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**WAYZATA CITY COUNCIL
MEETING MINUTES
February 21, 2017**

AGENDA ITEM 1. Call to Order.

Mayor Willcox called the meeting to order at 7:00 p.m.

AGENDA ITEM 2. Pledge of Allegiance.

AGENDA ITEM 3. Roll Call.

Council Members Present: Koch, Tyacke, McCarthy, and Plechash. Also present: City Manager Dahl, City Attorney Schelzel, City Engineer Kelly, and Director of Planning and Building Thomson.

AGENDA ITEM 4. Approve Agenda.

Mr. Tyacke made a motion, seconded by Mr. Plechash, to approve the agenda, as presented. The motion carried 5/0.

AGENDA ITEM 5. Public Forum – 15 Minutes (3 minutes per person).

a. Wayzata DECA Students Seeking Mentors

Tyler Young, 2931 Bantas Point Lane, stated he is the Vice President of Volunteer Recruitment for the Wayzata DECA, an organization that prepares emerging leaders in the fields of marketing, finance, management, and hospitality. He described the efforts of DECA to prepare students for the business world and participation by Wayzata DECA members in Chapter events and community service projects. Mr. Young thanked the Council for their service and asked anyone interested in becoming a DECA mentor to contact the Wayzata HS DECA coordinator, Paul Kimbler.

AGENDA ITEM 6. New Agenda Items.

Mr. Tyacke requested that the City Council consider possible adoption of a “social host ordinance,” which has been adopted by other local communities. He added the purpose of this type of ordinance is to increase focus on parental responsibility for underage drinking.

Mrs. McCarthy stated she supports the request. Mr. Dahl stated City staff will research this issue for review at an upcoming City Council workshop.

AGENDA ITEM 7. Consent Agenda.

Mrs. McCarthy made a motion, seconded by Mr. Tyacke, to approve the consent agenda:

- a. Approval of City Council Workshop Meeting Minutes of February 7, 2017 and City Council Regular Meeting Minutes of February 7, 2017
- b. Approval of Check Register
- c. Police Activity Report
- d. Building Activity Report
- e. Approval of Municipal Licenses
- f. Consider Award of Bid for 2017 Sanitary Sewer Rehab Project
- g. Approval of Amendments to Non-Union Pay Scale

The motion carried 5/0.

AGENDA ITEM 8. Public Hearing.

1 **a. Public Hearing and Consider Approval of an On-Sale Intoxicating Liquor License**
2 **and Sunday On-Sale Intoxicating Liquor License for Baja Haus, LLC DBA “Baja**
3 **Haus” at 830 Lake Street E**

4 Mr. Dahl presented the request of Baja Haus, LLC for an on-sale intoxicating liquor license and
5 Sunday on-sale intoxicating liquor license for a period of February 24, 2017 through April 30,
6 2017 for a first-floor indoor restaurant at 830 Lake Street E. He reported the applicant paid the
7 license and background investigation fees, the investigation was conducted on the owners, and
8 found to be in satisfactory order. He noted the application was recommended for approval, and
9 the restaurant’s owners were present to answer questions.

10
11 Josh Friedt, 2047 3rd Avenue N, Minneapolis, stated he and his partner, Enkhbileg ‘Billy’
12 Tserenbat, are excited about their new venture and plan to create a fresh, vibrant, and family-
13 friendly restaurant with a beach atmosphere to attract customers to Wayzata from throughout the
14 Lake Minnetonka area.

15
16 Mayor Willcox asked what kind of menu would be featured, since the name suggests Mexican
17 and German themes. Mr. Tserenbat stated the restaurant will be similar in quality and style to his
18 restaurant Sushi Fix, and the menu will feature sushi, cooked seafood dishes, and fish tacos.

19
20 Mrs. McCarthy thanked the applicants and expressed her confidence that the restaurant will be
21 successful if it is like Sushi Fix in terms of quality and service. She asked whether the new
22 restaurant will only serve dinner. Mr. Tserenbat confirmed that the restaurant will initially be
23 open from 4-10 p.m.

24
25 Mayor Willcox asked where the name “Baja Haus” originated. Mr. Friedt stated the German
26 word “haus” can be interpreted as doing something right, or the correct way. Mr. Tserenbat
27 stated they wanted to incorporate Mr. Friedt’s German heritage in the name of the restaurant.

28
29 Mr. Koch thanked Mr. Tserenbat for his efforts at Sushi Fix, which is a very highly regarded
30 restaurant in Wayzata. He asked City staff whether there have been any issues at Sushi Fix
31 regarding their liquor license. Mr. Dahl stated there have been previous issues but they have been
32 resolved.

33
34 Mr. Mayor Willcox opened the public hearing at 7:18 p.m. There being no input, Mr. Mayor
35 Willcox closed the public hearing at 7:19 p.m.

36
37 Mr. Plechash made a motion, seconded by Mr. Tyacke, to approve an On-Sale Intoxicating
38 Liquor License and Sunday On-Sale Intoxicating Liquor License for Baja Haus, LLC DBA “Baja
39 Haus” at 830 Lake Street E for a period of February 24, 2017 through April 30, 2017. The
40 motion carried 5/0.

41
42 **AGENDA ITEM 9. New Business.**

43 **a. Consider Approval of Bid Award for Bushaway Road Landscaping Project**

44 Mr. Kelly stated the Council is asked to consider award of the bid for the Bushaway Road
45 Landscaping Project to the low bidder, Hoffman & McNamara, Inc., in the amount of
46 \$358,928.50, plus approved Alternates 1, 2, and 3. He added bids were received for the
47 landscaping project following County road reconstruction which has been ongoing in this area for
48 years.

49
50 Mr. Kelly stated the Bushaway Road Landscape Committee has worked diligently for over a year
51 on the landscape project design as presented. He added this landscape project will be completed

1 on April 22, 2017, with assistance from Great River Greening and Cargill, and local volunteers.
2 Mr. Kelly stated, with regard to a \$130,000 shortfall in funding, City staff requests Council
3 consideration of the allocation of this amount from the City's unallocated year-end transfer funds.
4

5 Mrs. McCarthy asked whether staff could show a depiction of the project area, to highlight
6 specific aspects. She added a visual presentation would be helpful given the amount of funds that
7 are being requested. Mr. Kelly stated the focus area of the landscape project is the convergence of
8 the trailways near the intersection of Bushaway Road and McGinty Road. He added aspects of
9 the trailhead area include a paver plaza for pedestrians and bicyclists; bike racks; a water
10 fountain; and space for a bike repair station.
11

12 Mr. Kelly stated four items are being considered for removal from the contract as a cost savings
13 measure: a monument entry sign at the north end, a waste receptacle, bike repair pedestal and
14 bike racks. He added these items can be considered for future purchase by the City through its
15 own vendors using the Parks CIP.
16

17 Mr. Plechash asked whether City staff has a sense of the value of volunteer contributions to this
18 project. Mr. Kelly stated he does not have an estimate of labor, but the planting project should
19 take 3 hours and will require 150-200 volunteers. Mr. Plechash stated it would be beneficial for
20 the community to know the value of what is being accomplished through volunteer hours.
21

22 Mr. Koch requested clarification regarding the monetary shortfall. Mr. Kelly stated the County's
23 original project budget was insufficient for all the necessary components. Mayor Willcox asked
24 whether there is a warranty. Mr. Kelly confirmed there is a 2-year warranty from the contractor.
25 Mr. Kelly presented a blueprint depiction of the proposed trailhead area as requested by Mrs.
26 McCarthy.
27

28 Mrs. McCarthy expressed concern that the City Council has not had a collective discussion
29 regarding other potential uses for year-end unallocated funds. She stated, however, the Bushaway
30 Road reconstruction project has caused disruption to the community for years, and she supports
31 the planting project and volunteer efforts.
32

33 Mr. Tyacke stated he agrees that this is a great project, and it will be a nice gateway to the
34 community. He expressed concern that April 22 is early for planting, but was relieved to hear
35 about the 2-year warranty on plants.
36

37 Mr. Plechash stated he supports the proposal and the recommendations of City staff. He
38 expressed concern about using unallocated year-end transfer funds. He added the project area
39 will be a beautiful and welcoming spot in Wayzata.
40

41 Mr. Koch stated he supports the project despite the use of transfer funds. He added this is an
42 important gateway to the community and the pedestrian and biking use is representative of what
43 Wayzata is all about.
44

45 Mayor Willcox stated he supports the project bid and asked whether it will be difficult to find
46 enough volunteers. Mr. Kelly stated Great River Greening's marketing campaign will start
47 tomorrow pending City Council approval at tonight's meeting.
48

49 Mr. Tyacke made a motion, seconded by Mrs. McCarthy, to approve the bid award for the
50 Bushaway Road Landscaping Project to the low bidder, Hoffman & McNamara, Inc., in the

1 amount of \$358,928.50, plus approved Alternate 1, removing 7 – 1” caliper trees at the request of
2 Locust Hills, and Alternates 2, and 3 in their entirety. The motion carried 5/0.
3

4 **b. Consider Approval of Resolution No. 07-2017 Approving PUD Rezoning and PUD**
5 **Concept Plans of Development for Wayzata Blu at 259, 269 and 275 Lake Street E**
6 **and 339 Barry Avenue S.**

7 Mr. Thomson presented the development application of Gatehouse Properties to redevelop
8 properties located at 259, 269, and 275 Lake Street E and 339 Barry Avenue S by demolishing
9 the existing commercial buildings and constructing a three-story mixed use building consisting of
10 ground level office and 17 residential condominiums. The development application includes
11 rezoning from C-4A to PUD/Planned Unit Development, and PUD concept plan.
12

13 Mr. Thomson stated the City’s Comprehensive Plan encourages a mix of uses on Lake Street, and
14 buildings west of Barry Avenue are encouraged, but not required to have ground floor retail use.
15 There are nine 90-degree parking stalls on Barry Avenue are currently signed for retail customer
16 parking and proposed for removal as part of the project to allow for extension and widening of
17 the sidewalk. The Planning Commission unanimously approved recommendation of the PUD
18 rezoning and PUD concept plan, and the applicant agreed to allow flexibility in the PUD for retail
19 use on the ground floor, which is consistent with the Comp Plan.
20

21 Mrs. McCarthy expressed concern about increased traffic in this area, with the addition of office
22 space and residential units. She asked whether any traffic studies have been done. Mr. Thomson
23 stated no traffic data has been collected but that can be completed. Mrs. McCarthy stated she is
24 appreciative of the proposed building design, but added that the development along Lake Street
25 over the past few years does not follow the letter or intent of the Comp Plan. She noted the area
26 will lose vitality and vibrancy if there is more office space than retail businesses.
27

28 Mr. Tyacke expressed the importance of combining commercial and retail uses in the long-term
29 development of this block. He asked whether an open space requirement is met in the PUD. Mr.
30 Thomson stated the PUD ordinance requires land for park improvement or payment in lieu of
31 park dedication.
32

33 Mr. Koch asked whether City utilities are sufficient for this development and whether
34 improvements might be necessary. Mr. Kelly stated he does not believe the development would
35 exceed the area’s utility capacity.
36

37 Mayor Willcox asked whether the parking easement will require approval from the Boatworks
38 property. Mr. Thomson stated a City-approved CUP for shared parking covers both the 259 Lake
39 Street and Boatworks properties. He added that the proposed 85-stall parking lot proposed on the
40 project is consistent with the CUP. Mayor Willcox asked whether the nine on-street parking
41 spaces would be retained. Mr. Thomson stated this project has met its parking requirements and
42 the applicant is proposing to remove the nine stalls along Barry Ave. Mayor Willcox asked
43 whether the application would have to change if the applicant agrees to accommodate ground
44 floor retail use. Mr. Thomson stated the only change might be the amount of required parking, as
45 four additional parking stalls would be required for both retail and office use.
46

47 David Carlson, 2249 Portico Green, stated he has tried to be creative with the building design as
48 requested by the Planning Commission. He added he met with the current retail tenants but was
49 unable to reach an agreement. He expressed his intention to be flexible in terms of creating office
50 space that can be easily converted to retail use. Mr. Carlson stated he is committed to designing a

1 dedicated 20' x 50' public open space along the west side of the property, with a memorial in
2 honor of the Asau family, original owners of the pharmacy located on this site.

3
4 Mr. Koch asked whether there is much interest in and demand for the proposed residential units.
5 Mr. Carlson stated he has received many requests for information and a purchase agreement for
6 one unit. He added many potential buyers are waiting to see the outcome of tonight's meeting.
7 Mr. Koch stated the 100+ year-old buildings on the site have historical significance. He asked
8 whether the applicant would consider moving the buildings. Mr. Carlson stated the buildings will
9 be made available for sale and removal for \$1 when the development application is approved.

10
11 Judy Starkey, 16201 Holdridge Road, stated she is opposed to this development proposal. She
12 questioned the need for this type of building at this location. She added the Council should
13 encourage retail use and not businesses as they do not attract people who want to experience the
14 unique small-town nature of Wayzata. She expressed concern that the City does not do enough to
15 preserve the few historical properties that are left in Wayzata. Ms. Starkey stated the City should
16 save the buildings and preserve some of Wayzata's rich local history.

17
18 Mr. Tyacke stated while he is sympathetic to the historic nature of the buildings, the developer
19 has offered to make them available and affordable. He added he considers the buildings in this
20 area to be run-down and in need of redevelopment. He noted he was concerned about the
21 applicant's plans for open space, but that has been addressed, and he is generally supportive of
22 the project.

23
24 Mr. Koch expressed concern at the loss of three vibrant retail businesses on this property that
25 have managed to remain successful in a tough retail market. He added he does not support a
26 retail requirement, and he is happy about 17 families moving into downtown Wayzata. Mr. Koch
27 stated the resolution as it is currently written is unclear about the amount of potential ground floor
28 residential use. He requested that the resolution be re-worded to clarify that two residential units
29 are planned for the ground floor in addition to commercial office or retail use.

30
31 Mr. Thomson stated the concept plan application contains more specific language. Mr. Schelzel
32 agreed, adding the general plan application will be reviewed by the Council in any case. Mr.
33 Dahl stated City staff can review and recommend language clarifying a certain percentage or
34 portion of allowed residential use. Mr. Koch agreed.

35
36 Mr. Plechash expressed his support of the concept plan application, as it contains compromises
37 which allow the City to work within the parameters of the Comp Plan and zoning ordinance.

38
39 Mrs. McCarthy stated the history of this area is undeniable, and a memorial dedicated to the Asau
40 family should be placed where the pharmacy was actually located, on the east corner of the
41 property. She added the historic buildings are the mainstay of the community and requested that
42 City staff review creative ways that retail can be encouraged and developed. She stressed that she
43 would only support the project with a retail component.

44
45 Mayor Willcox stated this area is the heart and soul of Wayzata, but clearly economic concerns
46 are driving development on Lake Street. He added the Comp Plan guides this area as a
47 destination for entertainment in the City, and this concept plan does not fall in line with that
48 designation. He noted he does not support the loss of nine on-street parking spaces and would
49 like to see more landscaping and trees. Mr. Thomson stated there is no landscape plan yet, but
50 Code requirements will need to be met regarding landscaping. Mayor Willcox expressed concern
51 that there are many similar buildings along Lake Street, and the area is losing its vibrancy. He

1 added he is not excited about the project, and he would support a condition that City staff review
2 the second-floor step backs, and possible solutions to prevent the loss of on-street parking.

3
4 Mrs. McCarthy asked whether the City could provide incentives to encourage retail and meet the
5 financial objectives of retailers and the developer. Mr. Dahl stated there are many options
6 available to achieve that objective.

7
8 Mayor Willcox agreed, adding retail could be required on the ground floor if the City were to
9 provide funding to make it feasible. Mr. Koch stated he would not want that to be a condition
10 and the current retail businesses on the property might not want to stay in any case. He added he
11 is in favor of exploring this concept. Mr. Tyacke stated this incentive has not been requested by
12 the developer and it is not in the City's best interests to engage in the retail market. Mr. Plechash
13 stated a discussion about possible retail incentives should have occurred before this concept plan
14 review, and is not related to this project. Mrs. McCarthy stated the Council has had similar
15 discussions in the past but no action has been taken. She added she would like to explore
16 measures to encourage retail, or she would not be willing to support the concept plan.

17
18 Mr. Dahl stated City staff discussed its business assistance program with the developer, but he did
19 not wish to pursue it. Mr. Tyacke stated the developer indicated his willingness to create
20 commercial office space that could be easily converted to retail.

21
22 There was discussion about a possible condition for approval regarding the addition of potential
23 retail use on the ground floor. Mr. Schelzel stated a condition of approval could be to direct staff
24 to work with the applicant before the general plan to review options for encouraging retail use.

25
26 Mr. Thomson stated an existing condition of approval, C.1., page 2 of the Resolution, could be
27 modified to read "street level of the building must contain a minimum of 3,000 square feet of
28 retail, office, or service commercial uses, and the remaining portion of the street level may
29 contain up to two residential units."

30
31 Mr. Plechash made a motion, seconded by Mr. Tyacke, to adopt Resolution No. 07-2017
32 Approving PUD Rezoning and PUD Concept Plans of Development for Wayzata Blu at 259, 269
33 and 275 Lake Street E and 339 Barry Avenue S. The motion carried 3/2 (Mrs. McCarthy, Mayor
34 Willcox).

35
36 **c. Consider Agreement with Foster Willey for the Lake Street E Roundabout Public**
37 **Art Project**

38 Mr. Thomson stated the Council is asked to consider an agreement with Foster Willey for the
39 roundabout public art project and to authorize payment to Foster Willey under the terms of the
40 contract. Mr. Thomson stated a selection committee was formed in 2016 to develop a sculpture
41 project for the roundabout at Lake Street East. He added the committee reviewed possible artists
42 and picked 3 finalists to submit proposals. He recognized the members of the Public Art Project
43 Committee: Mayor Willcox, Lindsey Bashoum, Joanie Cunningham, Liz Blaufuss, Todd
44 Mohagen, Roxanne Heaton, Mike Kelly. Mr. Thomson stated the Committee chose a proposal
45 from local sculptor Foster Willey, for a sculpture entitled "Big Water." He added a contract was
46 drafted which requires City Council approval and authorization for payment to Mr. Willey.

47
48 Mrs. McCarthy expressed her appreciation for the Committee and unique water-themed sculpture.
49 She stated the scale of the sculpture might limit visibility for drivers navigating the roundabout.
50 Mrs. McCarthy stated the proposed sculpture would be made of stainless steel, which might cause
51 glare for drivers. Mr. Kelly stated that is a possibility, but the sculpture will be lit from below.

1
2 Mr. Plechash stated he supports the project. He asked whether there will be safety measures in
3 place to prevent people from driving or sliding into the sculpture. Mr. Kelly confirmed there will
4 be a barrier and the sculpture is elevated. He agreed to review traffic safety concerns.

5
6 Mr. Tyacke stated the sculpture is an excellent representation for the City. He asked whether the
7 sculpture will be low maintenance. Mr. Kelly confirmed that it is.

8
9 Dan Gustafson, 240 East Circle Drive, asked whether the sculpture would be in place before the
10 hotel opens, and whether neighborhood access would be limited during installation as two
11 residential streets enter the roundabout. He expressed concern that the roundabout will be opened
12 to allow neighborhood access to commercial traffic. Mr. Kelly stated the art project will move
13 forward in the fall, long after the hotel is open. He added design of the public artwork does not
14 preclude any modifications to the roundabout.

15
16 Mr. Tyacke made a motion, seconded by Mr. Koch, to approve the agreement with Foster Willey
17 for the Lake Street E Roundabout Public Art Project and authorize payment to Foster Willey
18 under the terms of the contract. The motion carried 5/0.

19
20 **AGENDA ITEM 10. City Manager's Report and Discussion Items.**

21 **a. Update on Small Cell Installation for Wireless and Telecoms Carriers**

22 Mr. Dahl stated recent legislation has reduced cities' ability to restrict small cell installation for
23 wireless and telecoms carriers on private and public infrastructure. He added lobbyists are
24 working on behalf of Wayzata and have requested that the City's officials contact their legislative
25 representatives.

26
27 **b. 2017 Wayzata Chilly Open**

28 Mr. Dahl stated the City's annual Chilly Open was successful and well-attended, and he thanked
29 City staff and community volunteers for organizing the event.

30
31 Mayor Willcox stated the winner of the Chili Cook-off was Primo Italian Restaurant, Long Lake,
32 and the Spiciest Chili award went to District Fresh Kitchen, Wayzata.

33
34 **c. Condominium Legislation**

35 Mayor Willcox stated the Regional Council of Mayors has expressed concern to its members
36 about the increasing number of lawsuits being brought against condo developers. He added
37 proposed State legislation would limit condo owners' ability to bring legal action against
38 developers. He asked that City staff research this issue and provide information to the City
39 Council. Mr. Dahl agreed to add this item to an upcoming City Council meeting agenda.

40
41 **AGENDA ITEM 11. Public Forum Continued (if necessary).**

42 None.

43
44 **AGENDA ITEM 12. Adjournment.**

45 Mrs. McCarthy made a motion, seconded by Mr. Tyacke to adjourn. There being no further
46 business, Mr. Mayor Willcox adjourned the meeting at 9:52 p.m.

1 Respectfully submitted,

2

3 *Becky Malone* 03-07-2017

4

5 Becky Malone

6 Deputy City Clerk

7

8 Drafted by Mary Mullen

9 *TimeSaver Off Site Secretarial, Inc.*