

1 HRA members present: T. Shaver, R. Wothe, B. Petit, B. Ambrose and S. Fox
2 HRA members absent and excused: none
3 City Staff present: Becky Malone, Jeff Thomson, Jeff Dahl,
4 Others present: Stacie Kvilvang from the City's consulting firm Ehlers, and City
5 Attorney David Schelzel.

6
7 Chairman Shaver called the meeting of the HRA to order at 7:34 a.m.
8
9

10 APPROVAL OF AGENDA

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12 Wothe motioned to approve the August 3, 2017 meeting agenda as presented,
13 seconded by Ambrose. The motion passed 5/0 by voice vote.
14

15
16 APPROVAL OF MINUTES OF JUNE 22, 2017

17
18 Wothe stated on page 2 line 14, "2015bthe" should be changed to "2015 the".
19

20 Ambrose motioned to approve the minutes of June 22, 2017 as amended, seconded by
21 Petit. The motion passed 5/0 by voice vote.
22

23
24 OLD BUSINESS

25
26 None
27

28
29 NEW BUSINESS

30
31 a. Consider Approval of the Modification to TIF District No.3
32

33 Dahl stated the modification to the Tax Increment Financing (TIF) Plan will allow the
34 City to utilize previously captured increment and future increment generated within TIF
35 District No. 3-Widsten to help pay off expenses and debt related to the Mill Street
36 Parking Ramp. The district, which will be decertified at the end of 2022, generates
37 approximately \$400,000 per year.
38

39 Kvilvang stated there are 7 elements within the TIF Plan that have been updated. The
40 new legislation that is incorporated includes: the 5-year rule has been met if the tax
41 increment is spend on projects originally contemplated in the plan and the district was
42 not required to be decertified at the end of 2015, even though the original bonds were
43 paid off in that year. Other updates include: update the budget to reflect actual TIF
44 received to date and proposed through the remainder of the District, update the budget
45 to conform with new Office of the State Auditor (OSA) reporting requirements, update
46 the HRA and City's bonding capacity under TIF plan to allow for use of TIF on the
47 existing bonds issued for the ramp, update the actual term of the District to 25 years
48 after the receipt of the first increment, which would go through December 31, 2022, and

1 update the plan with current statutory requirements that are in place. There will be a
2 public hearing held by the City Council for this Plan.

3
4 Shaver asked what the City's bonding authority would be changed to.

5
6 Kvilvang stated the City's bonding authority would change from \$3 million to up to \$14
7 million, which would cover the City's previous bonds and the new bonds that were
8 issued.

9
10 Ambrose motioned to approve Resolution 02-2017HRA Adopting the Modification to the
11 Tax Increment Financing Plan for Tax Increment Financing District No. 3 Within the
12 Central Area Redevelopment District, seconded by Wothe. The motion passed 5/0 by
13 voice vote.

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15 b. Consider Termination of Covenant at 150 Lake St W

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17 Shaver recused himself from discussions pertaining to 150 Lake St W.

18
19 Dahl stated TCF National Bank currently owns the property located at 150 Lake Street
20 W., and Inland Development Partners have a purchase agreement to purchase the
21 property. As part of the development agreement between the original developer and
22 the HRA, there is a covenant that was filed against the property that restricts the use of
23 the lower level basement. It is City staff's understanding that the covenant was put in
24 place in order to ensure that the site would provide adequate parking to serve the uses
25 within the building. Based on the size of the building and number of parking stalls on
26 the site, there would not be enough off-street parking on the site to meet the City's
27 minimum parking requirements if the basement was used for office space. Inland
28 Development Partners has stated that they would like to continue to use the basement
29 for mechanical and storage, with the potential of adding common amenities for the
30 tenants. Inland is not planning on converting the space to any use that would increase
31 parking demand and require additional parking. After reviewing the covenant, staff has
32 determined that the covenant is not needed.

33
34 Schelzel stated there would be a signature line for the property owner added to page
35 final Termination document.

36
37 Ambrose motioned to approve the Termination of Covenant at 150 Lake St W pertaining
38 the restrictions of the use of the basement, seconded by Petit. The motion passed 4/0/1
39 (Shaver recused) by voice vote.

40
41 c. Update on Other Redevelopment Projects

42
43 Dahl stated the Mill Street Parking Ramp is running and fully utilized. The City will be
44 celebrating the opening on August 10. The project was about \$250,000 under budget
45 and the overall cost was about \$9.8 million.

46
47 Shaver asked if the City was tracking the electric charging station usage to determine
48 how well it was being utilized.

1
2 Dahl stated these were not currently being utilized because they have not been
3 activated yet. Once activated the charging stations will be programmed and the City will
4 determine the usage and potential charges for use.

5
6 Shaver asked what would happen to the Carish Ramp.

7
8 Dahl stated at this time the ramp is open to the public. The ramp is no longer restricted
9 by the redevelopment agreement and the owners could decide to charge for parking or
10 block off access to the public. The City is continuing discussions with the owners to
11 extend the development agreement that would keep the ramp open to the public.

12
13 Dahl stated staff has continued to meet with developers Mr. Zitzloff, Mr. Hoyt, Mr.
14 Hughes, and Mr. Carlson in regard to a potential Lake Street TIF District between
15 Ferndale and Barry and discussion of development options. Mr. Carlson has submitted
16 a development application and has not requested any TIF assistance. The other
17 developers are in the process of putting together conceptual plans and they have
18 indicated a desire to use tax increment financing to pay for eligible costs including
19 eliminating blight and public parking. The City's goal is to eliminate blight and make it
20 more economical for these developers to redevelop their properties as well as add
21 public parking in this area. The first steps would include making sure the area would
22 qualify as a TIF District and the City is currently setting up blight inspections. Once this
23 is done there would be a joint meeting with the HRA and the City Council.

24
25 Shaver asked if the parking easement with Wayzata Blu and Boatworks had been
26 addressed as part of the Wayzata Blu development proposal.

27
28 Dahl stated they City is still reviewing the plans but they have reserved the air rights in
29 order to potentially build a ramp above the easement.

30
31 Mr. Dahl went on to state that the City is working with Michael McLaughlin on the
32 Mobility District/Special Service District. He would be discussing additional services
33 residents would like to see included in the district. The intent of this district would be to
34 offset the City's costs related to the maintenance and operational costs of the Mill Street
35 Parking Ramp.

36
37 Petit stated the rocks do not match the organic nature of the ramp.

38
39 Dahl stated the City's concerns are with safety and there are two areas on the ramp that
40 people could potential get out of their cars and step onto these rocks. The City is
41 working with the architect to find a solution to this. He stated the City Council approved
42 a kiosk for the corner of Broadway and one in the middle that would contain an
43 illuminated directory and a monument sign on the corner of Superior and Mill.

44
45 Fox stated one of the goals of the HRA is to create an environment that would allow
46 local businesses to compete with area businesses. He stated the City might be missing
47 an opportunity now that the Landing is opening to impose lodging tax on that facility.

1 The City can create a 3% lodging tax for rooms rented at that facility. This would bring
2 approximately \$60,000-\$65,000 to the City to use for promotional purposes.

3
4 Dahl stated exploring a lodging tax is in the City's strategic plan for 2018-2019. There
5 are additional considerations prior to moving forward with this type of tax.

6
7 Shaver stated the lodging tax is in the City's Strategic Plan and would be looked into.
8 He requested staff to do research to determine the true net economic benefit to the City
9 including administration costs and provide an update at the next scheduled meeting.

10
11 Thomson stated Ambrose and Shaver were appointed to the Comprehensive Plan
12 Update Committee. The Community Survey would be activated today to launch the
13 community engagement piece of the Comp Plan.

14
15
16 NEXT MEETING DATE: 7:30 AM on OCTOBER 26, 2017

17
18
19 ADJOURNMENT

20
21 There being no further business; Ambrose motioned to adjourn at 8:20 a.m., seconded
22 by Wothe. The motion passed 5/0 by voice vote.

23
24 Respectfully submitted,

25 *Becky Malone 12-05-2017*

26
27 Becky Malone
28 City Clerk
29 City of Wayzata

30
31 Drafted by Tina Borg, *TimeSaver Off Site Secretarial, Inc.*