

**Minutes
Minnetonka City Council
Monday, September 12, 2022**

1. Call to Order

Mayor Brad Wiersum called the meeting to order at 6:31 p.m.

2. Pledge of Allegiance

All joined in the Pledge of Allegiance.

3. Roll Call

Council Members, Kimberly Wilburn, Bradley Schaeppi, Kissy Coakley, Brian Kirk, Rebecca Schack and Brad Wiersum were present.

4. Approval of Agenda

Calvert moved, Kirk seconded a motion to accept the agenda with addenda to Items 10.B and 14.A. All voted "yes." Motion carried.

5. Approval of Minutes:

A. August 22, 2022 regular meeting minutes

Calvert moved, Coakley seconded a motion to approve the minutes. Wilburn, Calvert, Schaeppi, Kirk, Schack and Wiersum voted "yes." Coakley "abstained". Motion carried.

B. August 15, 2022 study session minutes

Calvert moved, Coakley seconded a motion to approve the minutes. All voted "yes." Motion carried.

C. June 20, 2022 study session minutes

Calvert moved, Coakley seconded a motion to approve the minutes. All voted "yes." Motion carried.

6. Special Matters:

A. Minneapolis Regional Chamber update

This item will be rescheduled to a future city council meeting.

7. Reports from City Manager & Council Members

City Manager Mike Funk reported on upcoming city events and council meetings.

Schack explained she sat on the I-494 Corridor Commission and explained this group was working to help employees with telework and hybrid teams planning. She noted a free webinar was being held on Thursday, September 29 at 11:30 a.m. and the topic would be managing hybrid teams.

Schack reported she attended the Cullen Nature Preserve benefit last Friday that was hosted by the friends of Cullen Nature Preserve. She stated she greatly appreciated the partnership the city had with this private group.

Calvert commented she also attended the Cullen Nature Preserve benefit and she thanked all of the neighbors who work to make the Cullen Nature Preserve a great place for the community.

Calvert discussed the EDAC & Planning Commission tour she attended that visited recent redevelopment projects in Minnetonka. She stated she was proud of the great work staff conducted on behalf of the community.

Calvert explained she attended a League of Minnesota Cities Improvement Services Delivery Committee meeting noting this group was discussing new policies for the legislature to consider.

Schaeppi reported the Friends of the Cullen Nature Preserve hosted a wonderful event last week.

Wiersum thanked the Friends of the Cullen Nature Preserve and the Friends of Minnetonka Parks for all of the great work they were doing in the community.

Wiersum explained he attended a regional mayors meeting today and the group received a report from Greater MSP. He stated he was impressed by the presentation and discussed how Greater MSP was pushing economic development for the metro area.

8. Citizens Wishing to Discuss Matters not on the Agenda:

Priscilla Hagerman, 3500 Lowell Street, explained she grew up in the community and graduated from Minnetonka High School. She noted she attended the University of Minnesota and graduated this past spring. She discussed how she now worked for a World Without Genocide which was a human rights organization headquartered at the Mitchell Hamline School of Law in St. Paul.

She commented on how she would advocate for women and girls in order to make the future brighter for the next generation. She urged the council to support the UN bill known as CEDAW (Convention on the Elimination of Discrimination Against Women). She commented on the countries that have not ratified CEDAW, which included the United States. She requested the Minnetonka City Council offer their support for this bill in order to encourage the Senate to ratify the bill.

Tony Wagner, 3516 Rainbow Drive, introduced his children William and Kate to the council. He thanked the council and staff for advancing a crosswalk at Groveland Elementary School.

Kate Wagner, 3516 Rainbow Drive, explained she was very grateful for the crosswalk because it made her feel safe and it makes her neighbors and community safer as well.

William Wagner, 3516 Rainbow Drive, stated he was a third grader at Groveland Elementary School. He indicated he walked to school everyday and he felt safer now that the crosswalk was in place.

9. Bids and Purchases: None.

10. Consent Agenda – Items Requiring a Majority Vote:

A. Resolution approving the preliminary plat of CUMMINGS HOMESTEAD SECOND, a two-lot subdivision at 5024 Sparrow Road

Calvert moved, Kirk seconded a motion to adopt Resolution 2022-074. All voted “yes.” Motion carried.

B. Resolution regarding appeal of license denial by Sunshine Massage, LLC

Calvert moved, Kirk seconded a motion to adopt Resolution 2022-075. Wilburn, Calvert, Schaeppi, Kirk, Coakley and Wiersum voted “yes.” Schack “abstained”. Motion carried.

C. Ordinance amending the term of the franchise held by Comcast of Minnesota, Inc.

Calvert moved, Kirk seconded a motion to adopt Ordinance 2022-12. All voted “yes.” Motion carried.

D. Ordinance authorizing the sale of a vacant city-owned property adjacent to Hwy 7

Calvert moved, Kirk seconded a motion to adopt Ordinance 2022-13. All voted "yes." Motion carried.

11. Consent Agenda – Items requiring Five Votes:

A. Conditional use permit, with a location variance, for Advanced Oral Surgery & Periodontics at 110 Cheshire Lane

Schack moved, Wilburn seconded a motion to adopt Resolution 2022-076. All voted "yes." Motion carried

B. Conditional use permit, with parking variance, for a fast food restaurant at 11301 Highway 7

Schack moved, Wilburn seconded a motion to adopt Resolution 2022-077. All voted "yes." Motion carried

12. Introduction of Ordinances: None.

13. Public Hearings:

A. Resolution for special assessment of 2021-2022 projects

Finance Director Darin Nelson gave the staff report.

Wilburn asked if staff had spoken to the resident who had raised concerns regarding his assessment. Community Development Director Julie Wischnack explained the city made 12 attempts to contact this property owner and there have been multiple issues with this property, not just this incident. She reported a city court fine of \$150 would be charged to this property.

Wiersum opened the public hearing.

There being no further comments from the public, Wiersum closed the public hearing.

Kirk moved, Calvert seconded a motion to adopt Resolution 2022-078, Resolution 2022-079, Resolution 2022-080, Resolution 2022-081, Resolution 2022-082 and Resolution 2022-083. All voted "yes." Motion carried.

14. Other Business:

A. 2023-2027 Economic Improvement Program

Community Development Director Julie Wischnack gave the staff report.

Kirk asked if the affordable home at 4292 Oak Drive Lane should be included within the list of housing. Wischnack reported this home was included in the document.

Coakley questioned if the St. Louis Park program was being considered by the city. Wischnack explained this program was addressed on Page 9 of the staff report and \$300,000 has been set aside for the Pathways to Home Ownership Program. Further discussion ensued regarding the assistance that would be offered through the Pathways to Home Ownership Program.

Wiersum stated the objective of the council this evening was to approve the 2023-2027 economic improvement program. He asked when ideas for new programs should be considered for next year's EIP. Wischnack indicated staff would take that feedback early in 2023.

Wiersum explained he has received feedback from local business owners on how they have been negatively impacted by utility or road improvement projects. He stated there may be an opportunity for the city to support these small businesses. Wischnack commented the city will have an item before the council in October that will address the use of emergency funding.

Schack thanked staff and the council for working to develop new programs that would greatly benefit the community. She indicated she supported the EIP as drafted.

Schaeppi thanked staff as well for all of their efforts. He stated he did have some concerns with the forgivable loan program. He explained he cared deeply about all of the other programs being proposed and noted he would be supporting the EIP.

Calvert indicated she appreciated Councilmember Schack's comments. She stated she lived close to Peoples Organic, which served as her remote office and she understood this business has been greatly impacted by recent road/utility improvements. She thanked staff for all of their efforts on the EIP and noted she would be offering her support.

Wiersum indicated he would be offering his support to the EIP as well. He believed this was an innovative document and he saluted staff for all of their efforts.

Coakley moved, Kirk seconded a motion to adopt Resolution 2022-084. All voted "yes." Motion carried.

B. 2023-2027 Capital Improvements Program (CIP)

City Manager Mike Funk and Finance Director Darin Nelson gave the staff report.

Kirk requested further information regarding the proposed CIP levy reduction. Nelson explained the levy was proposed to be increased by \$790,000 and will now be reduced \$407,000 from the 2022 levy amount.

Wiersum commented on how reserves would be used to assist with covering the CIP reduction.

Schaeppi asked for additional information on how the city has managed its fund balance policy in the past. Nelson discussed how the city has spread its funds out and had excess in 2022 from strong building permits and ARPA dollars. He stated this meant the city could reduce the CIP levy more than was anticipated. Funk commented on how the city only got paid twice a year and had to have a healthy fund balance in place to carry itself for six months. He reported the city has to have a fund balance of at least 35% in place and anything over this figure was a policy decision for the city council.

Calvert expressed frustration with the fact the city was a net contributor to the state's tax dollars and the fact that the state had not approved a bonding bill for 2022. She asked if the senate would be considering the city's bonding request in a special session. Funk reported the League of Minnesota Cities has requested the governor consider a special legislative session, but he anticipated this was unlikely to occur. He stated a bonding bill would have to be considered in 2023.

Kirk thanked staff for all of their efforts on the CIP. He stated he appreciated the city's efforts to address sustainability in the community. He recommended the city consider restoration funding for Shady Oak Lake in the future.

Calvert agreed with Councilmember Kirk's comments stating she greatly appreciated the habitat restoration work that would be done in the community. She thanked staff for all of their efforts to bring the levy below 7%. She commented further on how inflation had impacted the city's budget and levy for 2023. She reported the city councilmembers were all taxpayers in the community and had worked diligently to keep the levy increase down.

Wiersum thanked staff for their conservative approach to finances and budgeting. He stated he appreciated how the city was able to use reserve funds in order to assist with managing the levy increase proposed for 2023. He explained he appreciated how the proposed budget and CIP spoke to the city's values.

Schack moved, Calvert seconded a motion to adopt Resolution 2022-085. All voted "yes." Motion carried.

Wiersum recessed the city council meeting.

Wiersum reconvened the city council meeting.

C. Items related to the 2023 preliminary tax levy

City Manager Mike Funk and Finance Director Darin Nelson gave the staff report.

Wiersum commented the preliminary tax levy that is approved tonight would be the maximum levy that could move forward. He indicated the council would be working on the budget and tax levy until December in hopes of finding further reductions.

Calvert requested further information regarding the firefighter savings. Nelson discussed the savings the city would see by not bringing on two additional firefighters.

Kirk indicated this was the second or third time the council has reviewed the tax levy. He asked for further information regarding the reductions that were made since the last council study session meeting. Nelson reported reductions were made to election judges and supply expenses for 2023.

Kirk inquired if there were any other areas within the budget staff could see there being additional savings. Nelson reported staff would be asking all directors to consider additional savings when finalizing their operational budgets for 2023. Funk commented staff was always committed to finding ways to reduce the levy.

Kirk thanked staff for starting the budget process early this year. He explained he appreciated how the proposed budget and tax levy reflected the council's strategic priorities. He stated he was pleased to see the preliminary levy came in below 7%. He discussed how difficult it was for the elderly to continue to age in place in this community, but indicated he was comfortable with the levy moving forward at this time.

Calvert agreed with Councilmember Kirk and stated any kind of levy increase was painful. However, she reminded residents that 5% of the proposed levy increase was due to fixed costs that were out of the council's control. She believed the council was being fiscally responsible and was sticking to their strategic priorities. She thanked staff for being frugal and finding greater efficiencies.

Schaeppi stated he appreciated all of staffs efforts on the budget and tax levy. In addition, he appreciated how early the budget was brought to the council for review. He thanked Councilmember Coakley for sharing his concern and for asking staff to do better. He appreciated the balance staff had struck on this budget and noted he would be supporting the proposed tax levy. He shared concerns of annual FTE personnel growth. He feared the city would not be able to sustain the proposed growth rate. He requested community feedback be pursued regarding the community center expansion. He explained he supported the council considering a buckthorn program in the future.

Wiersum thanked staff for all of their efforts on the budget and tax levy. He appreciated the fact that the council started this process early. He stated he did not take the proposed levy increase lightly. He commented on how the city worked to do more with less. He discussed the five FTE's that would be added in 2023 and how these new positions would enhance the quality of life in the city. He believed the proposed levy increase was reasonable and noted he would be supporting the recommendation from staff.

Kirk moved, Schack seconded a motion to adopt Resolution 2022-086 and Resolution 2022-087. All voted "yes." Motion carried.

D. Concept plan for Greystar Development at 10701 Bren Road E

City Planner Loren Gordon and Community Development Director Julie Wischnack gave the staff report.

Ned Dodington, Greystar Development representative, introduced himself to the council and provided background information on his proposed development. He explained he has been working in the twin cities metro area for the past 10 years. He stated he was looking forward to starting a project in Minnetonka.

Burt Coffin, Architect with ESG, provided the council with a presentation that further detailed the site plan for the Greystar Development. He explained the proposal included a six story, 275 unit project with 400 parking spaces at the corner of Bren Road and Red Circle Drive. The amenities proposed for the building were discussed, along with the proposed parking structure. He reported he received very good feedback from the planning commissioners and stated he has taken their comments into consideration in order to further improve the proposed plans.

Ryan Herm, Landscape Architect with Urban Ecosystems, discussed the pollinator rich landscaping that was proposed for the development. He commented on how he had created a pedestrian friendly space that would line the building with gardens that also addressed stormwater on the site. He then

described the respite that would be included within the courtyard area, which included a pool, firepits, and grilling area.

Kirk requested further information regarding the curve at the southeast corner of the building. Mr. Coffin stated the road curves and the building would match this curve.

Kirk questioned how the site would be accessed by visitors. Wischnack discussed how visitors would access the site from Red Circle Drive.

Kirk stated he appreciated how the developer had filled the site but indicated he would like to see more visuals for the proposed parking ramp. He explained he liked how the building was scalloped for pinwheeled and encouraged the developer to enhance the east elevation because this would face the LRT line.

Schaeppi asked why the developer did not propose a taller building. Mr. Dodington commented after budget and rent discussions six stories was deemed to be the proper height for this site.

Calvert requested further information regarding the proposed unit types. Mr. Coffin discussed the types of units that were proposed within the building.

Calvert questioned where the developer was considering solar panels. Mr. Dodington stated there were several different areas that were being considered for solar panels such as the building roof or parking area.

Calvert inquired if the units would have cable hookup. Mr. Dodington reported the units would not have cable hookups, but rather there would be a managed wi-fi network throughout the community.

Calvert stated the landscaping elements for this building were very attractive. She asked if this site would have stormwater reclamation for its landscaping. Mr. Dodington commented this site would retain its stormwater, but would not reclaim it for the landscaping.

Coakley questioned why the site did not have more of a mix of affordable housing units. Mr. Dodington stated this was based on initial conversations with staff. He understood 10% of the units had to be affordable at 60% AMI. He was offering to have 50% of the affordable units at 40% AMI and the other 50% of the affordable units at 80% AMI. He reported this could change as the project moves forward.

Coakley indicated she really appreciated the 40% AMI units and encouraged the developer to consider pursuing 60% AMI units as well. Wischnack reported staff

recommended the 80% AMI units be lower and shied them away from the 60% AMI because there was an abundance of 60% AMI units already within Opus.

Wiersum asked if all of the units within the building had balconies. Mr. Coffin explained 75% of the units had balconies.

Wiersum requested further comment on the courtyard. Mr. Dodington reported the courtyard provides residents with more access to light, along with a respite from the outside environment. He discussed the size of the courtyard and noted he was excited to have it at grade versus on top of a parking structure because this would allow him to plant larger caliper trees and landscaping.

Wiersum questioned how many people would live in this building. Mr. Dodington stated he would have to follow up with the council on this number.

Coakley inquired what the size of the affordable units would be. Mr. Dodington explained there would be a mix in sizes for the affordable units.

Wilburn asked if outdoor heaters would be considered for the courtyard area through the winter months. Mr. Dodington stated he would have to consider this.

Kirk commended the developer on the courtyard. He encouraged the developer to consider placing solar on the parking structure. He requested staff provide the council with further information on how traffic was being impacted within Opus by the proposed developments. Wischnack stated staff can provide the council with the traffic model predictions within the AUAR.

Wiersum opened the meeting for public comments.

Joann McKeen, resident of Manchester Village, asked how the landscaping would be maintained. Mr. Herm discussed the plantings that had been selected for the site, noting it would be beautiful throughout the seasons and there would be little maintenance required over time.

Wiersum closed the meeting for public comments.

Schack stated she supported the proposed development in Opus. She indicated she had some concerns with the light rail implications and when it would come, but believed the city still had to move forward with the understanding the light rail would be finished at some point in the next decade. She explained she supported the proposed building design, the landscaping and the proposed courtyard. She explained she appreciated the 40% AMI affordable housing units as well as the 80% AMI units.

Calvert commented she was concerned about the parking garage elevation and encouraged the developer to consider solar panels on top of the parking garage. She stated she appreciated the amenities that would be provided within the apartment building. She noted she was concerned about when and if the light rail would be completed. She encouraged the developer to reconsider the need for a pool considering this area would be mostly shaded. She suggested the architectural theme on the interior of the courtyard be further considered. She stated she was very supportive of the 40% AMI units that would be provided by the developer.

Coakley indicated she liked the design of the building and appreciated the fact that there would be 40% AMI units. She suggested a three bedroom unit be affordable. She questioned what amenities this building would have for small children.

Schaepfi commented on how all of the new housing within Opus was benefiting the community. He thanked the developer for believing and wanting to invest in Minnetonka. He stated he was happy the council was reviewing this project but noted he trusted staff and the planning commission to work through the review of projects. He supported the city considering ways to streamline the review process for large development projects.

Kirk appreciated the fact the council had the opportunity to review these concept plans because every site was so unique. He stated he appreciated the fact the site would have both 40% AMI and 80% AMI affordable units. He indicated his biggest concern with the site was the parking garage elevation.

Wiersum commented his role was not to tell developers what their buildings should look like. Rather he considered if Minnetonka would be a better place with a new development. He discussed the limitations of the region based on the need for more housing. He indicated he was concerned with the pacing for the Opus development. He stated he appreciated the parking ramp and encouraged the developer to be creative with its design. He believed the landscaping was very attractive and encouraged the developer to make it as attractive as possible given its size and height.

15. Appointments and Reappointments: None.

16. Adjournment

Wilburn moved, Calvert seconded a motion to adjourn the meeting at 10:25 p.m. All voted "yes." Motion carried.

Respectfully submitted,

A handwritten signature in black ink that reads "Becky Koosman". The signature is written in a cursive, flowing style.

Becky Koosman
City Clerk