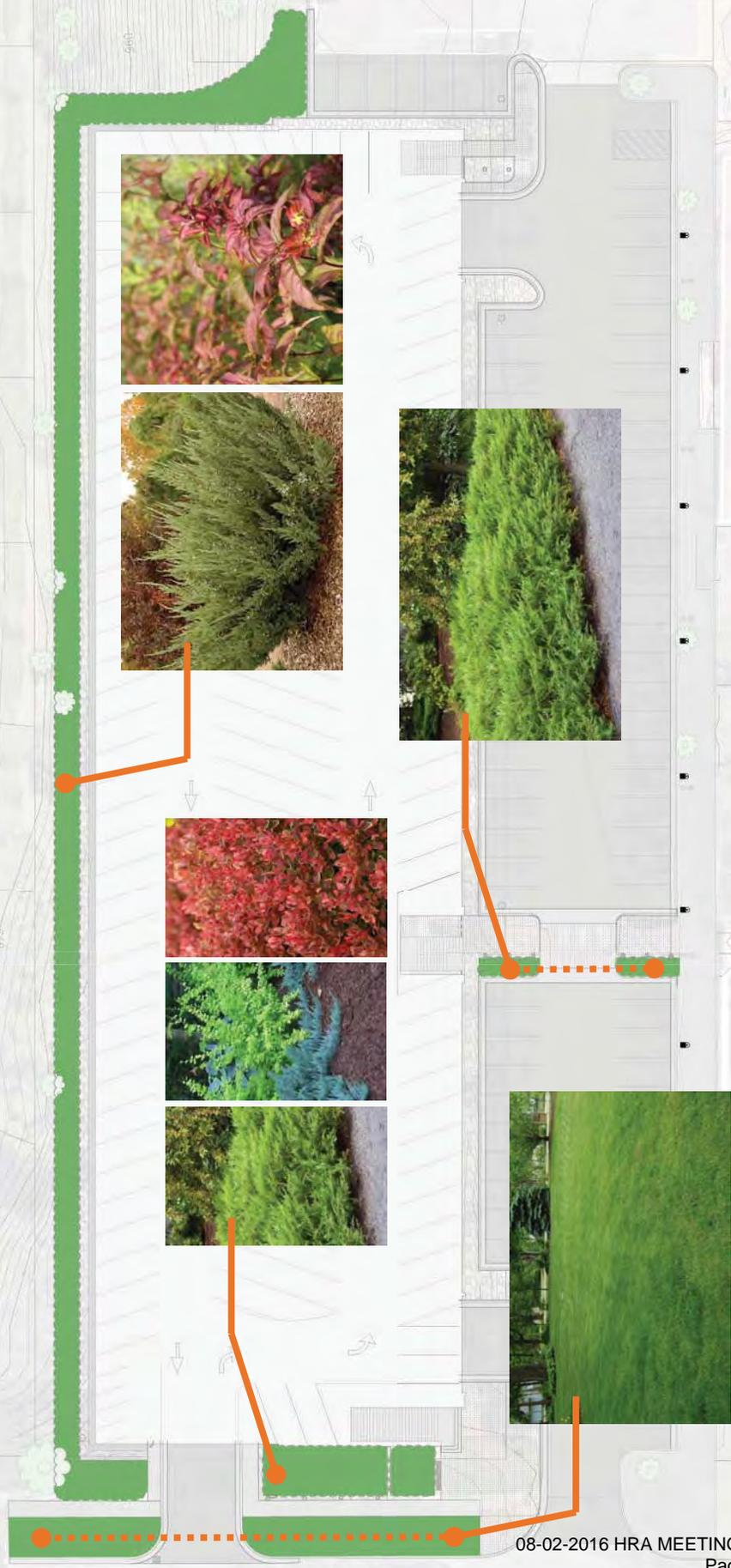
*Turf*



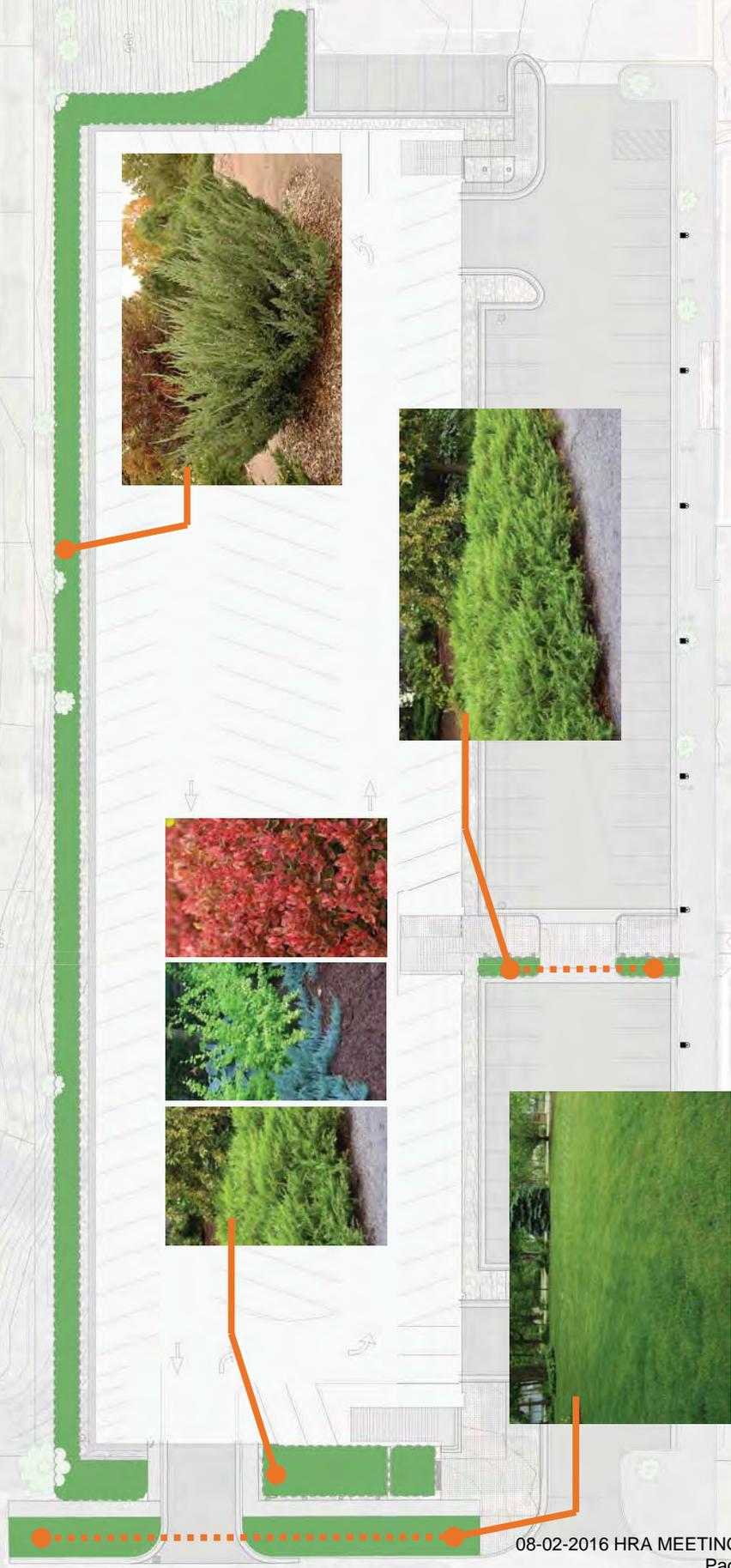
# Site Elements Plantings



# Site Elements Plantings



# Site Elements Plantings

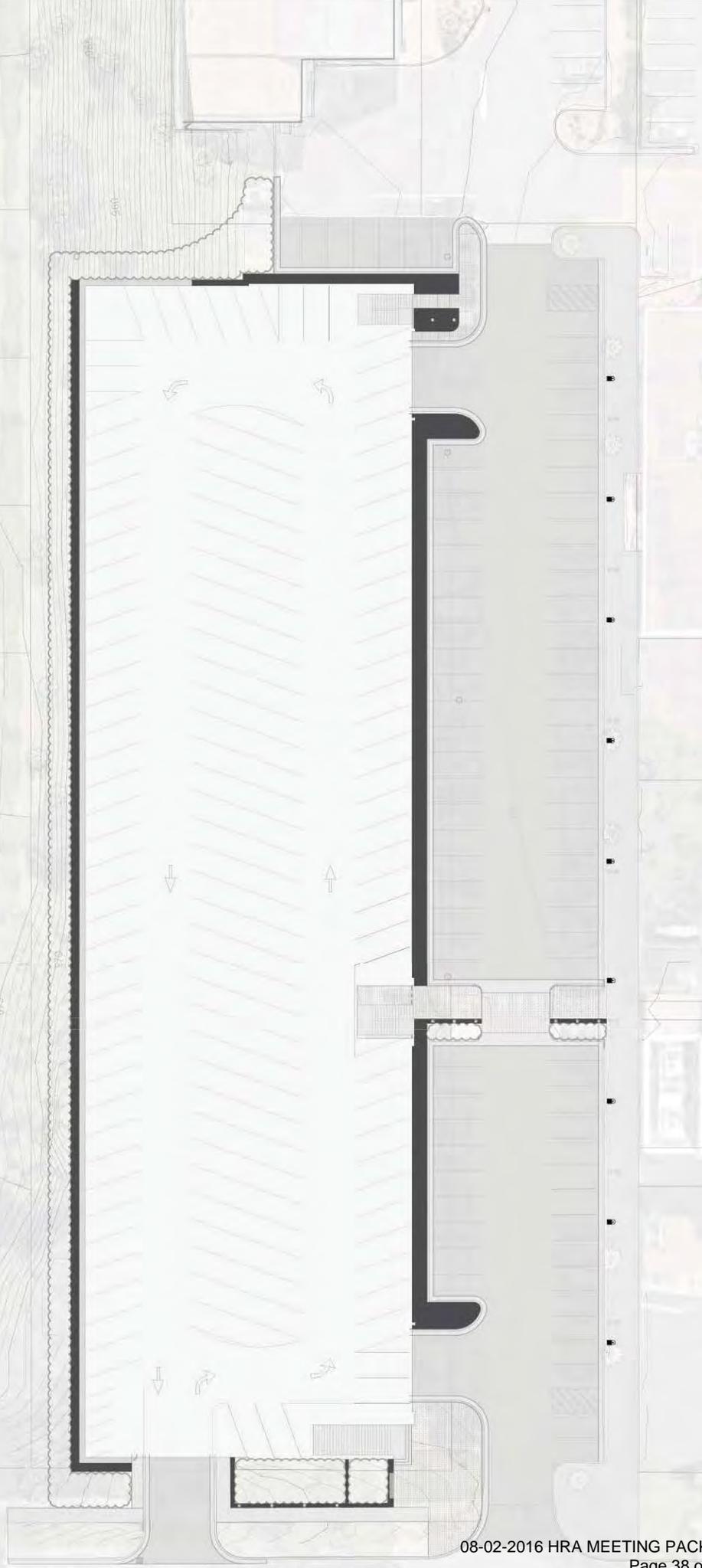


# Site Elements Plantings



# Site Elements

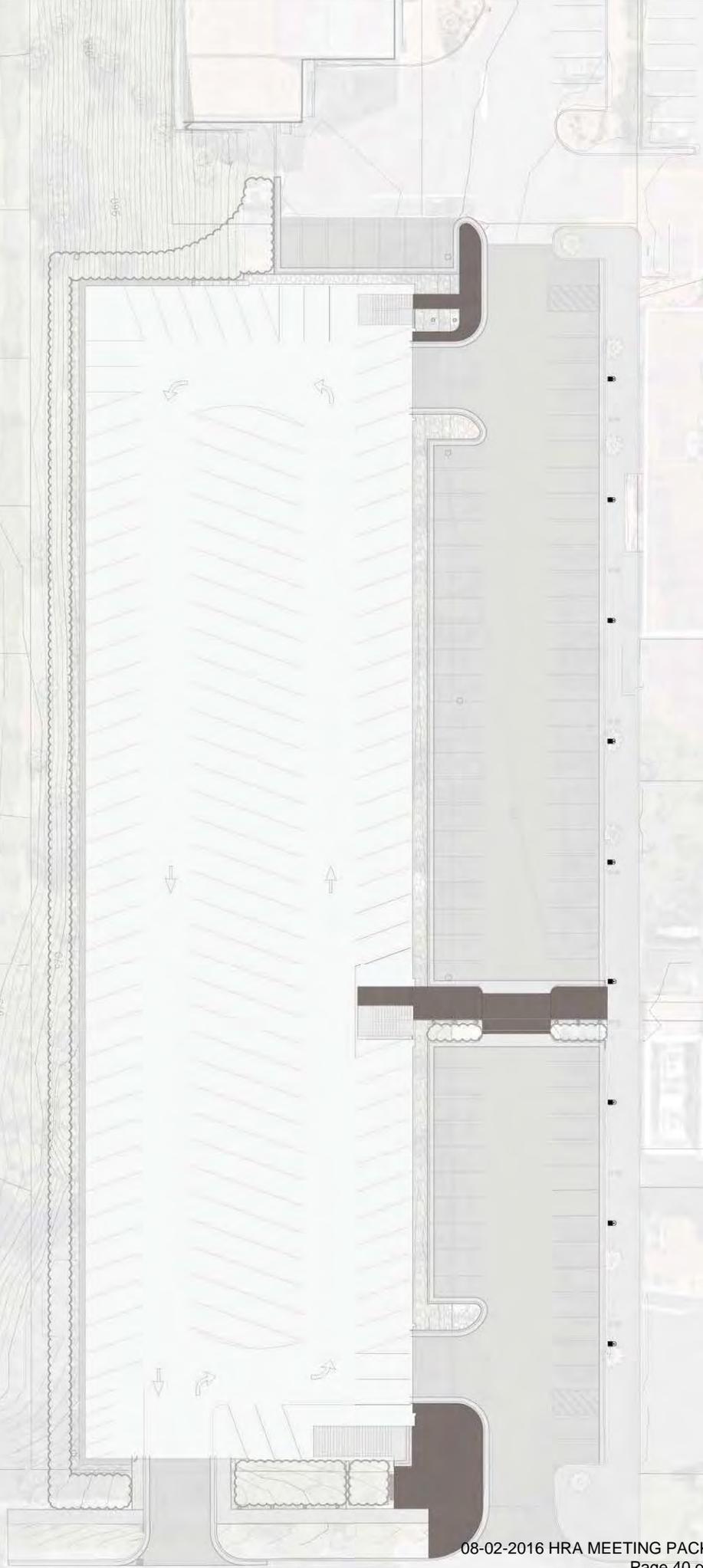
## Trap Rock



Site Elements  
Dresser Trap Rock



# Site Elements Permeable Paving



# Site Elements

## Permeable Pavers

*Ironspot Manganese*

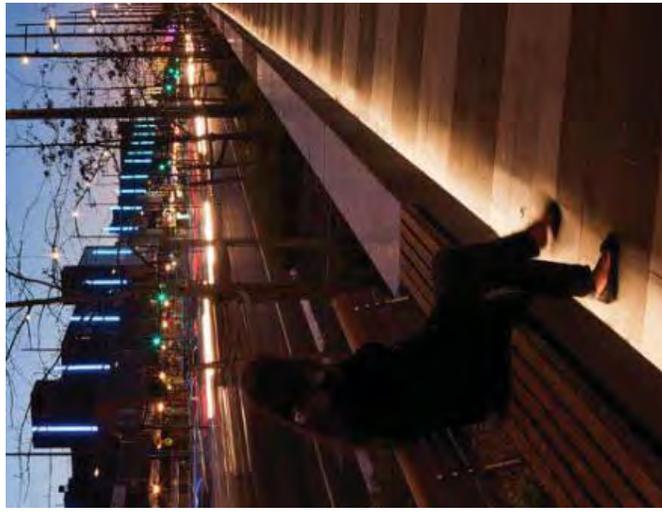
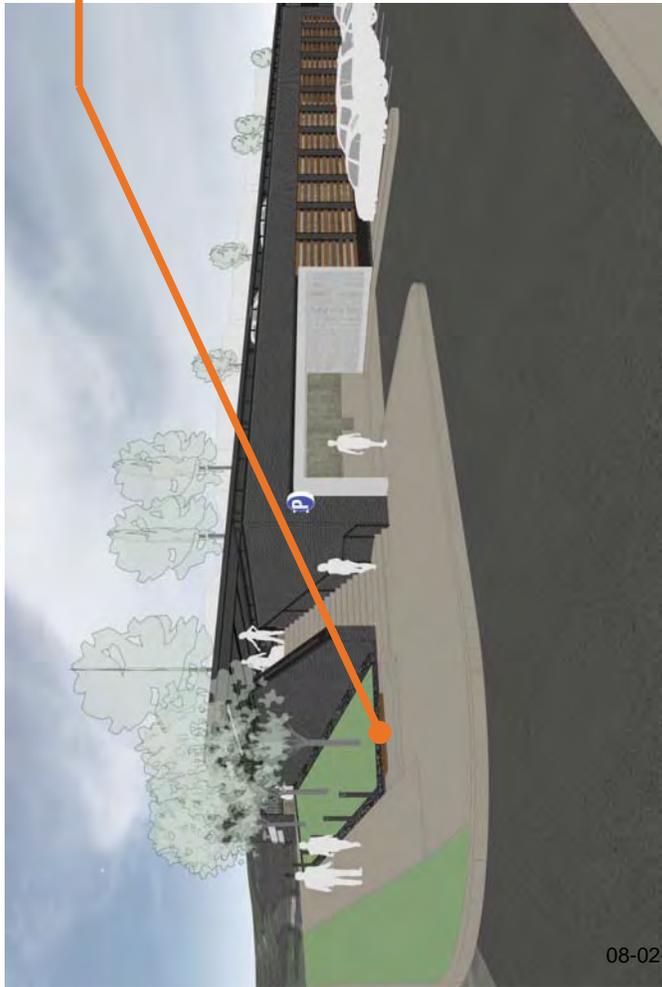


*Dark Ironspot*



# Site Elements

## Wood Top Seating with Integrated Lighting Element



# Mill Street Lighting

## Option 1A - City Fixture with Metal Halide

Targeted light level: 1fc average per IES recommendation



### PROS:

- Cost saving

### CONS:

- Shorter lamp life than LED
- Not dimmable

Targeted light level: 1fc average per IES recommendation

# Mill Street Lighting

## Option 1B - City Fixture with LED



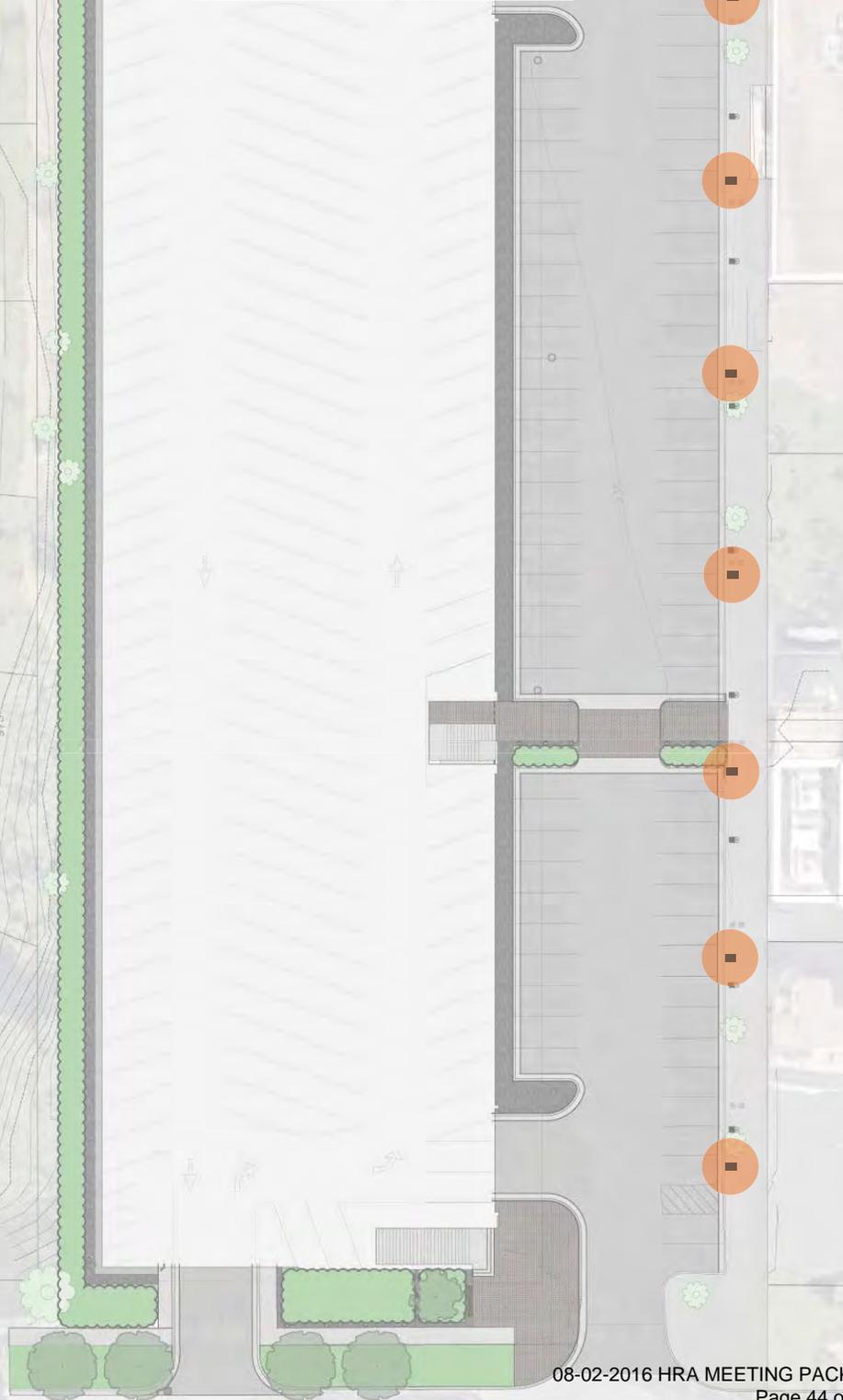
### PROS:

- Longer lamp life than HID source
- Dimmable

### CONS:

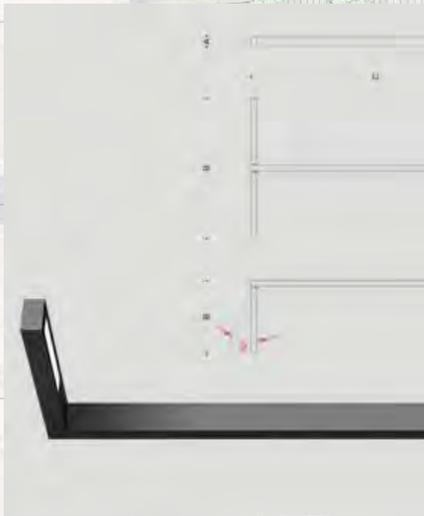
- Costs more than option 1A

Targeted light level: 1fc  
average per IES  
recommendation



# Mill Street Lighting

## Option 2 - New Fixture



### PROS:

- Full cutoff fixture to reduce glare
- Style to be compatible with building
- Long life, Dimmable LEDs

### CONS:

- Costs more than options 1A & 1B

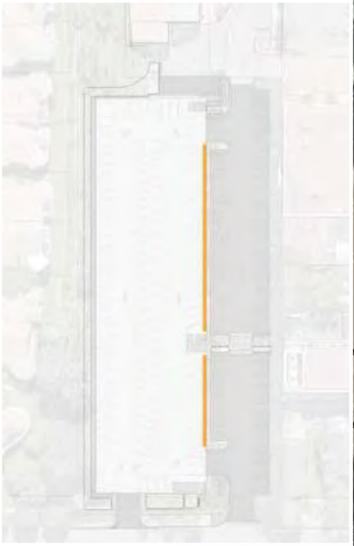
Targeted light level: 1fc average per IES recommendation



# Site Lighting Bollards



# Site Lighting Wood Screen

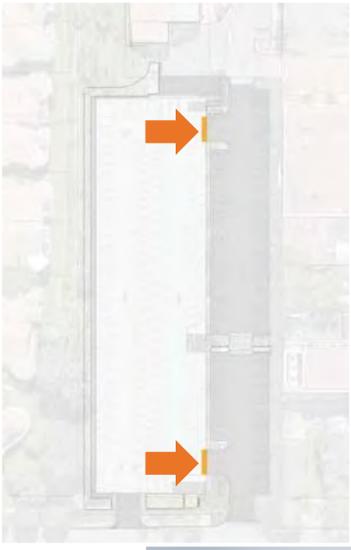


Site Lighting  
Wood Screen



# Site Lighting

## Backlit Perforated Metal

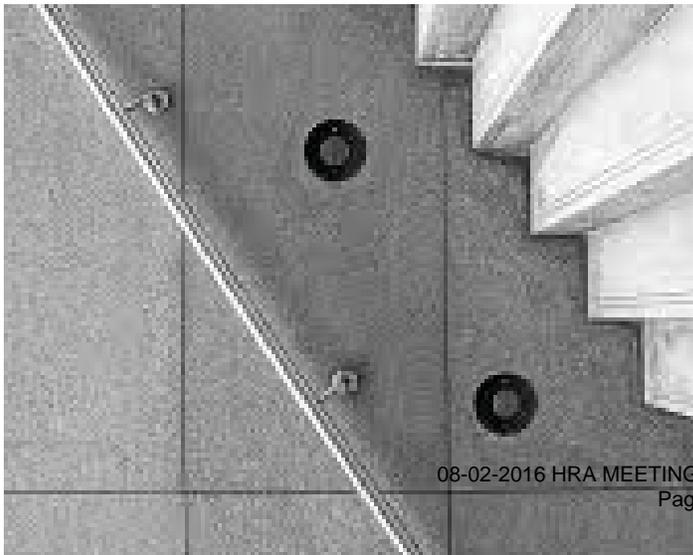
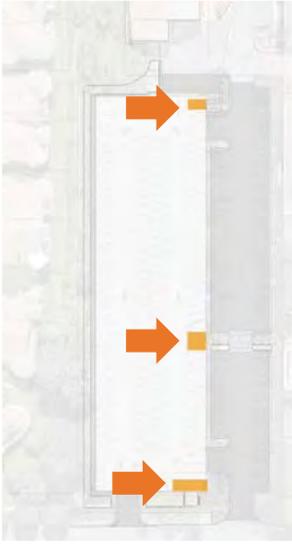


Site Lighting  
Backlit Perforated Metal Examples



# Site Lighting

## Step Lights



# Design Schedule

## Design Schedule Milestone Dates

- **August 3** Council Workshop / Steering Committee Joint Meeting
- **August 5** 75% Design Development Preview to City Staff
- **August 16** Design Development Documents
- **September 30** Construction Documents

**City of Wayzata**

**Funding Sources For Parking Ramp**

**Option 1**

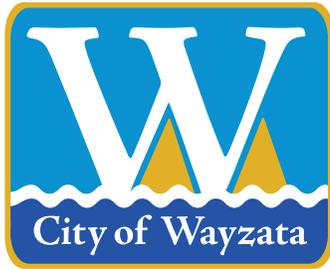
Source	Action Steps Needed to Secure	Timing of Source	Cash Available in 2016	Actual
CARD TIF	None	Available today	\$ 285,000	\$ 285,000
Widsten TIF	None	Available Today	\$ 192,000	\$ 192,000
Bay Center TIF - 2016 Admin	None	90% of 1st Half received in June	\$ 50,000	\$ 38,630
Bay Center TIF - 2016 Admin	None	90 % of 2nd Half available in December	\$ -	\$ 38,630
Water Fund	None	Available Today	\$ 300,000	\$ 300,000
Internally Financed Capital Projects	None	Available Today	\$ 200,000	\$ 200,000
General Fund CIP	None	Available Today	\$ 300,000	\$ 300,000
Excess Transfer	Council Approval	Available Today	\$ 353,000	\$ 353,000
Per Jeff			\$ 700,000	\$ 700,000
<b>TOTAL</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 2,380,000</b>	<b>\$ 2,407,260</b>

**City GO TIF Bonds - 20 Year Term**

Option	Base Ramp Cost	Roof Cost	TOTAL PROJECT COST		Cash on Hand		Bond Proceeds		Over/(Under) Funded		Bond Term	Annual P & I (105%)	2018 Annual TIF Admin From Wayzata Bay Center	Net Average Annual Funds Over/(Under)
1 - No Roof	\$ 9,400,000	\$ -	\$ 9,400,000	\$ 9,400,000	\$ 2,380,000	\$ 6,705,650	\$ (314,350)		\$ 20	\$ 488,000	\$ 490,000	\$ 2,000		
2 - Roof	\$ 9,400,000	\$ 900,000	\$ 10,300,000	\$ 10,300,000			\$ (1,214,350)							

**City GO TIF Bonds - 24 Year Term**

Option	Base Ramp Cost	Roof Cost	TOTAL PROJECT COST		Cash on Hand		Bond Proceeds		Over/(Under) Funded		Bond Term	Annual P & I (105%)	2018 Annual TIF Admin From Wayzata Bay Center	Net Average Annual Funds Over/(Under)
1 - No Roof	\$ 9,400,000	\$ -	\$ 9,400,000	\$ 9,400,000	\$ 2,380,000	\$ 7,969,850	\$ 949,850		\$ 24	\$ 488,000	\$ 490,000	\$ 2,000		
2 - Roof	\$ 9,400,000	\$ 900,000	\$ 10,300,000	\$ 10,300,000			\$ 49,850							



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

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**Mayor:**  
Ken Willcox

**City Council:**  
Bridget Anderson  
Johanna McCarthy  
Andrew Mullin  
Steven Tyacke

**City Manager:**  
Jeffrey Dahl

**Date: June 29, 2016**

**To: Mayor Willcox and City Council Members**

**From: Jeffrey Dahl, City Manager**

**Subject: Consider Schematic Design Approval for Mill Street Parking Ramp and Set Final Design, Bidding, and Construction Schedule**

**Request/s**

To accept Schematic Design Report from HGA and Steering Committee and to approve preferred design option and set final design, bidding, and construction schedule.

**Background**

After many years of downtown parking analysis, in late 2015, the City approved a contract with HGA architects for the Pre-design the Mill Street Parking Ramp. This action was subsequent to a feasibility study by Ehlers in order to determine how to fund the parking structure. A critical Part of this process included the formation of a Steering Community which included the following stakeholders:

Johanna McCarthy, Council Member  
Steven Tyacke, Council Member  
Chris Morrison, Resident  
Steve Fox, Resident  
Jack Amdal, Resident  
Victor Pechaty, HGA  
Johanna Harris, HGA  
Mia Blanchett, HGA  
Michael Anderson, HGA  
Scott Froemming, Walker Parking Consultants  
Mike Kelly, City of Wayzata  
Jeff Thomson, City of Wayzata  
Roger Wothe, Wayzata HRA  
Barry Petit, Wayzata HRA

Over the past half year, HGA and the Steering Committee have been meeting to discuss the overall design and function of the parking ramp. Through many meetings, these stakeholders have donated tens of hours to this effort and provided a tremendous amount of value and have navigated the design process to the proposed ramp that is attached to this memo.

In May, the City hired Tegra as its Owner's Rep for the project. The Owner's Rep will help coordinate the overall construction process and assist in ensuring the project is built to the highest standards, is completed on budget, and on time.

In June, the City Council held a workshop to receive a status update on the design, the estimated cost of the project, and the varying roof options. At that meeting, the direction was to refine the design based upon comments received and submit design alternatives that would work with the previously determined budget.

### **Analysis**

Please see the attached Schematic Design Report from HGA. They will be going through the report by way of the attached Power Point presentation. The report includes a detailed history of what design options, including cladding, accesses, and roofs, have been vetted by HGA and the Steering Committee.

This Spring, Ehlers' financial feasibility study was updated. The result of the study was that the City, utilizing TIF Financing from the Promenade TIF District, would be able to finance approximately \$7,682,750. In addition, cash on hand through fund transfers, CIP, and existing TIF districts available for the ramp is estimated at \$1,680,000 for a total maximum project cost of \$9,362,750.

Since that time, staff has worked with our financial advisors to determine if there are other existing sources to help fund a higher construction cost that could allow for a roof component. Staff has identified additional funds that could be utilized to help offset roof costs including a \$200,000 in ramp contingency funds and up to \$500,000 in projected end of the year fund transfers. It should be noted that the projected end of the year fund transfers are not guaranteed and they are unrestricted funds---meaning the funds could be utilized for a vast array of future community projects or simply to offset costs of essential City services.

Given the financial direction received from staff and the Council, the preferred design alternatives:

- |   |              |
|---|--------------|
| A. Ramp with added landscaping, but no roof, for: | \$9,360,000  |
| B. Ramp with partial ballasted roof for:          | \$9,890,000  |
| C. Ramp with ballasted roof for:                  | \$10,290,000 |

The ballasted roof options would allow for future add-ons like a green roof or solar panels.

### **Conclusion**

Regardless of what design is selected, due to the work of our consultants and the Steering Committee, the Mill Street Parking Ramp is going to be one the highest quality, sustainable, and most aesthetically pleasing structure in the State and will provide needed current and future relief for the existing businesses and residents within the area. This group had explored many different options for cladding, sizes, roof options including solar panels, green roof, decorative trellises, etc.

In order to move forward with construction of the ramp ensure to the best of our ability that it is completed by Summer of 2017, the City Council will need to approve a design alternative on

July 5 to initiate the Design Development drafting of Construction Documents for bidding. We will not be able to firm up projected costs until those processes are completed.

**Recommendation**

Based on financial considerations and negative impacts to the general levy, staff recommends eliminating option “C” which is the full ballasted roof option.

Staff recommends moving forward with either option “A” or option “B.” If option “B” is preferred by the Council, the partial roof should be designed as an alternate so that if construction costs turn out to be higher than anticipated, the City can still move forward with the project, albeit without the roof.

A motion will be needed to accept the report with the determination on which design alternative is preferred.

**Next Steps**

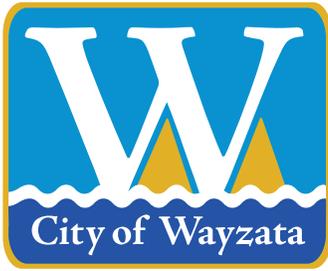
Upon approval of a preferred alternative at the July 5<sup>th</sup> meeting, the next steps will be:\*

1. Completion of the Design Development Phase: August 19, 2016
2. Completion of the Construction Documents Phase: September 30, 2016
3. Completion of the Bidding Phase: October, 2016
4. Start of construction: November 2016
5. Anticipated Construction Completion: June 2017

\*Financing, which will require 4/5 vote, can be approved simultaneously within 60 days depending on interest rates once the estimated costs are known.

**Attachments**

- Mill Street Parking Ramp Schematic Design Report
- Mill Street Parking Ramp Schematic Design Presentation



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

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**Chair:**  
Tom Shaver

**Commissioners:**  
Dr. David McGill  
Barry Petit  
Roger Wothe  
Bob Ambrose

**Executive Director:**  
Jeffrey Dahl

**DATE: July 29, 2016**

**TO: HRA Commissioners**

**FROM: Jeffrey Dahl, Executive Directors**

**SUBJECT: Update of Peter Herfurth Offer to the City**

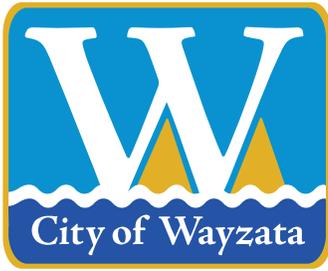
### **Update**

Peter Herfurth, on behalf of “Bar Lazy H Five, LLC” submitted an offer to the City to purchase the “Muni” building and the adjacent corner parking lot at Superior Blvd. All of the “City” properties at this site are officially owned by the HRA. However, because the offer was submitted to the City and it brought up questions related to the overall operations and strategic direction of the City, the offer was presented to the City Council.

The Council and Mr. Herfurth discussed the proposal from a strategic perspective, meaning, did the Council want to encourage development of the corner parcel and was it preferred to get out of the “liquor business” or did it want to lease the Muni rather than own the property. If the City was open to selling both parcels, then it should have directed staff to work with the HRA to utilize consultants to analyze the proposal, develop a solicitation process, and then, if needed, hold a closed session to negotiate a sale.

Ultimately, the Council directed staff to not consider the purchase offer from Bar Lazy H Five, LLC and not to solicit the Muni building property and corner parking lot for sale as it is not consistent with its strategic plan.

Please see the attached offer from Mr. Herfurth and corresponding staff report.



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

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**Mayor:**  
Ken Willcox

**City Council:**  
Bridget Anderson  
Johanna McCarthy  
Andrew Mullin  
Steven Tyacke

**City Manager:**  
Jeffrey Dahl

**Date:** July 13, 2016

**To:** Mayor Willcox and City Council Members

**From:** Jeffrey Dahl, City Manager

**Subject:** Consideration of Offer to Purchase “Muni” and Corner Parking Lot

**Request:**

Peter Herfurth, on behalf of “Bar Lazy H Five, LLC” has submitted the attached offer to the City to purchase the “Muni” building and the adjacent corner parking lot at Superior Blvd. and Lake Street. All of the “City” properties at this site are officially owned by the HRA. However, because the offer was submitted to the City and it brings up questions related to the overall operations and strategic direction of the City, the offer has been presented to the City Council. The HRA has been informed of the offer as well.

Bar Lazy H Five, LLC is the owner of the commercial building at 755 Lake Street. The City does have a parking easement with that property which allows public parking on 755 Lake Street’s property with the exception of 11 stalls.

**Summary of Proposal:**

Bar Lazy H Five, LLC proposes to:

- Purchase “Muni” Building for \$3,000,000.
- Lease back building for \$270,600 per year plus operating expenditures.
- Pay for “existing parking shortfall of muni” which is \$600 per space per year. At 102 spaces short, the investment is \$816,000 over 10 years.
- Pay for corner parcel \$200,000.
- Pay for existing parking shortfall of corner parcel at 2 spaces for \$16,000.
- Invest \$2,000,000 into new retail building on corner and \$300,000 in parking improvements.

**Background Considerations:**

- The City built the “Muni” for approximately \$5,500,000 and still owes about \$3,100,000. Pre-payment on the debt issued isn’t allowed yet for a few years. Annual debt services is approximately \$150,000.

- One of the Strategic Plan's priorities is Financial Strength, which, specific to the "Muni," illustrates a goal of increased performance in profitability by 5%. Financial reports from January 1, 2016 to July 30, indicate that profitability of both Wayzata Bar and Grill and Wayzata Wine and Spirits have increased more than 5%.
- NW Corner of Superior and Lake Street is guided as Central Business District in the City's Comprehensive Plan. The existing use/s and the proposed use/s are consistent with that land use and zoning.
- Because the properties under consideration are owned by the HRA. The HRA should be a part of any discussion if the City Council re-prioritizes this site and considers soliciting this site.

**Analysis:**

The objective of this work shop is to determine whether the City has any interest in soliciting the "Muni" building and the corner parking lot as a concept. Staff could go into its initial analysis, however, that conversation should take place through a closed session in order to leverage our position to negotiate and get the highest and best use of the land from Mr. Herfurth or other potential interested parties through an RFP process. If that's the case, a closed session could be scheduled in the future after a more professional analysis has been completed.

Mr. Herfurth will be in attendance to answer any clarifying questions about the request.

**Recommendation:**

The City Council should give staff direction on whether it wants staff to spend additional time and resources in evaluating the proposal. Staff is hesitant to prioritize consideration/due diligence of the offer as it has not been identified as a strategic initiative.

BAR LAZY H FIVE, LLC

1515 HUNTER DRIVE  
WAYZATA, MN 55391  
612 998-6610  
[PHERFURTH@GMAIL.COM](mailto:PHERFURTH@GMAIL.COM)

May 12, 2016

Wayzata City Council  
600 Rice Street  
Wayzata, MN 55391

To the City Council of Wayzata, MN:

This letter is to propose our purchase of the city-owned real estate at the corner of Superior and Lake in Wayzata. Bar Lazy H Five, LLC, wholly owned by trusts for Sally and Peter Herfurth, owns the adjacent retail building at 755 East Lake Street. 755 East Lake includes an on-site parking lot that is encumbered by a common-use agreement with the city. This agreement secures the required parking, by city ordinance, which the municipal bar and grill and off-sale liquor enterprises lack. Our tenants share our parking lot with the patrons of the "muni building." We also propose to make improvements to our existing parking lot. At the same time, we wish to acquire the "corner parking lot," which is currently serving as additional, off-site parking for the "muni building" and our building, under the same common-use agreement.

Our proposal:

1. Bar Lazy H Five will purchase the city-owned on-sale and off-sale liquor building for \$3,000,000.
2. The city would lease the "muni building" under these proposed Lease Terms: \$22 Base Rent per square foot per year. The assumed building area is 12,300 SF. The city would reimburse all operating expenses. The lease would have an initial term of 10 years, with two (2) 5-year options. Rent would change every 5 years by an amount equal to the change in the applicable cost of living index. The building would continue to qualify for tax-exempt status with respect to real estate taxes while the city is a tenant.
3. Bar Lazy H Five will pay for the existing parking shortfall of the "muni building" as follows: The "muni building" has no on-site parking spaces. The annual cost of the parking shortfall is projected to be \$600 per parking space per year. By the new Parking Code, the "muni building" is short 102 on-site parking spaces. The annual fee ( $\$600 \times 102$ ) would be \$61,200. This annual fee would not be reimbursed by the tenants. Instead, it will be borne by the owner of the property. The value of this expense, when capitalized at 7.5%, is \$816,000. When added to the price of the "muni building," the total cost to the purchaser is \$3,816,000.
4. Bar Lazy H Five wishes to purchase the "corner parking lot" on Superior and Lake for \$200,000. By the new Parking Code, the "corner parking lot" will be short 2 on-site parking spaces. The annual fee ( $\$600 \times 2$ ) would be \$1,200. This annual fee would not be reimbursed by the tenants. Instead, it will be borne by the owner of the property. The value of this expense, when capitalized at 7.5%, is \$16,000. When added to the purchase price of the "corner parking lot," the total cost to the purchaser is \$216,000.

5. Bar Lazy H Five will build a single-story, architect-designed building on the "corner parking lot" of about 7,200 SF, with as many as three retail tenants. The cost of site stabilization, building construction, tenant build-out, and soft costs are estimated at \$2,000,000.
6. Bar Lazy H Five will rebuild and re-configure the parking area generally located on-site, between the 755 East Lake building on the west, the "muni building" on the north, and the "corner parking lot" building on the east, to provide better circulation and additional parking stalls. Shade trees will be planted and LED lighting installed. In addition, the low areas subject to high-watermark flooding would be elevated. The cost of these improvements is estimated to be \$300,000, to be borne by Bar Lazy H Five.
7. Bar Lazy H Five owns the building at 755 East Lake Street. By the new Parking Code, this 14,375 square foot building is estimated to be short 18 on-site parking spaces. The annual fee (\$600 x 18) would be \$10,860. By the terms of the existing leases, the tenants are not obligated to reimburse this expense. Instead, it will be borne by the owner of the property. There will be a reduction in property value as a result of a lower net operating income.
8. \$6,332,000 valuation in acquisition, new construction and parking lot improvements:
  - \$3,000,000 Acquisition of the "muni building" (See Exhibit A, Parcel 1)
  - \$816,000 Capitalized Value of the Annual Parking Fee for the "muni building"
  - \$200,000 Acquisition of the "corner parking lot" (See Exhibit A, Parcel 2)
  - \$16,000 Capitalized Value of the Annual Parking Fee for the "corner parking lot"
  - \$2,000,000 Construction and Build-out of the 7,200 sf building on the "corner parking lot"
  - \$300,000 Reconstruction of the common Parking Facility to increase spaces, improve access, add shade trees, and update lighting (See Exhibit A, Parcel 3)
9. Bar Lazy H Five will agree to consider the city planned "Special Service Mobility District."

Please call me to discuss this plan. We are ready to proceed.

Sincerely,



F. Peter Herfurth, manager of Bar Lazy H Five, LLC

Parking Ordinance 4/19/16

Muni, East Lot, & 755 East Lake

Parking Spaces per 1,000SF	Tenant	Building Square Feet	Required Spaces before Joint Usage		Weekday		Weekend		Weekend	
			Percentage	Usage	7AM Joint Usage	Midnight - 6PM Joint Usage	7AM Joint Usage	Midnight - 6PM Joint Usage	Percentage	Usage
15.2	Muni Restaurant	6,800	103.4	10%	100%	100%	20%	70%	70%	70%
3	Muni Off-Sale Liquor	5,500	16.5	0%	60%	0%	0%	100%	100%	70%
3	East Lot Retail	7,200	21.6	0%	60%	0%	0%	100%	100%	70%
15.2	755 East Lake Restaurant	3,959	60.2	10%	100%	20%	20%	70%	70%	70%
3	755 East Lake Retail	10,416	31.2	0%	60%	0%	0%	100%	100%	70%
Buildings Square Feet		33,875	232.9							



City of Wayzata

Jeff Thomson  
Director of Planning and Building

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City of Wayzata  
600 Rice Street E.  
Wayzata, MN 55391

OLDCODE	Building Square Feet	Required Spaces	Ratio	Req'd On-Site Parking	Available On-Site	Surplus / (Shortfall)	Capitalized Expense
15.2	Muni Restaurant	103.4	103.4	103.4	20.7	72.4	72.4
3	Muni Off-Sale Liquor	16.5	16.5	9.9	-	16.5	11.6
3	East Lot Retail	21.6	21.6	13.0	-	21.6	15.1
15.2	755 East Lake Restaurant	60.2	60.2	60.2	12.0	42.1	42.1
3	755 East Lake Retail	31.2	31.2	18.7	-	31.2	21.9
Buildings Square Feet		232.9	16.4	176.9	205.1	32.7	183.8
					90%		184.6
							63
							(122)
							\$73,260
							\$976,800

OLDCODE	Building Square Feet	Required Spaces	80 Say, 60 sq ft, or 16.66 spaces per 1,000 sf
16.7	Muni Restaurant	113.3	40
4	Muni Off-Sale Liquor	22.0	
4	East Lot Retail	28.8	
16.7	755 East Lake Restaurant	66.0	
4	755 East Lake Retail	41.7	
Buildings Square Feet		271.8	90%
			244.60





"Muni" Building

60'-0"  
125'-0"  
PROPOSED BUILDING  
7/2004P

755 East  
Lake Street  
RPM/Infill

Revised Parking Field at Superior & Lake