

CALL TO ORDER

Chair Shaver called the meeting of the Housing and Redevelopment Authority to order at 7:30 a.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

Members Present: Commissioners Bob Ambrose, Terri Huml, Steve Fox, and Dan Koch, and Thomas Shaver

Members Absent: None

City Staff present: Executive Director Jeff Dahl, Community Development Director Emily Goellner, City Attorney Schelzel, and City Clerk Kathy Leervig.

APPROVAL OF AGENDA

Commissioner Huml made a motion, seconded by Commissioner Koch, to approve the January 20, 2022 agenda as presented. The motion carried 5/0.

Chair Shaver welcomed Dan Koch as the newest member of the HRA.

APPROVAL OF MINUTES

A. Consider Approval of HRA Minutes of November 29, 2021 Meeting

Commissioner Ambrose noted that one vote was recorded as carrying 5/0 rather than 4/0.

Commissioner Ambrose made a motion, seconded by Commissioner Huml, to approve the November 29, 2021 meeting minutes, as amended. The motion carried 5/0.

OLD BUSINESS

NEW BUSINESS

A. Consider Election of Officers

Executive Director Dahl explained that officers are elected annually and reviewed the slate of officers and their expected duties for 2022.

Commissioner Ambrose made a motion, seconded by Commissioner Koch, to appoint Thomas Shaver to serve as Chair; appoint Bob Ambrose to serve as Vice-Chair; and appoint Commissioner Terri Huml to serve as Secretary. The motion carried 5/0.

B. Consider Appointment of Executive Director

Commissioner Shaver made a motion, seconded by Commissioner Ambrose, to re-appoint Jeff Dahl as Executive Director. The motion carried 5/0.

C. Consider Discussion and Amendments of Bylaws

Chair Shaver noted that there has been considerable work down on the Bylaws this past year.

Executive Director Dahl stated that the Bylaws are up to date and suggested that the HRA not focus energy on them at this meeting.

City Attorney Schelzel explained that this agenda item is an annual thing that is required. He noted that there has been extensive work done on this over the past year and does not believe there is any further work that needs to be done on them.

D. Update of HRA-Related Activities

Housing Policy Discussion with the City Council

Executive Director Dahl explained that at the January 4, 2022 meeting, the City Council considered the amendments to the Housing Policy that was passed by the HRA in November. He stated that they opted to remove it from the Consent Agenda in order to work through it in more detail. He stated that they asked a lot of questions about what it would mean to new development. He stated that they approved it, but the tone he feels the City Council gave is that they would like to speak more with the HRA about this policy. He suggested that the Council and the HRA hold a joint workshop meeting in April or May of 2022 to ensure that the goals of affordable housing/life cycle housing are aligned.

Commissioner Huml asked if he felt there was 'pushback' from the Council on some of the language that was used.

Executive Director Dahl stated that he did not feel there was pushback on the language, but perhaps fear of what this may bring, especially in terms of big development.

Community Development Director Goellner stated that she did not think the Council has reviewed the recent data, nor have they recently reviewed the Comprehensive Plan and actually realize how much policy language related to affordable housing is in that document. She stated that she thinks a lot of the questions were related to which direction the City should go and whether the focus should be on new construction, existing housing, or both. She stated that she believes Wayzata Boulevard also came up during the discussion as the geographic area the City is focused on.

Executive Director Dahl noted that City Attorney Schelzel answered a question from the Council about whether the City should be putting in limits and defining it better.

City Attorney Schelzel stated that part of the Council's line or questioning was with regard to the implications of this change. He explained that the answer he gave to that question was that in this context, 'affordable housing' may mean something different, depending on the tools the City is using. He explained that he had advised against defining the term 'affordable housing'. He stated that he believes the larger line of questioning from the Council was what this all means if this is added to City policy. He stated that they would like to know what types of things the HRA and staff are thinking about to implement those goals.

Commissioner Huml stated that she felt the table presented by Community Development Director Goellner that laid out the income ratios and how many people in a family was very helpful and noted that she likes to categorize it as 'housing that is affordable'. She stated that she feels that would be beneficial for the Council to review that packet of information.

Community Development Director Goellner stated that they have tried to communicate this information as simply and understandably as possible because the housing policy stuff can get 'wonky' really quickly. She stated that when that happens, they tend to lose people if they use terms like AMI instead of stating simply explaining that she is referring to a family of 4 that makes \$50,000.

Chair Shaver thinks holding a joint workshop with the Council makes sense. He stated that he wants to make sure that the HRA is aligned with the other bodies within the City to ensure that they are all speaking with one voice. He suggested that he work with staff to come up with bullet points for discussion at the joint meeting but bring them back to the HRA at the next meeting for discussion prior to the joint meeting.

Executive Director Dahl noted that he feels the joint meeting will be more effective if it is not just the staff that is doing the talking with everyone participating and communicating the information.

Community Development Director Goellner stated that they may want to study their housing inventory a bit deeper so that further policy is informed. She stated that they have a rough idea because their data is from 2017 and suggested that it is a good idea to check in every 5 years or so to see where housing stock is and how much of it has been naturally occurring. She stated that they have not really studied this information in depth, so understanding that better could be very valuable for policy decisions.

Chair Shaver stated that one of the interesting things that came out of the 2017 study was the amount of rental housing in the community because, back then, it was above 50%.

Executive Director Dahl noted that it is getting to the point where there is affordable rental housing, but that is slowly dwindling. The other choices are basically very expensive condos or large homes. He explained that there seems to be less in the middle.

Chair Shaver shared examples from discussions with the Lindahl family about the property they have on the market just north of the post office. He stated that Matt Mithun has an offer in for the property with a proposed project. He has asked staff if there was

a way for the HRA to participate in order to make this project truly affordable. He stated that he sees this as a way to take a 'baby step' to make existing products within the community affordable and retain what already exists with the 2 'brownstones'. He referenced Valor Place in Plymouth that was a 2 or 4 unit townhome for veterans that their HRA pledged money, raised private funds, had community support through partnership to maintain affordability for veteran housing. He stated that it was small project, but it had great community support. He stated that he just feels it needs to start somewhere.

Commissioner Huml stated that she has 3 employees that were able to find affordable housing in town and because they were able to find housing in Wayzata, they are now able to work at two restaurants instead of just one, because they don't have to spend so much time commuting. She stated that they love living here and explained that she always says it is just one family at a time.

Executive Director Dahl stated that what he is hearing from the HRA is that they would like to meet prior to the joint meeting to ensure they are aligned, have a strategy and summarized talking points for the joint session with the City Council. He stated that he will take a look at the calendar and get the meetings scheduled.

Community Development Director Goellner stated that she thinks it will be helpful to review the work that the HRA has done. She noted that she really liked the statement made earlier by Chair Shaver that the goal is to align everyone so they are speaking with one voice. She stated that the other entity that is most relevant is the Planning Commission and believes they will like the idea of preservation of existing structures. She stated that they have a lot of affordable housing questions and feels it could use further explanation for them also. She stated she is not sure they need to be brought into the process yet, but does believe at some point they will need to be circled in so they have an understanding of where everyone is going with this. She stated that the Wayzata Boulevard Corridor Study may be a good opportunity to bring all three bodies together for one discussion about land use, housing, and transportation all aligning.

Executive Director Dahl asked if any of the HRA members served on the Zoning Task Force.

Community Development Director Goellner stated that Commissioners Ambrose and Fox serve on the Zoning Task Force.

TIF Financials

Executive Director Dahl stated that the annual report will hopefully be at the next meeting because it typically comes once the audit is done which will be underway within the next few weeks.

Chair Shaver asked about the way the TIF runs and flows to the City and noted that he believes there is a 10% administrative fee associated with the note. He asked if that was segregated in their financials or if it was just in the general fund and goes to support staff.

Executive Director Dahl stated that he believes in the past they just taken 10% and segregated that, however that practice is no longer allowed. He stated that there has to actually be reimbursable expenses and if that only turns out to be 4% or 8%, that is what it is. He stated that there is an allocation that comes from staff as well as other resources such as the City Attorney's time, but it is all segregated.

Chair Shaver stated that relative to source funds that go directly to the HRA as opposed to the general fund, he was trying to think about opportunities for them to segregate some dollars to go towards the initiatives that are not directly related to TIF financing, such as a study. He stated that it may be something that doesn't impact the City Council or the Planning Commission but is something directly associated with the HRA initiatives. He asked if there would be a way to use some of those segregated funds associated with the 10% for special projects for the HRA.

Executive Director Dahl stated that he can get more information about how that works for the administrative fees. He stated that over the last few years commercial has taken a big dive, such as hotels, so he thinks the revenue will be low in comparison to what it has been. He stated that he expects that there will not be as much of a surplus as there has been in the past for the next few years. He stated that it may be a good idea to have Stacy from Ehlers to come in and give an update to the HRA on all the districts, notes, and obligations. He stated that there is TIF legislation to help finance the boardwalk which comes from a variety of the TIF districts, especially TIF #6. He stated that there are a lot of moving parts so he thinks that is even more reason to have Stacy come in and highlight those things for the HRA.

Downtown Parking

Executive Director Dahl explained that the TIF has helped, along with the land that was received from the development, and the partnership with the development on the west end of downtown to the parking lot first layer has been completed. He stated that signage will be put up when the weather gets warmer so people know they can park there. He stated that there are about 150 stalls and noted that it will be very interesting to see how it is utilized.

Community Development Director Goellner noted that they completed parking counts last summer which showed that Friday at noon is the biggest time where downtown is nearly full. She stated that they do not understand the west side very well because construction was happening last summer, so they want to do additional parking counts this coming summer. She stated that in the meantime, they want to talk to business and property owners about where they are parking and how it is working for them. She stated that they would like to prevent employees parking in on-street parking spaces or very close to the businesses, but also have safe access to parking for them at the end of the night. She stated that they just really need to understand from the businesses and property owners where they are at and what issues they are seeing will be a helpful piece of data for the City. She stated that the City is always looking for new sites for additional public parking. She stated that the biggest possibility right now is to reconfigure the lot in front of The Muni and Crisp & Green to fit more spaces in.

Executive Director Dahl stated that he believes that the FILOP fund for downtown parking is slowly building because of the agreements with some of the properties and that will ultimately be used for additional parking.

A Commissioner asked if they had studied how far away people are willing to park.

Community Development Director Goellner stated that they did not in the City's studies, but she has read information about those kinds of preferences. She noted that they are many times based on demographics and believe that valet parking will continue to be successful at several businesses in the areas, most likely the restaurants rather than retail or other businesses.

Executive Director Dahl stated that they will continue to update the HRA this year based on how things have changed.

Chair Shaver stated that it is interesting because many businesses need their lots during the daytime for their offices, but at nighttime, he wonders if there could be some form of partnership between the owners for parking between 6:00 p.m. onward that open up parking that is now private. He stated that the issue is with the lending industry and if there are easements because it can become complicated. He stated that his long-term perspective on parking is with the electrification of fleet and connected autonomous vehicles, there will be less burden on actual parking and there will be more efficient and condensed use of land. He stated that this is long-term, in the 2040 to 2050 timeframe and stated that he thinks the City needs to be aware of this interim step in its planning what needs to take place in the community.

Commissioner Huml stated when they have taken a look at their long-term picture with their industry. She stated that they are not in a major metropolitan market in Wayzata, they always thought the majority of the people would use Uber and not drive, which means the demand for parking would be lower. However, with the pandemic, Uber has become very expensive, that people are instead just driving themselves and sometimes just having a designated driver. She stated that without the pandemic, she believes things would have been heading in that direction where people would have been utilizing Uber rather than driving. She stated that they started valet service this winter that runs from November through April. She stated that they will have 450 guests come in for dinner but only do 20 cars with the valet service which leads her to believe that there is plenty of parking available.

Community Development Director Goellner stated that she has done a lot of reading about autonomous vehicles. She explained that for land use planning in the downtown area she believes they will need to really think hard about the drop off and pick up locations because cars will be pulling in and just dropping them off and being directed to go somewhere else.

Executive Director Dahl suggested that the staff may want to run some things by Commissioner Huml when they are ready to do the parking study to make sure they are asking the right things.

Panoway on Wayzata Bay

Executive Director Dahl noted that there has been a lot of momentum going on with Panoway. He stated that they are moving forward with the design process for the boardwalk and the community docks as well as the Section Foreman's house. He stated that the City has funding for the capital costs of the boardwalk and community docks at 100%, but still need the operational costs covered for that before the construction can move forward. He stated that the conservancy is working on raising those funds.

Chair Shaver asked if there is a projected timeline for the start and completion of the project.

Executive Director Dahl explained that it is all dependent on the funding, but the hope is that they will be able to move forward on all of them by this time next year. He stated that there is another bonding request out to the State for capital costs of the entire project. He stated that they received \$4 million a few years ago and are now asking for the remaining \$6 million and have been included in the Governor's proposed bill.

Community Development Director Goellner noted that in the springtime, the City will be working with Civitas closely regarding the construction method, which will definitely inform the timing on whether they can do a winter or a summer recommendation for starting.

Executive Director Dahl explained that the design and permitting will be very extensive for the next year because there is a bit of time crunch on using any of the TIF funds from District #6.

Commissioner Ambrose asked if his memory was correct that the City is contemplating much of the boardwalk construction occurring from the lake rather than from Lake Street.

Executive Director Dahl stated that this was correct and explained that all the construction will have to be done through the lake with the use of barges because the railroad will not allow the City to monopolize or interrupt their service.

Community Development Director Goellner asked Executive Director Dahl to mention the one pager regarding Panoway's funding, which explains how Panoway is funded.

Executive Director Dahl stated that it is a great document and noted that in addition to being sent out in The Portal and available on the website, they are planning to put it up in bathrooms so people will be able to understand it better.

Chair Shaver asked what the operational budget is that the City is trying to fill.

Executive Director Dahl stated that he believes it is about \$250,000, so they are hoping that the conservancy will be successful in the next year so there will not be a construction delay.

Commissioner Ambrose stated that there was an article in the *Star Tribune* recently about the Governor's bonding proposal of \$2.7 billion. He stated that he was pleased to see in

the article that it talked all about those numbers and some examples of City projects but this one was not listed. He explained that in his view, it is good to fly under the radar and just keep moving it along and does not feel it needs to have a lot of press coverage until it happens.

Other Development Activities

Community Development Director Goellner gave a brief update on the other development activities in the City including the Hughes Building, Ventana, and the Lothenbach building. She reviewed upcoming development projects such as: 200 Lake Street (TCF Headquarters building); Wells Fargo site; Blake school site following its closing in May of 2023; and various restaurants that are looking at spaces in the City. She suggested that at the next HRA meeting there be further discussion about The Promenade.

Commissioner Ambrose asked if it would be possible to get a brief report on The Promenade today.

Community Development Director Goellner gave a brief update on The Promenade and noted that the vacancy rates are high and reviewed some of the incentives that have been offered to fill the retail spaces. She stated that the interior spaces are the most difficult to fill and noted that rent costs are the same across the street at the Village Shoppes, which has more visibility. She stated that the build out of some of the spaces is expensive because of the way the building was constructed. She stated that they have had good conversations with the leasing agent and owner and thinks some good ideas came out of those discussions.

Executive Director Dahl stated that he feels that they are making slow, but sure, progress. He stated that it helps that the City has allowed them to make the zoning a bit more flexible so they can have more services and offices, especially on the interior of the building. He stated that they have talked to them about sprucing up the vacant areas a bit by doing things like displaying art, which they are open to.

Chair Shaver noted that he has history of being here when the project was brought through for TIF as well as Planning and these are the unintended consequences because the community said to the developer you need to satisfy 130,000 square feet of retail and the developer said it would be difficult, yet to satisfy the project, they moved forward with it. He reiterated that this has been an unintended consequence of a decision made 10 years ago because some of the spaces are still unleased. He stated that he appreciates that City staff is working with the owner and being a bit more relaxed on the zoning and noted that he had always seen it as more professional space than retail space, especially on the interior.

Executive Director Dahl agreed that the most valuable thing the City can do is to be more flexible in the zoning and allow professional spaces.

Community Development Director Goellner noted that because the housing is doing so well, the owner is not in financial difficulties because of the retail vacancies.

The HRA had a broad discussion about affordable housing relating to AMI information, housing that is affordable, goals for preservation and additional affordable housing, priorities, and tools for the different objectives.

City Attorney Schelzel asked if there was a timeline on the study mentioned by Community Development Director Goellner.

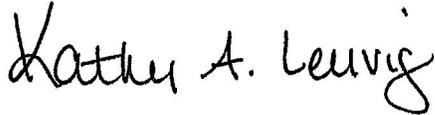
Community Development Director Goellner stated that she does not have a timeline yet and noted that if they do a really in depth study, it will cost about \$20,000, so she will need to figure out how to fit it in budget-wise. She stated that they may be able to do a small inventory of just Wayzata Boulevard for the corridor study to get that part funded, but a City-wide one will need additional funding sources. She stated that once they decide to do it, it is probably a 3-4 month long endeavor.

NEXT MEETING DATE: Wednesday, April 27, 2022

ADJOURN

There being no further business, Commissioner Ambrose made a motion, seconded by Commissioner Fox, to adjourn the meeting. The motion carried 5/0. The meeting adjourned at 9:00 am.

Respectfully submitted,



Kathy Leervig
City Clerk
City of Wayzata