

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

Tuesday, September 20, 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 HRA Minutes of August 2, 2016
4. Old Business
 - a. Discuss ownership options of Mill Street Parking Ramp
5. New Business
 - a. Vacant/Expiring HRA Seats
 - b. Consider future meetings at 7:30 am on the last Thursday in the months of January, April, July and October as follows:
 - January 26, 2017
 - April 27, 2017
 - July 27, 2017
 - October 26, 2017
6. Next Meeting Date: January __, 2017
7. Adjournment

1 HRA members present: T. Shaver, D. McGill, R. Wothe, B. Petit, B. Ambrose
2 HRA members absent and excused:
3 City Staff present: Becky Malone, Jeff Thomson, Jeff Dahl
4 Others present:
5

6 Chairman Shaver called the meeting of the HRA to order at 7:32 am.
7
8

9 **APPROVAL OF AGENDA**

10
11 Wothe motioned to approve the August 2, 2016 meeting agenda as presented,
12 seconded by McGill. The motion passed 5/0 by voice vote.
13

14 **APPROVAL OF WORKSHOP MINUTES OF APRIL 28, 2016 AND MINUTES OF**
15 **APRIL 28, 2016**

16
17 Ambrose motioned to approve the Workshop minutes of April 29, 2016 and the Regular
18 minutes of April 28, 2016 as presented, seconded by McGill. The motion passed 5/0 by
19 voice vote.
20

21 **NEW BUSINESS**

22
23 a. **Resignation of David McGill**

24
25 All members of the HRA thanked Dr. McGill for his years of service to the City of
26 Wayzata, pointing out that he had been appointed in 1967.
27

28 Dahl stated the City Council would accept Dr. McGill's resignation on August 16 and
29 provide a proclamation for his service to the City. Members of the HRA are welcome to
30 attend. The City has started the hiring process.
31

32 Ambrose motioned to accept the resignation of David McGill from the Housing and
33 Redevelopment Authority, seconded by Wothe. The motion passed 5/0 by voice vote.
34

35 b. **Update on Mill Street Parking Ramp**

36
37 Dahl stated the HRA owns the parking lot and the City will continue to look at this
38 ownership. The goal is to start construction in November and completion in early
39 summer of 2017. The City is moving forward with a more refined design and there is a
40 Steering Committee meeting on August 3 to look at the materials proposed for the
41 design.
42

43 Thomson stated the next steps are to approve a design, seek bids, and award the
44 contract.
45

46 Dahl stated the City has hired Tegra as the owners' representative for the project.
47

48 Shaver asked if the parking ramp would have a roof.

1
2 Dahl stated the latest financial projections based on cash on hand and TIF proceeds
3 there is about \$9.5 million for the project. The roof component would make the project
4 about \$10.3 million. There are other potential ways to fund the roof as well such as
5 assessments or the use of solar energy. Ultimately, the City will likely have the cash
6 available for a roof option but the City Council would determine if the roof would be a
7 priority for the City. The roof is a design alternative and if the costs are lower than
8 projected the City may opt to include the roof.

9
10 Shaver asked what steps would need to be taken to transfer the property from the HRA
11 to the City.

12
13 Dahl stated the City would approve the design and request bids for the project in
14 September and approve bids in October. The design needs to be approved prior to the
15 determination of costs. The City will continue discussions with the City's Attorney on
16 the transfer of the property. Staff is also working on a construction contingency parking
17 plan.

18
19 Petit asked what the fee was for Tegra Group.

20
21 Dahl stated the fee was 1% of the project costs.

22
23 Petit stated \$9.3 to \$9.4 seemed like a large amount for a project that does not include
24 an elevator, enclosed stairways, or other mechanical equipment.

25
26 Dahl stated there is a large amount going towards retaining walls and cladding.

27
28 Wothe stated he has represented the HRA on the Steering Committee and attended
29 most of the Council meetings pertaining to the ramp. The initial discussion on financing
30 had included \$7 million in TIF dollars from the Promenade Project and \$2 million from
31 the City. The City had discussed possible roof options at that time as a green roof with
32 photovoltaic cells, a lattice assembly with sails, or a ballasted single membrane over a
33 metal deck. The fourth option he proposed had been no roof. Residents had stated
34 that a roof was need to screen residents form the fumes and noise. Through initial
35 discussion the City was short \$1 million for the project and he opposes taxpayers
36 paying \$1 million to improve the view for a few residents. Since the City is bidding the
37 roof as a separate component then the roof could be included if the bids come in lower
38 than expected. If the bids are higher than expected to include the roof, then the money
39 will need to come from somewhere and he does not support this money coming from
40 taxpayers.

41
42 Petit stated the City had made the decision to make this area mixed use and there is
43 more the City could do for the community with the funds that would be used for a roof
44 on the parking ramp. He does not think the City should change the project for a few
45 residents. He would support the transfer of the property in exchange for a parking ramp
46 with no roof.

47

1 Ambrose agreed with Petit. He stated the view from Widsten to the lake would not be
2 impeded by any of the structures being considered and when people moved into the
3 property there were complaints from surrounding properties about noise and odors.
4 The people moving into Widsten knew they were moving into an area that was along the
5 edge of central downtown Wayzata. He stated at the April workshop electric vehicle
6 charging stations had been brought up. He stated this would be an added benefit.

7
8 Wothe stated the project may include empty conduit so that these could be added
9 without tearing up the structure.

10
11 Petit asked what material would be used for the back retaining wall.

12
13 Dahl explained stated if there is no roof it would be a colored concrete with a design and
14 if there is a roof it would be concrete.

15
16 Petit stated the City could consider keeping the upper deck closed until the lower deck
17 is filled.

18
19 Shaver stated it would be beneficial to include the option to add a 2nd level deck to the
20 project in the future if needed. He asked if this had been discussed.

21
22 Wothe stated he had brought this up during the Steering Committee meetings and the
23 Engineer stated the additional structural needs would need to be included in the initial
24 project. In an effort to reduce the costs the architects have made the parking deck
25 smaller than the grade plus 1 plan.

26
27 Shaver stated relative to the incremental costs associated with the elevated component
28 of the deck the grade condition is going to be set and the plus 1 condition that they
29 would be dealing with. Some additional thought should be given to a structural
30 condition that would support a second level deck than a roof relative to dollars spent.
31 He would prefer to see this than having the dollars spent on a roof to improve a view for
32 a few properties. He asked if this could be brought up at the next Steering Committee
33 meeting.

34
35 Petit suggested removing the pavers. Concrete is easier and less expensive and there
36 is no value in decorating sidewalks and sidewalls with pavers.

37
38 Dahl recommended Petit attend the next Steering Committee meeting.

39
40 McGill asked if the Council had resolved the issue of GO versus HRA bonding.

41
42 Dahl stated it is presumed that this will be bonded utilizing the tax increment through the
43 HRA. There is a 4/5 Council vote required to approve GO TIF bonds. The increment
44 that would offset the bond payment would only provide enough for a base ramp with no
45 roof. Anything more than this will be a tax payer issue and require further discussion by
46 the City Council on how this will be funded. They are building a partial ballast roof but
47 not to allow for future additions. He would relay the HRA's questions of what the costs
48 would be to have the construction of the ramp allow for the future addition of another

1 deck, the comments on the pavers, and the comments on having general tax levy
2 dollars used for the construction of the ramp.

3
4 Petit recommended the City look into what the noise bounce back would be from the
5 large wall so that they are aware of potential problems. He would prefer to use funds to
6 solve any noise problems than for a roof for the parking ramp.

7
8 Shaver stated there would need to be a lot consolidation platted with a line item for
9 ownership of the ramp. He would recommend exploring this prior to construction.

10
11 c. Update on Peter Herfurth Offer to City

12
13 Dahl stated Peter Herfurth, on behalf of “Bar Lazy H Five, LLC” submitted an offer to the
14 City to purchase the “Muni” building and the adjacent corner parking lot at Superior
15 Boulevard and lease the building back to the City. He would propose to construct a one
16 level retail space on the corner. Mr. Herfurth and the City Council discussed the
17 proposal from a strategic perspective, meaning, did the City want to own the building
18 and/or be in the liquor business and does the City want to develop the corner property.
19 He stated in terms of financially for the City it was not a good proposal. The Council
20 had directed Staff to not consider the purchase offer from Bar Lazy H Five LLC and not
21 to solicit the Muni building property and corner parking lot for sale as it is not consistent
22 with its strategic plan.

23
24 Petit stated he would recommend waiting until after the ramp is constructed and the City
25 knows how this will affect the parking and what the current development does for the
26 area before making any other changes.

27
28 Petit stated residents had put together a proposal for a 60-foot wide park to soften the
29 corner along Superior. He would like to see any funds remaining from the parking ramp
30 to be used for this.

31
32 d. Other

33
34 None.

35
36 NEXT MEETING DATE: October 27, 2016

37
38 Ambrose stated he would not be available for the October 27 meeting.

39
40 Shaver suggested moving the October meeting to September 20.

41
42 It was the consensus of the Commission to set September 20 at 7:30 am as a
43 placeholder for the next HRA meeting.

44
45 Dahl provided the HRA with information on the Hennepin County Open to Business
46 program. The program provides business support, business planning, marketing
47 assistance and finance assistance. The neighboring communities participate in the
48 program. This could be helpful for assistance small businesses through the

1 construction process. The cost for the City to participate would be \$2500. He asked if
2 the HRA would be interested in participating.

3
4 Shaver stated as a potential resource for small business and small retailers it would be
5 good to participate on a trial business. The City is working to attract small business and
6 this would be a good resource.

7
8 Petit stated he struggles with this because as a government program it will only
9 continue to require more funding and become a larger burden on taxpayers.

10
11 Dahl stated he would provide more information to the HRA for review and consideration.

12
13 Petit stated the ribbon cutting for the ramp has been delayed to June now and he would
14 not like to see this be pushed back further. The project was suppose to start in
15 September but now it is not starting until October.

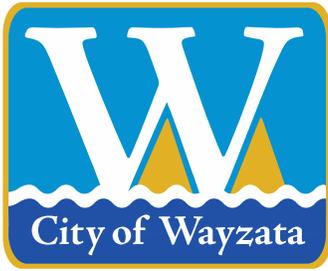
16
17 Dahl recommended the City build in disincentives for the project to be delayed.

18
19 **ADJOURNMENT**

20
21 There being no further business; McGill motioned to adjourn at 8:45 a.m., Ambrose
22 seconded the motion and the motion passed 4/0 by voice vote.

23
24 Respectfully submitted,

25
26
27 Becky Malone
28 Deputy City Clerk
29 City of Wayzata
30 Drafted by Tina Borg, *TimeSaver Off Site Secretarial, Inc.*



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

Chair:
Tom Shaver

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

Executive Director:
Jeffrey Dahl

DATE: September 15, 2016
TO: Chairman Shaver and Commission Members
FROM: Jeffrey Dahl, Executive Director
Re: Mill Street Parking Ramp Ownership Discussion

Update

This item was briefly discussed at the last meeting as a result of the status update of the Mill Street Parking Ramp. The Commission appropriately asked that this item is discussed prior to the City reviewing and approving any bids or financing for the construction of the Mill Street Parking Ramp.

FYI--HGA is continuing its work with the design and drafting of construction documents for a bid letting in early October. The City Council is scheduled to review and award a bid/s in late October. In the meantime, staff is working with Ehlers and Associates on a financing package for a roof and no-roof scenario AND, concurrently, the parking ramp is going through the planning process with a zoning amendment and site plan/design review application.

Analysis

Please see the attached report from City Attorney David Schelzel.

Recommendation

Given the fact that providing more parking in the Mill Street area has been a long standing objective of both the HRA and the City, staff believes the City should own and operate the parking ramp and staff should schedule the appropriate hearings in order to transfer the property so as to not delay any construction or financing related approvals. A motion to direct staff to move forward with this process would be appropriate as an action item.

Memorandum

DATE: September 14, 2016
TO: Wayzata Housing and Redevelopment Authority
FROM: Wayzata City Attorney
REGARDING: Mill Street Parking Ramp Next Steps

Earlier this year, the Wayzata Housing and Redevelopment Authority (HRA) adopted a resolution in support of the possible new City parking ramp (the “Ramp”) on the HRA’s Mill Street property. That resolution called for the HRA to work with the City, its staff and consultants, in the process of pursuing the Ramp, including the best property ownership and financing structures for the design, construction and ongoing operations and maintenance of the Ramp.

Since the time of that HRA resolution, the Wayzata City Council has approved a design for the Ramp and directed staff to prepare specifications and solicit bids for its construction. City staff and consultants have also made progress on the financing options for Ramp construction, and the ongoing operations and maintenance of the Ramp. To summarize, current plans call for the construction costs to be financed with existing, designated City funds, and future Tax Increment funds from existing TIF districts in the City. The ongoing operations and maintenance of the Ramp would be financed primarily via a new special services district, or “Mobility District”, made of up properties in the downtown area that will benefit from the Ramp and other special services. In addition, the City is looking at a “Fee in Lieu of Parking” policy that would apply to redevelopment and new development in the downtown district that doesn’t meet the City’s current parking requirements, as well as past developments that were approved on the condition that the property owner contribute their share to future parking in a City ramp (e.g., the recently approved Beltz/Broadway Place project and the COV restaurant expansion).

With respect to ownership of the property and ramp, and ongoing operations, Staff has reviewed the existing HRA plans for the Mill Street property and confirmed that the current plan calls for a municipal parking ramp at Mill Street and Broadway, and that this has been a long contemplated objective for the property. So, the City’s plan for the Ramp would allow the HRA to meet the objective of the HRA plan. Staff also believes that the City, rather than the HRA, is in the best position long term to finance, own, operate and maintain the Ramp, in connection with the City’s larger Mobility District and other parking and mobility-related policies and initiatives.

As next steps, the HRA Executive Director and Wayzata City staff recommend the HRA begin the process to transfer the Mill Street property to the City. The first step in the process would

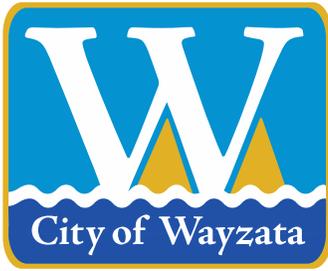
Memorandum

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be to direct staff to publish the notice and schedule the public hearing required by law, and prepare the necessary legal documents for the transfer ownership of the Mill Street property from the HRA to the City. A special meeting to hold that hearing and take action on this should be scheduled prior to the next regular HRA meeting, so as to keep the project on schedule, and complete construction of the Ramp prior to Memorial Day, 2017.

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

Mayor:
Ken Willcox

City Council:
Bridget Anderson
Johanna McCarthy
Andrew Mullin
Steven Tyacke

City Manager:
Jeffrey Dahl

MEMORANDUM

DATE: September 15, 2016

TO: HRA Commissioners

FROM: Jeff Dahl, City Manager
Becky Malone, Deputy City Clerk

RE: Vacant/Expiring HRA Seats

Background

Dr. McGill's resignation from the HRA was accepted by the HRA at their August 2, 2016 meeting, and by the City Council at their August 16th meeting. This creates a vacancy on the HRA for the remainder of one 5-year term expiring on December 31, 2017. In addition, Bob Ambrose's term on the HRA expires on December 31, 2016. This creates a *potential* second vacancy on the HRA for one 5-year term expiring on December 31, 2021.

Application and Appointment/Re-Appointment Process

Applicants must complete an application for appointment/re-appointment before 4:30 pm on Monday, October 31, 2016. Interviews will be conducted by the Wayzata City Council in November and December with appointments made thereafter so vacancies can be filled starting January 1.