

CALL TO ORDER

Chair Shaver called the meeting of the HRA to order at 7:30 a.m.

Chair Shaver read a prepared statement:

Pursuant to Minnesota Statute Sec. 13D.015 and because of the COVID19 Pandemic, this Housing & Redevelopment Authority Meeting is being held remotely by electronic means using the audio and video conferencing platform, Zoom. Members of the public may submit comments or questions about items on the agenda in advance by emailing PublicComment@wayzata.org, calling City staff at 952-404-5300, or mailing comments to Wayzata City Hall at 600 Rice St. E., Wayzata, MN 55391 (Attn: Public Comments). To speak regarding a particular agenda item during the meeting, you may call 312-626-6799, enter Zoom Meeting ID 937 2568 4015, Passcode 575685, and press *9 to speak. You will be placed on hold and muted until you have been recognized and invited to speak.

PLEDGE OF ALLEGIANCE

ROLL CALL

Members Present: Commissioners Bob Ambrose, Terri Huml, Roger Wothe, Steve Fox, and Thomas Shaver

Members Absent: None

City Staff present: Executive Director Jeff Dahl, Community Development Director Emily Goellner, Assistant Planner Nick Kieser, and City Clerk Kathy Leervig.

APPROVAL OF AGENDA

Commissioner Wothe made a motion, seconded by Commissioner Huml, to approve the April 1, 2021 agenda as presented. Upon roll call vote, the motion carried 5/0.

APPROVAL OF MINUTES

A. Consider Approval of HRA Minutes of September 24, 2020 Meeting

Commissioner Fox made a motion, seconded by Commissioner Ambrose, to approve the September 24, 2021 meeting minutes as presented. Upon roll call vote, the motion carried 5/0.

OLD BUSINESS

NEW BUSINESS

A. Consider Election of Officers

Chair Shaver explained that officers are elected annually and reviewed the slate of officers for 2020.

Commissioner Wothe stated that he would like to decline from serving as Vice-Chair in order to allow someone else that opportunity.

Commissioner Ambrose made a motion, seconded by Commissioner Wothe, to appoint Thomas Shaver to serve as Chair. Upon roll call vote, the motion carried 5/0.

Commissioner Fox made a motion, seconded by Commissioner Huml, to appoint Bob Ambrose to serve as Vice-Chair and Commissioner Terri Huml to serve as Secretary. Upon roll call vote, the motion carried 5/0.

B. Consider Appointment or Executive Director

Commissioner Shaver made a motion, seconded by Commissioner Wothe, to re-appoint Jeff Dahl as Executive Director. Upon roll call vote, the motion carried 5/0.

C. Consider Discussion and Amendments of Bylaws

Chair Shaver noted that at the 2020 Annual Meeting, the Commission discussed having a meeting with City Attorney Schelzel and Commissioners Fox and Huml to review the bylaws and make suggested amendments. He asked if Commissioners Fox and Huml would be willing to do that and report back to the full Commission.

Executive Director Dahl apologized and explained that he had dropped the ball and neglected to coordinate that meeting but noted that he is still willing to coordinate it if the Commission would like.

There was a consensus of the Commission to direct staff to schedule a meeting between City Attorney Schelzel and Commissioners Fox and Huml to discuss possible amendments to the bylaws.

D. Update of Panoway on Wayzata Bay

Community Development Director Goellner gave a presentation that updated the Commission on the Panoway project and noted that it has been in the works for at least 10 years. She noted that this project has had a lot of community meetings that worked on the concept and design. She stated that the area got some use at the end of the summer of 2020 and they expect this coming summer to be even busier. They have discussed the possibility of starting some sort of Downtown Committee that will help to understand all the different issues that come up when there are a lot of visitors to a special place. She showed photos of the completed project and the cost estimates for the future components: Depot Park – estimated at \$2,790,000; Community Docks – estimated at \$750,000; Boardwalk – estimated at \$6,030,000 and also includes lakeshore restoration; Shoreline Restoration; Section Foreman House – estimated at \$1,120,000; and Eco Park – estimated at \$2,430,000 which also includes the boardwalk loop. She stated that staff has reviewed the design, cost, timeline, funding, and

community input and presented this information to the City Council on February 2, 2021. She stated that staff presented a pie chart that showed the breakdown of costs and while the boardwalk and shoreline is the most expensive component to the project, staff feels that it is really the cornerstone of the next phases. She explained that the City already has specific bonding money, around \$4,000,000, committed to the boardwalk and shoreline restoration. She gave some details on how the bonding dollars will be reimbursed and what they can be used for. Staff is recommending that the efforts be focused on the boardwalk, shoreline restoration, the community docks, as well as the Section Foreman house and noted that the City Council had agreed with their recommendation. She stated that she expects the timeline for the Section Foreman house will be driven by private donations and noted that there is \$250,000 coming in very soon. She stated that they are also working on other things like getting it on the National Register of Historic Places. She noted that the City has applied for grants from the DNR, Hennepin County, and the Minnesota Historical Society. She stated that they are also looking into City Lakefront funds, TIF, as well as additional State bonding that may be available starting in 2022. The funding model for the project is 2/3 public and 1/3 private. She gave a brief overview of the many partnerships and benefits this project has brought to the community. She asked Executive Director Dahl to summarize the TIF bills that have been moving through the legislature.

Executive Director Dahl stated that he, Community Development Director Goellner, and the lobbyist that the City has hired have been working with our representatives in both the House and the Senate to provide more flexibility with TIF District 6. He stated that this is the most recent district on the west end of the City and all of the projects that the City had anticipated are under construction and projects such as Wayzata Blue and Meyer's Place did not use TIF so the City is able to capture the increment there to use for other eligible expenditures. The City has already sold a bond to help pay for the streets and utility expenses associated with Lake Street. He stated that the Commission has been provided updates on the public parking lot that will be constructed behind Wayzata Blue and Ventana. He stated that because the City Council has elected for a surface lot the City will have several million dollars of excess increment available. He noted that they are asking the legislature to clarify that the City can use those funds if the HRA and Council agree, for the boardwalk and the docks that are part of Phase II which would be about \$7,000,000 of increment funding. He stated that thus far, they have gotten very good reception in both the House and the Senate and are fairly confident with the way this will go if the HRA and the Council agree to it.

Chair Shaver asked if the idea was to use the remaining TIF in its entirety for the boardwalk project. Executive Director Dahl explained that when construction, design, maintenance and operations costs in addition to the community docks, the project cost goes from \$6,000,000 to \$10,000,000 and the City wants to make sure that it builds in all those costs so the community isn't feeling the tax burden of maintenance and operation. He stated that it is essentially a \$10,000,000 project cost and there is already \$4,000,000 earmarked for this purpose. The thought is that, in theory, TIF could be used to fill that gap.

Chair Shaver asked if the excess TIF increment needs to stay within the boundary area of District 6 or used elsewhere in the community. Executive Director Dahl stated that it

could be pooled elsewhere in the community, but the legislature that they are proposing would clarify that the increment could be used for a boardwalk and docks but also clarify that this is an in-district expense.

Commissioner Huml asked if there was a timeline for the remaining TIF and if the City had to spend it within a certain amount of time. Executive Director Dahl stated that there is a five-year rule that the projects must be completed within. He stated that he believes there are still a few years left on this project. He stated that because of the pandemic, he has heard that they are considering expanding the 5-year rule, but nonetheless, they believe they can meet the existing timeline.

Commissioner Huml asked about the parking ramp on Barry and Lake if there is an opportunity to put a deck on the lot should it be needed because of the other development that is going on in the area. Executive Director Dahl stated that it is a balance of priorities. He stated that the City may not need all of the TIF for the boardwalk so there will more than likely be dollars available for future parking improvements.

Commissioner Huml noted that there is a verbal update listed for a moratorium on development that is being considered and would like to know how this would affect the timeline for spending the TIF funds. Executive Director Dahl explained that should not affect it at all because they are not waiting for anymore development in terms of funding so it should not preclude any public infrastructure. Community Director Goellner stated that she did not see a direct correlation at this point, but agrees that the City should be mindful of this.

Commissioner Ambrose asked if the legislators support is partially because the City may avoid additional drains on a bonding proposal. He asked if those two issues were connected in their minds. Executive Director Dahl stated that he cannot speak for the legislators, but he thinks that because bonding is so unpredictable, this may be a safer bet. He stated that he thinks there is also the attraction of the City not asking for more money it is just keeping the money within the City.

Commissioner Fox stated that he thinks the Panoway project, to date, is an outstanding development for the City. He asked if the City has a messaging problem from some of the earlier discussions on the Panoway proposal that no tax dollars would be used for this development. He stated that he knows that there has been much parsing of what that language really meant, at the time, but he would say there is a widespread perception that tax dollars would not be driving this project, except for the infrastructure necessary for the utilities. Executive Director Dahl stated that he agrees that this thought is out there and is a consideration for what the City should be mindful of in their discussions. He stated that what was said, the specifics of it, as well as who said it matters and noted that also over that time period, elected leaders' changes including the vision for the community. He stated that regardless, if someone heard that in a public meeting, and it stuck with them, the City does need to be mindful of that and make sure that the messaging is appropriate and it would also behoove the City to make sure people know what is being done and support it. He stated that this may

provide the opportunity for some more engagement to make sure that staff, Council and the conservancy are reading the public the correct way.

Commissioner Fox stated that this really is a phenomenal development for the City and thinks the boardwalk component will be particularly special. He stated that he is an advocate for moving that project forward and would like to see it come to fruition.

Chair Shaver agreed with Commissioner Fox that messaging is critical and noted that he feels that there is a general misunderstanding of what TIF is because many people feel it is their tax dollars that are being used but the reality is that if they are not used, they are lost. He stated that part of the communication strategy for this is to ensure that there is a general understanding from the public on what TIF is and its use as a tool.

Commissioner Huml stated that in many of the original meetings, many years ago, the one question that kept coming up from the community was their concern about their property taxes increasing in order to cover this.

Commissioner Fox stated that the HRA is discussing this issue within the environment of a friendly audience and they need to be cognizant that there are some severe critics of this project within the community. He stated that their voices have gotten rather shrill at times and however the City tries to communicate what TIF really represents and where this money is coming from, the critics will definitely spin the information in a different way.

Executive Director Dahl stated that this conversation is helpful because this is a big project for a small town like Wayzata and this will help them prioritize this communication to the community through public engagement avenues.

Commissioner Huml stated that she gets to look at this project every day and has started calling it her living room window. She stated that she has found that even the biggest critics of the project have become believers. She stated that it is a wonderful project and it is exciting to see people of all ages using it starting early in the morning although the way through sunset.

Commissioner Ambrose stated that they have tested the project out with their 2-year-old grandson and he highly approves of the space to run and space to climb on things. He stated that they are looking forward to getting him onto the boardwalk. He stated that he shares Commissioner Huml's observation that it is being used by a wide range of people who are down there in Panoway and stated that he feels it has a wonderful vibe.

E. Update on Economic Development Projects

Community Development Director Goellner gave construction updates on the Pat Hughes building, Ventana, and 401 Lake Street. She stated that there are also a few proposals that have come into the City. Meridian Manor was sold and the new owner would like to continue using it as senior housing but tweak the site plan a bit and renovate the entire building. The abandoned gas station at 1022 Wayzata Boulevard was bought last year and they are looking at concepts for another boutique style or

high-end grocery store on the site mixed with the site to the east which is a dry-cleaning business. She stated that they are also talking to Wells Fargo about the possibility for a different, smaller building with potentially some housing on their site. She stated that the TCF site is still under a purchase agreement with Lake West Development and they are working on a new concept that would demolish the existing building.

Assistant Planner Kieser stated that the Barry Avenue condos also have a proposal that will be coming. He stated that the proposed development web page is up and whenever the City receives applications, many of those plans are put in that site.

Community Development Director showed the Commission how to navigate to the "Proposed Development Projects" page of the City website. She noted that they list all the projects, some of the pertinent details on the project as well as the rendering and the site plan.

Chair Shaver stated that he applauded staff for working on this type of informational page for the website so people in the community can get a quick update on what is going on within the City.

Executive Director Dahl stated that the City is seeing vacant spaces that by and large are vacant as a result of the pandemic being filled. He gave a few examples of who is filling the vacancies and shared staff's hope that this trend will continue. He asked Community Development Director Goellner to give some details on the development moratorium that the Planning Commission has requested.

Community Development Director Goellner explained that the Planning Commission had a workshop and noted that during her one-on-one meetings with them she had been hearing questions about what the City had approved in the 2040 Comprehensive Plan in terms of the types of maximum densities that will be allowed in the important corridors of the City. She stated that it was just a lot of questions about what that would really look like when translated into redevelopment projects and questions about whether the City's zoning regulations are up to date. She noted that the City has a Zoning Task Force that is currently working on an update to design standards. She stated that code updates take a long time because it is very detailed work and explained that the Planning Commission was feeling overwhelmed by the number of proposals coming in and their feeling that there is a lack of clarity around when and why projects would be approved up to 30 units/acre. The Comprehensive Plan says that the City "may" consider it but it doesn't really say when, why, or how that would happen. The other question raised by the Planning Commission is surrounding the vision for having a full range of housing choices for all types of people at different stages of life. She noted that the City has recently approved a lot of multi-family housing and the Planning Commission is wondering how the City would get affordable projects to happen in the City and what the role of zoning and the Planning Commission is in making that happen. She explained that between the design standards, the density zoning, and inclusionary housing, the Planning Commission felt that they needed a 'pause' button so they could get a clear understanding of the regulations, the vision, and the strategy before they review anymore proposals, particularly on Wayzata Boulevard and Lake Street. She stated that the Council and Planning Commission will discuss the possibility of a

moratorium and the pertinent details on April 5, 2021. She invited the HRA members to tune into the workshop meeting on Monday if they were interested.

Executive Director Goellner asked if the HRA had any strong opinions or comments, how those should be communicated to the Council and the Planning Commission. Community Development Director Goellner stated that the best way may be for the HRA members to call her and discuss it with her. She stated that she can take down their thoughts and their questions. She stated that the workshop meeting is only scheduled for an hour, but she could try to communicate their thoughts at the workshop. Executive Director Dahl suggested that the HRA members contact Community Development Director Goellner, attend the workshop meeting with the Council and Planning Commission and if there are strong feelings, perhaps hold a special meeting to make a formal recommendation. He stated that if they do not have strong feelings, the HRA can just observe the situation with the knowledge that staff will relay information to them.

Commissioner Fox asked if the City has a reputation as being a difficult community for development activity or if it is considered development friendly. Executive Director Dahl stated that he would say that the City is known as being open to development by other nearby cities, and in speaking with developers, he would say the feeling is that staff is super respectful but the community is very sensitive and picky about what it wants. He stated that he thinks this means that anyone coming into the City does not come in thinking that this will be a slam dunk because what is ultimately built is very important to the community and the City pays very close attention to incoming projects. Community Development Director Goellner stated that she would say the City is very cooperative in the early discussions with developers as they inquire, but the developers quickly learn that what works in their pro forma and what can economically work is far beyond what the City's code allows so they are always up against those two things not being the same. She stated that there ends up being a lot of back and forth with developers on the early side where staff is telling them all about the context of building in the City and how they are looking for smaller, more charming buildings. Some developers are really set on what they want and some are willing to work with what is given in the code in order to get their project through the process. She stated that overall, she would say the City is somewhere in the middle with how easy it is to build within the City.

Commissioner Wothe stated that long ago he was on the Planning Commission and they may have developed an image at that time because very few developers came with a project, however, it wasn't that the City was opposed to doing something, it is just that nothing was happening. Chair Shaver stated that he wants to ensure that the HRA has the ability to comment on this issue and encouraged the Commission to speak to Executive Director Dahl, Community Development Director Goellner, or Planner Kieser about their questions and feedback. Executive Director Dahl encouraged the HRA to reach out to Community Development Director Goellner and after the workshop, suggested that staff send the Commission a recap of what happened at the meeting if there is any specific direction so the HRA can decide if any official action is warranted. He returned to the discussion surrounding an update of the development projects around the City. He explained that he had included market study because the Council has discussed this as being a priority in order to help fill some of the areas in the City

such as the promenade area. He noted that the last item he has listed is the Open for Business program which is run through the Metropolitan Consortium of Community Developers which is a non-profit entity. He explained that they have partnered with Hennepin County and basically offer business development services to small businesses, provide business planning, marketing assistance as well as access to some capital or gap financing. He stated that the City had a good call with them earlier in the week and have been utilizing them for the last 3 or 4 years. He explained that the City pays \$2,500/year for their services and Hennepin County also pays \$2,500/year. He stated that there is information about this on the City website.

Commissioner Wothe stated that he lives on the west end of Wayzata and travels east at least twice a day and has found that since Lake Street has been done, some issues have arisen and asked who he could discuss those issues with. Executive Director Dahl stated that it would depend on the issue and suggested that they talk and he can direct him to the correct entity after they have spoken. He stated that Chair Shaver had sent him some information earlier today about a pilot housing program that Plymouth is doing.

Chair Shaver stated that even though it was not on the agenda, he would like to bring it up for preliminary discussion purposes. He explained that he serves on the Board of Outreach Development Corporation which is a subset of Interfaith Outreach. He stated that the HRA of the City of Plymouth has entered into a public/private partnership to develop a project called Valor Place which is an affordable twin home project to support veterans. He explained that the City of Plymouth, through their HRA, is providing a \$600,000 grant to create this project. He stated that he would like to see the Wayzata HRA body explore the opportunity to create a pool of dollars through the HRA to support affordable housing within the community. He noted that he was not asking for action today, but would like to start the process for a deeper discussion among the HRA about this possibility. Executive Director Dahl stated that he was not aware of this project until Chair Shaver sent him the information, but noted that it looks like an interesting project. He stated that staff has talked about the overall prioritization of affordable housing and that is one of the reasons that came out of the moratorium discussion. He stated that he thinks this is part of a larger discussion of whether the HRA would like to pivot in that direction and is curious to see what the other Commissioners think about it as well. He stated that he thinks it warrants a full discussion at the next meeting if there is interest from the HRA.

He stated that he is not necessarily saying that the HRA should make a whole-hearted pivot in this direction, but would like them to consider adding resources of this body around affordable housing within the community. Community Development Director Goellner stated that the timing of this discussion is really good because, as part of the implementation of the Comprehensive Plan, the Met Council wants the City to adopt within the next 6 months, a list of tools that the City is willing to use for affordable housing. She stated that she would like to have that discussion with the City Council this summer in order to meet the deadline and suggested that the next HRA meeting should be perfect timing for the HRA to discuss it prior to going to the Council.

There was a consensus of the HRA to have discussion surrounding affordable housing on the next agenda.

NEXT MEETING DATE: June 25, 2021

ADJOURN

There being no further business, Commissioner Ambrose made a motion, seconded by Commissioner Fox to adjourn the meeting. Upon roll call vote, the motion carried 5/0. The meeting adjourned at 8:56 am.

Respectfully submitted,

Kathy Leervig
City Clerk
City of Wayzata

DRAFT