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***Memorandum***

**To:** City Council

**From:** Julie Wischnack, AICP, Community Development Director

**Date:** August 14, 2017

**Subject:** Change Memo for August 14, 2017

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**12A Items concerning Shady Oak Road Redevelopment**

Typically, an introduction of ordinance report does not include neighborhood feedback/comments in the report since there is no action at the meeting. However, several comments have been received that are listed in the attached addendum.

**July 28, 2017**

**From:** andy braun

**Sent:** Friday, July 28, 2017 12:01 PM

**To:** Julie Wischnack <[jwischnack@eminnetonka.com](mailto:jwischnack@eminnetonka.com)>;

**Subject:** Re: 4312 Shady Oak Road - Development

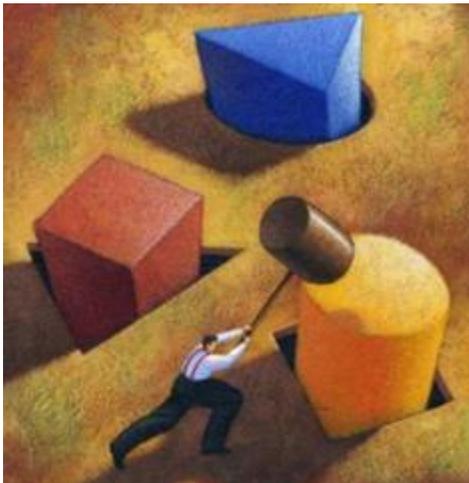
Hi Julie, I see Ron Clark continues to try to finesse their way into approval.

Unfortunately I expect the council will approve the concept in regards to size/scope/fit as Ron Clark has played the chess game well.

I want to remind you that Ron Clark (and if approved by the council, then the council too) are blatantly ignoring the overwhelming position of the community. This alone should be grounds enough to deny the project.

If approved, the council will have gone rogue, and operating with total and complete disregard for the constituents of which it represents. and this sort of practice would be considered entirely unacceptable.

Square peg, round hole, its that simple



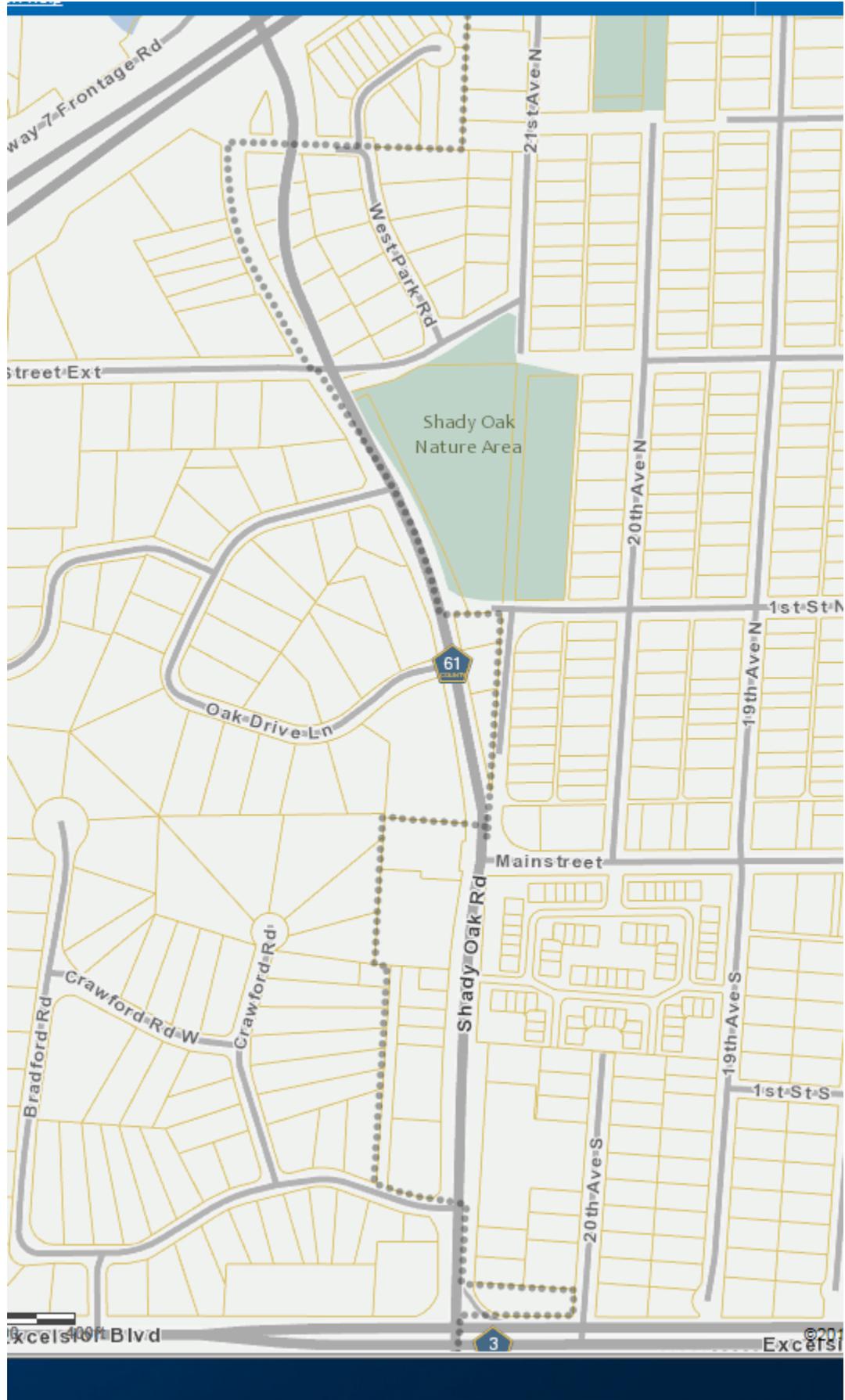
I think a few of our focuses could be:

1. Currently zoned B2 Limited business district.
  - a. Apply to rezone to PUD High Density
    - i. This application has been submitted
2. Current Comp Plan guides the property for commercial use.
  - a. Apply to Ammend the comp plan.
    - i. This application has been submitted.

3. Page 2 of the Project narrative states “represents significant first step in the redevelopment of the Shady Oak Road corridor between Highway 7 and Excelsior Boulevard.”
  - a. The first significant step was rebuilding the road, which has had ‘mixed’ results of positive and negative improvements. These details could be further defined.
  - b. I think our neighborhood as a whole (both Hopkins and Minnetonka) doesn’t want to see ‘high impact’ development. As we prefer to keep the corridor ‘low impact/low scale’
    1. I know the city of Hopkins plans to keep it ‘low impact,’ they’re very happy where its at and their Comp Plan actively and purposefully guides for this, as they instead guide to focus new developments near downtown and the light rail station.
  - c. The only commercial property within Minnetonka along the corridor is the very SW most portion (the Freedom station and Dominos) everything else is low density residential.

i. For these reasons, I don’t see what more ‘redevelopment’ they could be referring to...?

1. Their comp plan clearly does not guide for new development, hence the ammendment...



d.

4. They said they “needed” 56 units (from the previous concept) to make it “viable.” Now that its 49 units how can it still be viable?
  - a. Perhaps a more modest design? perhaps its all part of their chess game strategy?

New 2017 Qualifying Incomes: at or below \$37,980 (family of 1) at or below \$43,440 (family of 2) at or below \$48,840 (family of 3) at or below \$54,240 (family of 4) at or below \$58,620 (family of 5) at or below \$62,940 (family of 6) Projected rents — Including utilities: 1 bedroom = \$848/month 2 bedroom = \$1,017/month 3 bedroom = \$1,175/month

5. “These changes have reduced the building height to two stories as viewed from Shady Oak Road from the north, Main Street from the south and from the existing neighbors to the west.”
  - a. I don’t understand this, if its 3 stories, its 3 stories. Especially in the face of the Hopkins residence across the street, and the neighborhood to the west.
6. Mandates for publicly funded projects to meet LEED or other certifications for sustainability.
  - a. Green materials, Solar/Geothermal, green roof, storm water abatement, green waste management.
7. I’d argue that ‘single band allocation is institutionalized segregation’ and is therefore unconstitutional and un-American.
  - a. There should be mandates or incentives for ‘mixed affordability allocations/bands along with market rate’ tenants. I expect this is a more inclusive, integrated and transparent strategy for effective housing development.
8. All of the arguments made for the ‘merit/value’ of its location in the area, all reference resources provided by Hopkins, and no resources provided by Minnetonka. Where’s the burden/commitment from Minnetonka to provide resources/amenities/infrastructure for this development?
9. This only creates 49 units of the 144 units needed in the 51-80% AMI allocation. I’d argue the focus should be where the demand is greatest, in the lower AMI allocations. Why doesn’t this concept include those other allocations?

Sewered Community	(A) Overall Allocation	Shares of existing affordable housing in each band <sup>1</sup>			Shares of allocation in each band <sup>2</sup>			Allocation	
		(B) At or below 30% of AMI (Avg = 9.8%)	(C) 31% to 50% of AMI (Avg = 27.4%)	(D) 51% to 80% of AMI (Avg = 62.8%)	(E) At or below 30% of AMI (Region = 49.9%)	(F) 31% to 50% of AMI (Region = 24.9%)	(G) 51% to 80% of AMI (Region = 25.2%)	(H) At or below 30% of AMI (A x E)	(I) 31% to 50% of AMI (A x F)
<b>Hennepin County</b>									
Bloomington	586	6.9%	22.2%	70.9%	52.8%	29.3%	17.9%	310	176
Brooklyn Center	238	5.0%	75.3%	19.7%	43.1%	0.0%	56.9%	103	0
Brooklyn Park	583	7.6%	38.5%	53.8%	51.4%	13.1%	35.4%	300	77
Champlin	201	3.1%	18.6%	78.3%	57.1%	32.8%	10.1%	115	65
Corcoran	194	19.6%	7.0%	73.5%	40.3%	44.5%	15.2%	78	87
Crystal	25	2.8%	50.3%	46.9%	56.0%	4.0%	40.0%	14	10
Dayton	333	25.8%	20.2%	54.0%	33.6%	30.9%	35.4%	112	103
Deephaven	10	0.6%	2.5%	96.8%	54.5%	45.5%	0.0%	5	4
Eden Prairie	1,408	2.8%	24.1%	73.2%	57.0%	27.4%	15.6%	802	391
Edina	878	17.7%	24.7%	57.6%	41.6%	26.6%	31.7%	365	284
Excelsior	36	14.8%	46.0%	39.2%	43.2%	5.4%	51.4%	16	19
Golden Valley	111	11.9%	21.1%	67.1%	47.7%	30.6%	21.6%	53	36
Greenfield	31	0.0%	41.2%	58.8%	61.3%	9.7%	29.0%	19	0
Greenwood	0	0.0%	2.0%	98.0%	0.0%	0.0%	0.0%	0	0
Hopkins	158	13.9%	25.2%	61.0%	45.6%	25.9%	28.5%	72	44
Independence	72	8.4%	12.9%	78.7%	52.1%	38.0%	9.9%	38	28
Long Lake	28	6.5%	23.1%	70.4%	53.6%	28.6%	17.9%	15	10
Loretto	3	9.6%	36.8%	53.6%	66.7%	0.0%	33.3%	2	0
Maple Grove	1,188	1.2%	25.5%	73.3%	58.5%	26.1%	15.4%	694	307
Maple Plain	28	6.2%	36.8%	56.9%	53.6%	14.3%	32.1%	15	9
Medicine Lake	0	0.0%	26.9%	73.1%	0.0%	0.0%	0.0%	0	0
Medina	253	1.0%	8.9%	90.2%	58.3%	41.7%	0.0%	147	106
Minneapolis	2,499	14.7%	27.5%	47.8%	44.2%	14.1%	41.5%	1,551	350
Minnetonka	1,064	12.3%	12.5%	75.2%	47.7%	38.8%	13.5%	508	406
Minnetonka Beach	4	0.0%	0.0%	25.0%	0.0%	40.0%	0.0%	0	0
Minnetrista	285	0.9%	27.4%	71.7%	58.8%	23.9%	17.3%	168	49
Mound	69	9.5%	41.4%	49.1%	49.3%	11.3%	39.4%	34	27
New Hope	84	7.2%	25.7%	67.0%	52.4%	25.0%	22.6%	44	20
Orono	158	15.2%	14.7%	70.1%	44.9%	36.5%	18.6%	71	58
Osseo	26	6.0%	56.1%	37.9%	50.0%	0.0%	50.0%	13	0

statistical area

Household Size:	Extremely Low Income (at or below 30% AMI)	Very Low Income (at or below 50% AMI)	Low Income (at or below 80% AMI)
One-person	\$18,200	\$30,350	\$46,100
Two-person	\$20,800	\$34,650	\$52,650
Three-person	\$23,400	\$39,000	\$59,250
Four-person	\$26,000	\$43,300	\$65,800
Five-person	\$28,410	\$46,800	\$71,100
Six-person	\$32,570	\$50,250	\$76,350
Seven-person	\$36,730	\$53,700	\$81,600
Eight-person	\$40,890	\$57,200	\$86,900

Source: U.S. Department of Housing and Urban Development, FY 2015 Income Limits<sup>17</sup>

Even with the existing supply of affordable housing, more than 282,000 low- and moderate-income households in the region are paying more than 30% of their household income on housing costs, and nearly 144,000 of those are paying more than half their income on housing.

This is much better, and not what the project represents.



With kind regard.

Andy Braun

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**From:** Julie Wischnack  
**Sent:** Friday, July 28, 2017 12:26 PM  
**To:** 'andy braun'  
**Subject:** RE: 4312 Shady Oak Road - Development

Thank you for your email Andy. I will share your thoughts with the commissions and council reviewing the proposal over the next few months.

Julie

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**From:** andy braun  
**Sent:** Friday, July 28, 2017 4:26 PM  
**To:** Julie Wischnack <[jwischnack@eminnetonka.com](mailto:jwischnack@eminnetonka.com)>;  
**Subject:** Re: RE: 4312 Shady Oak Road - Development

Thanks Julie, much appreciated.

The intentions of affordable housing are neutral and non segregative. The disparate impact however of this particular implementation will be negative in that it isolates and then illuminates the tenants socioeconomic status. Ron Clark is literally proposing to segregate a group of people based solely on socioeconomic status. I personally can't support that, and I don't think the council should either. I'm sure everyone is in favor of supporting everyone, especially those in need. But I don't think anybody wants to draw attention to themselves (or others) because they are in need. This is why a development that is entirely comprised of affordable housing is poor execution. Id' argue that it should be a mix of all AMI ranges as well as market rate. This will ensure that its integrated and transparent. Its what fair to the tenants, neighborhood and community as a whole.

I'm hearing comments like "oh yeah, who ever would have thought the city would want to put up Projects" and "of course they put up the Projects right on top of Hopkins" and "those poor people are going to stick out like a sore thumb, good thing they're on the very outskirts of Minnetonka, and not on the Wayzata side." implying it fits better on the Hopkins side.

I HATE hearing this rhetoric, its a terrible thing to have to face. But unfortunately I don't know if I can disagree with them, I mean this is their inner truth...Its not wrong...

I really think an 'integrated model' would alleviate/do away with this rhetoric, as opposed to the 'segregated' model presented by Ron Clark.

I'd also like express that if this was a private sale that I could understand a lesser regard for the input/virtue/position of the community, however because this is city owned property, that there should be especially careful attention payed to the input/virtue/position of the community. We know you guys and Ron Clark are hearing us and we appreciate that, but we're seeing only small incremental down-scaling of the

project. And we get that the city wants to make its money back, and that Ron Clark is a business. But there's just still too much of a disconnect between the proposal and community. There's simply not enough common ground nor enough of a compromise.

I mean, its our land, why can't we do what we want with it?

I'd say lets split the difference.

Two stories, bottom is light commercial, top is residential. We split the costs of the development right down the middle, the cities share is to be paid back interest free. Includes a modest public pavilion.

thanks for your attention.

Andy Braun

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**August 1, 2017**

**From:** andy braun

**Sent:** Tuesday, August 01, 2017 3:48 PM

**To:** Julie Wischnack <[jwischnack@eminnetonka.com](mailto:jwischnack@eminnetonka.com)>;

**Subject:** Re: RE: 4312 Shady Oak Road - Development

Hi Julie, If we're being forced to move ahead with this concept, I think need to pay Ron Clark for their design, and put it out to bid. We need to see multiple bids especially since the property, improvements and development subsidy is heavily supported by public tax dollars. Special consideration and favor should go towards minority owned and non-profit developers.

thanks.

Andy Braun

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On Tuesday, August 1, 2017, 4:00:02 PM CDT, Julie Wischnack <[jwischnack@eminnetonka.com](mailto:jwischnack@eminnetonka.com)> wrote:

I will share your thoughts with the city council.

Julie

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**From:** andy braun

**Sent:** Tuesday, August 01, 2017 4:13 PM

**To:** Julie Wischnack <[jwischnack@eminnetonka.com](mailto:jwischnack@eminnetonka.com)>;

**Subject:** Re: RE: RE: 4312 Shady Oak Road - Development

Thats great and much appreciated.

Did you ever hear why Ron Clark is not designing/promoting it as a mix of Market Rate nor above 60 AMI? Is the design or amenities simply not appropriate/up to par for market rate or above 60 AMI tenants?

Do you, the council and the developer agree that a mix of Market Rate and all AMI ranges would promote transparent integration, as opposed apparent segregation? Shouldn't we all be promoting this especially because of the public subsidy?

thanks again.

Andy Braun

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August 2, 2017

**From:** Elizabeth A

**Sent:** Wednesday, August 2, 2017 9:45 AM

**To:** Julie Wischnack <[jwischnack@eminnetonka.com](mailto:jwischnack@eminnetonka.com)>; Loren Gordon <[lgordon@eminnetonka.com](mailto:lgordon@eminnetonka.com)>; Alisha Gray <[agray@eminnetonka.com](mailto:agray@eminnetonka.com)>; Bob Ellingson <[bellingson@eminnetonka.com](mailto:bellingson@eminnetonka.com)>

**Subject:** traffic safety issue on bradford

Good Morning,

I hate to be having to complain to you guys-I know you're working hard to meet all kinds of demands and I'm sure it can be really hard. Ahead of these continued meetings with Ron Clark (which your residents overwhelmingly are against progressing with and hiring them), we still haven't seen any solutions to the traffic issue.

Getting out on to Shady Oak Road from Bradford (or Excelsior from the other exit) is dangerous. It forces our neighborhood to be extremely aggressive when trying to get out of the neighborhood. The street was not designed well enough to add 50 apartments to with out exacerbating an already frustratingly dangerous driving situation.

So that's our everyday. What about emergencies? How are they supposed to be able to get in and out when you and Ron Clark have double or tripled the traffic?

Exiting/entering on to Excelsior is even worse. It's down right terrifying when there's ice on the road.

I am really tired of going to these meetings, we don't want high density and we don't want 3 levels. I will keep calling in, emailing in and showing up to represent mine and my neighbor's concerns as long as I own my home.

Thank you,  
Elizabeth Miller

As an aside, how is it fair to give most of the other high density residential sites in Minnetonka acres and acres of swamp and open land surrounding them but when building 'affordable/low housing' (whatever the kids call it these days) you literally build it on an acre with no buffer for the private residences surrounding it and no buffer to the busy street and the next city?

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**August 3, 2017**

**From:** andy braun

**Sent:** Thursday, August 03, 2017 5:04 PM

**To:** Brian Kirk <[bkirk@eminnetonka.com](mailto:bkirk@eminnetonka.com)>; John Powers <[jpowers@eminnetonka.com](mailto:jpowers@eminnetonka.com)>; Deborah Calvert <[dcalvert@eminnetonka.com](mailto:dcalvert@eminnetonka.com)>; David Knight <[dknight@eminnetonka.com](mailto:dknight@eminnetonka.com)>; Sean O'Connell <[soconnell@eminnetonka.com](mailto:soconnell@eminnetonka.com)>; Rebecca Schack <[rschack@eminnetonka.com](mailto:rschack@eminnetonka.com)>; Joshua Sewall <[jsewall@eminnetonka.com](mailto:jsewall@eminnetonka.com)>; Julie Wischnack <[jwischnack@eminnetonka.com](mailto:jwischnack@eminnetonka.com)>

**Subject:** 4312 Shady Oak Road - Redevelopment - RC Application.

Hi Brian, it was nice speaking with you last night at the open house.

I'm curious if anyone has assembled a pros/cons, cost/benefit, benefits/detriments analysis that we can use to more tangibly weigh the value of this application.

If not, I have, please see below. I'd encourage you to refine and/or elaborate as you see fit.

Benefits/Detriments.

City:

Benefit:

- 1) Gets to fulfill 49 units of the 144 units needed in the 51-80% AMI category as defined by the Met Council
- 2) Slight uptick in tax revenue.
- 3) Gets out of landlord business.
- 4) Cleans up brownfield contamination.
- 5) Gets to recoup a 750k of its 900k investment from purchase of the land.
- 6) Majority of amenities are provided by city of Hopkins, alleviating Minnetonka's responsibility for providing these amenities.
- 7) Keep the affordable housing tenants on the very outmost edge of the city's border, and away from the core of Minnetonka's more affluent neighborhoods.

Detriment:

- 1) Promotes amending the Comp Plan and Zoning regulations.
- 2) Promotes the needs of developer over the affordable tenants, local community and neighborhood.
- 3) Promotes segregation and isolation.
- 4) Promotes housing development in favor of, and while simultaneously driving out small business development.

- 5) Public tax dollars used to subsidize and pad the profit margins of private developers, in favor of alternatively supporting minority owned or non-profit developers.
- 6) Does not promote sustainability nor green building practices such as LEED certification, renewable energy, sustainable materials, comprehensive waste management, composting and zero landfill impact programs.
- 7) Provides only 49 affordable units of the overall 1,064 allocation set by the Met Council.

Developer:

Benefit:

- 1) Gets to develop 'shortcut' housing that does not comply with Minnetonkas common apartment conventions such as ample buffering, green space, road, park and emergency vehicle access.
- 2) Make their profit, while being unable or unwilling to develop truly affordable housing, relying on the taxpayer to provide a subsidy to make up the difference.
- 3) Gets to claim and promote their business as providing virtuous, positive, well integrated affordable housing development.
- 4) Does not have to compensate for the neighborhoods loss of property value.
- 5) Does not have to compensate for the neighborhoods loss of privacy.
- 6) Does not have to compensate for the neighborhoods increased road congestion and safety risk.

Detriment:

- 1) Identified as putting profits before affordability and integration.
- 2) Identified as not applying Minnetonkas' common apartment conventions such as ample buffering, green space, road, park and emergency vehicle access.
- 3) Identified to not support sustainable nor green building practices.
- 4) Identified as providing false or misleading narratives about each subsequent concept proposals 'minimal viability'.
- 5) At significant risk of hindsight concluding the project to be unsuccessful or otherwise missed opportunities to maximize potential.

Affordable Tenants (at 60 AMI or less):

Benefit:

- 1) Gain access to housing.

Detriment:

- 1) Provides only 49 units of the 1,064 allocation set by the Met Council
- 2) Minimal amenities, not consistent with what a market rate type design practices nor Minnetonkas' common convention.
- 3) Systemic segregation and isolation based on socioeconomic status.
- 4) Knowing that their housing is causing a negative impact, and is unaccepted by the neighborhood and local community.

- 5) Pedestrians forced into immediate proximity to high traffic and unsafe areas.

#### Neighborhood and local community

##### Benefit:

- 1) Potential local economic uptick.

##### Detriment:

- 1) Invasive, aggressive, imposing presence that does not fit with the neighborhood.
- 2) High density not appropriate for the neighborhood.
- 3) Undermines the overall well-being of the neighborhood.
- 4) Loss in property value in the surrounding neighborhood.
- 5) Infringement on privacy, security and increased vulnerability.
- 6) Does not comply with the comp plan defined by Minnetonka nor Hopkins for this section of Shady Oak Road.
- 7) Does not comply with zoning regulations.
- 8) Promotes increased development of the corridor which it was not designed to accommodate, is not appropriate for nor welcomed into the neighborhood.
- 9) Promotes segregation and isolation based on socioeconomic status.
- 10) Does not support sustainable nor green building practices.
- 11) Promotes limited access to outdoor spaces and amenities.
- 12) Promotes unsafe outdoor environments, roadways and common spaces.
- 13) Promotes using roads designed for low traffic residential neighborhoods to be used for high density housing.
- 14) Promotes the disregard for community engagement and interest
- 15) Puts the need of the developer and city before the needs of the neighborhood and affordable tenants.
- 16) Does not promote local business development especially minority owned and non-profit.

Thanks.

Andy Braun

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**August 10, 2017**

**From:** Elizabeth A

**Sent:** Thursday, August 10, 2017 4:38 PM

**To:** Terry Schneider <[tschneider@eminnetonka.com](mailto:tschneider@eminnetonka.com)>; Bob Ellingson <[bellingson@eminnetonka.com](mailto:bellingson@eminnetonka.com)>; Brad Wiersum <[bwiersum@eminnetonka.com](mailto:bwiersum@eminnetonka.com)>; Tony Wagner <[twagner@eminnetonka.com](mailto:twagner@eminnetonka.com)>; Patty Acomb <[pacomb@eminnetonka.com](mailto:pacomb@eminnetonka.com)>; Dick Allendorf <[dallendorf@eminnetonka.com](mailto:dallendorf@eminnetonka.com)>; Tim Bergstedt <[tbergstedt@eminnetonka.com](mailto:tbergstedt@eminnetonka.com)>; Julie Wischnack <[jwischnack@eminnetonka.com](mailto:jwischnack@eminnetonka.com)>

**Subject:** Fwd: Shady Oak Road Redevelopment Project Update

City Council Members,

The high density apartment building is too close to the busy road and too close to residents' back yards.  
Other high density in Minnetonka is surrounded by nice city owned land that is the way all apartments should be built here.  
Please remember that your constituents have been asking that we be heard all along and the fact is this is still a high density, multi-story.  
Ron Clark is not the builder we want. Ron Clark said they couldn't make it any smaller and then they did 3 times.  
Tell them to go back to the drawing board please because this 1 acre lot cannot reasonably support that many more humans.  
Thank you for hearing us, your neighbors as we weigh in to find a future that is fair.

Respectfully,  
Elizabeth Miller

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