



MINUTES
Economic Development Authority
August 20, 2024

CALL TO ORDER

The Economic Development Authority meeting was called to order at 5:02 pm.

Present: Chair: Jahn Dyvik; Vice Chair: Mike Feldmann; Board: Tim Hultmann and Deirdre Kvale

Staff Present: City Administrator/Executive Director: Scott Weske; and City Clerk: Jeanette Moeller

Absent: Board: Gina Joyce and Charlie Miner (both with prior notice), and Sahand Elmtalab

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

A motion was made by Feldmann, seconded by Kvale, to approve the agenda. Ayes: all.

CONSENT AGENDA

A. Approve Minutes of June 18, 2024 Economic Development Authority Meeting

A motion was made by Kvale, seconded by Feldmann, to approve the Consent Agenda as presented. Ayes: all.

OPEN CORRESPONDENCE

No one was in attendance to address the EDA under Open Correspondence.

BUSINESS ITEMS

Review of 'Long Lake Café' (Name TBD) Concept Plan for 1905 Wayzata Boulevard W (Billy Rodgers and Sarah King)

City Clerk Moeller reported that the applicants were unable to attend tonight's meeting due to a prior commitment. On their behalf, she reviewed their proposed concept plan for a single story café that would offer coffee, light food options, as well as potentially beer and wine. Their concept's intent focuses on a project being a community hub and offering an enhancement to the downtown area that was cognizant of the walkability priority the EDA had previously expressed. She displayed some proposed design plans, layouts, their overall concept aesthetic, and stated that they were looking to create an attractive building that had parking in the rear and would include both indoor and outdoor seating. She noted that the applicants' proposed plan options really focus on the corner of Lake Street and Wayzata Boulevard W with outdoor patio space. She clarified that some of the renderings have it labeled as Daniels Street, but it was still Lake Street at this point. Their conceptual site layout comes

very close to meeting the new restaurant parking requirements, and includes the outdoor patio space that has been on the 'wish list' among some of the EDA members. Their initial proposal designs include a lot of glass, meaning that customers would likely have a nice view and may be able to catch glimpses of the lake during certain times of the year.

Boardmember Kvale noted that one of the concerns would be traffic coming in off of Wayzata Boulevard W.

Boardmember Feldmann noted that if you were coming from the west, it would kind of make sense to make that a one-way access.

Moeller stressed that this was a concept review and final plans would be subject to review by the County, as they would need to give permission for access points. The City Engineer would also take more of a deep dive into the details and give guidance on traffic configuration. She stated the question for the EDA regarding this proposal as well as the next proposal on the agenda was whether there was one or the other that they gravitated towards.

Chair Dyvik explained that he thought the process for this type of thing was that the EDA would choose one and go with that one until it got to the point where they did not go with it.

Moeller indicated that she would recommend that the EDA consider the proposals in the order that they were received, and if one speaks to them more than the other, the Board could provide that direction to staff. She read aloud a statement from the applicants expressing their appreciation for the EDA considering their proposal even though they could not be at the meeting. Their statement shared that their primary goal was to enhance Long Lake, which they felt having a coffee shop in the heart of the downtown area would do. They also stated that they were open to partnering with other concepts if that would allow them to achieve their primary goal.

Boardmember Kvale asked if the applicants had other restaurants or if this would be their first.

Moeller did not know the answer to that question, and added that she had only dealt with Billy Rodgers and was not familiar with Sarah King's background.

Boardmember Kvale mentioned that part of what she was looking at was related to the proposed use now, but she was also giving consideration to 'down the road' for factors like whether the building may be amenable to other uses and if it was attractive.

Moeller had asked the City Planner and the City Engineer to take a look at both of the proposals on the agenda. Their recommendation for this proposal would be to rezone the property to a PUD because it would allow a bit of flexibility for things like parking. The proposed use is a restaurant without a drive-thru so there would not be any CUP required, and outdoor seating would be permitted through the PUD. She reiterated that the thought behind rezoning the parcel to PUD is that it would allow some flexibility without the need for variances and CUPs.

Boardmember Kvale noted that Lake Street is very wide and asked if the City may be able to stripe it on one side to allow additional parking.

Boardmember Hultmann replied that he believes the answer to Boardmember Kvale's question was 'yes' and noted that for the last 20 years, the City could have made parking available on the east side of Lake Street.

Moeller added that they would have to get the City engineer involved to ensure that everything was measured correctly related to clearance and entrances; however, that parking would become public parking and could not be allocated to a specific business. She pointed out that it would not really be a concern for this application because the parking flexibility would be allowed via the PUD classification, and the applicants' proposal is very close to meeting the parking requirements in any of the site layout scenarios that they have offered.

Boardmember Kvale asked about the PUD waiving the requirement for trees.

Moeller clarified that it did not waive them, but would allow for some flexibility. She reiterated that a PUD would allow for some flexibility and negotiation. She gave a brief overview of the approvals that would be required if this proposal would move forward and outlined the comments from the City Engineer.

Chair Dyvik asked how many seats were being proposed.

Moeller stated that Version 1 has 83 seats with 28 parking spaces required and they show 24 spaces; Version 2 has 78 seats with 26 parking spaces required and they show 24 spaces in their plans; and Version 3 has 88 seats with 29 parking spaces required and they show 27 spaces.

Boardmember Kvale asked if it may be possible to switch the direction and have the entrance on Lake Street.

Boardmember Hultmann stated that the County had already stated, when they did the turnback, that there can only be a right-in only coming from the west to the east.

Executive Director Weske stated that he was hoping that the County will stick to that statement.

Review of Lakeside Design Concept Plan for 1905 Wayzata Boulevard W (Mike Giebenhain, Lakeside Family Dentistry)

Moeller stated that this proposal was received a week after the previously reviewed proposal. Mike Giebenhain submitted a concept for a two-story building that would have a dental clinic on the second level and the first level would be a coffee/café. She presented renderings of the proposed concept.

Chair Dyvik asked if there was a ramp that went to the second level that would give an additional eight parking spots.

Moeller confirmed that was correct.

Mike Giebenhain, applicant, stated that before the EDA gets too far into review of his concept, he had an updated version to share based on the feedback he had gotten from staff.

Moeller advised that the updated version of the plans had not been looked at or reviewed by the City.

Bob Shaffer, Foundation Architects, stated that they had just found out about the restaurant idea and the possibility of combining the two proposals.

Moeller explained that this was a bit of a 'curve ball' for the EDA. She stated that Mr. Rodgers, the earlier applicant, had indicated that they were interested in any path forward that would bring a community element to that corner. Because Mr. Giebenhain's proposal was looking to put a dentist office on the second floor and a coffee/café on the first floor, and the other applicants were also looking to have a coffee/café there, the thought was about whether there may be the opportunity to bring those two ideas together in some way.

Mr. Giebenhain shared that he had spoken with Mr. Rodgers about this possibility.

Moeller confirmed that it seemed like both parties were amenable to the conversation. She emphasized that the revised plans referenced by Mr. Shaffer were being seen by everyone for the first time, which is why she was referring to it as a "curve ball".

Mr. Shaffer presented the revised concept exhibits and explained that they had switched the plans to have the dental clinic on the first floor along Wayzata Boulevard W and the coffee/café on the upper level with an outdoor patio to offer a view of the lake down Lake Street. The building would stay fairly similar other than the functions being flip-flopped.

Moeller questioned how 'married' they were to the design of the brick building.

Mr. Giebenhain replied that they were pretty open on design. They had looked at The Red Rooster as an example and thought that this design was something that would fit nicely in the area.

Boardmember Hultmann stated that he felt they should stay with their brick design because the City had paid a fair amount of money on a design guidelines document to make the downtown area look like the original block. He commented that, as the old-timer on the EDA, he would be against the proposed design of the other proposal because he felt it was too modern.

Mr. Shaffer explained that the goal of their design was to create another landmark building and also create a focal point for the City. He added that their thought was that perhaps they could get a brick choice that looked a bit older so it would 'feel' like it had always been there.

Chair Dyvik questioned whether the revised version of the plans had taken out the lower level parking that was under the building.

Mr. Shaffer confirmed that they did remove that parking, but had made up those spaces elsewhere.

Moeller believed that the revised plans show 30 parking spaces.

Mr. Shaffer noted that he did not have a trash enclosure included in his plans yet because he was thinking they may be able to build it into the building.

Moeller emphasized that both proposals were just for the EDA to review the overall concept and whether they wanted to direct City staff to work on one, the other, or encourage the two applicants to talk to each other and see if they may be able to work together.

Mr. Shaffer distributed copies of the revised version of their concept plan.

Moeller reviewed the basic planning and engineering considerations that staff had put together on the original concept plan that was submitted. Once again, the City Planner recommended rezoning the parcel to PUD. Additionally, she pointed out that there are still deed restrictions that would apply to the property with regard to the proposal because the dentist office was specifically prohibited.

Chair Dyvik asked if Mr. Giebenhain was aware of that deed restriction.

Mr. Giebenhain confirmed that he was aware of it. He reminded the EDA that at one point he had the property under contract, and at that time and his understanding was that BP was working on correcting the deed.

Mr. Shaffer shared that he had worked with BP on other projects, had worked with service stations that were currently dental clinics, and had been able to do the things that the EPA recommended to establish a clean building environment. He recognized that they would have to add a few months into the schedule because the work with BP would take a long time.

Moeller reported that the original proposal would have required 18 spaces for the dental office component alone. Under the original plan, per the planning and engineering review, the applicant was going to have to show that the total proposed parking could adequately serve both uses, and she believed that would still be necessary with the revised proposal that shows 30 parking spaces.

Mr. Giebenhain noted that the dental office would not be open on Friday, Saturday, or Sunday.

Chair Dyvik stated that the EDA really could not apply that because while it would be a dentist office now, in 10 years, it may be something else.

Boardmember Feldmann asked about the restaurant seating and what would be required.

Moeller replied that for restaurant seating, the parking requirement is 1 space for every 3 seats. She noted that their proposal for the combined dental office and coffee/café at 30 parking spaces would be less than what would be required.

Boardmember Kvale stated that the land is flat and asked why the renderings showed the parking lot raised up.

Mr. Shaffer stated that the lot was not actually flat. He believed that there was an elevation difference of about seven to eight feet, and a retaining wall would be needed in order to create the two levels. He anticipated that they would probably have a retaining wall along one area and build up the parking a bit to gain the second floor. The entrance to the coffee/café would be towards to northwest, and he gave a brief description of where he felt the parking would be for the upper and lower levels.

The EDA discussed various possible parking scenarios with the existing elevation changes on the site, and activities that would be limited because of the deed restrictions.

Moeller reminded the EDA that what they were just look at the overall concepts for both proposals.

Chair Dyvik asked if staff had gotten any feedback from the Boardmembers who were not able to attend tonight's meeting.

Moeller suggested that the EDA move onto discussion of the two concept plan proposals.

EDA Discussion of Proposals Received, Provide Direction to Staff

Moeller clarified that the members who had submitted comments were not aware that there was a revision to one of the proposals or that there may be the opportunity to them to partner with one another. Boardmember Miner's emailed comments observed that he felt it was great that both proposals were local submissions; both seemed more closely aligned with the EDA's previous discussions; and design-wise the Long Lake Café stood out to him because he liked the use of architecture and the outdoor seating facing the lake. He liked the thinking of the second proposal with a clinic upstairs and a coffee shop below, but wrote of his concern about the complications related to the deed restrictions that specifically prohibit use of a dentist office; expressed a desire to find a new location for Mr. Giebenhain in the downtown area, but felt that this location may not be the right fit, especially because of the deed restrictions; and shared his hope that this parcel could be part of a larger development potentially involving the adjacent properties. She shared that Boardmember Joyce's comments were that she absolutely loved the Long Lake Café concept and felt it would add value to the community. Her written comments indicated she did not feel the dentist office concept was a good fit for the space and that she would prefer the quaint charm of the café by itself.

Chair Dyvik suggested that the rest of the EDA share their feedback on the concepts.

Boardmember Kvale stated that she had received some text communications from resident Bryan Miller who said that he would prefer the concept that has a pitched roof - he liked that concept because it gives more of a cottage feel. In looking at the building and the parking concepts and not necessarily the usage, she felt that both building concepts were charming and believed it would come down to what can actually be built, the deed restrictions, and what would make economic sense. She liked the idea of having one level for the grab and go in the café. She reflected that their design was very inviting from the street, though referenced the Caribou Coffee drive-thru and parking situation.

Moeller observed that Caribou's drive-thru line has been problematic at times, and noted that most of the complaints over the years from the building's tenants have been about that issue. The concept plan proposed for the Long Lake Café is designed to be more stop-sit-go, rather than Caribou's that is just stop and go.

Boardmember Kvale also agreed with the statement made earlier in the meeting that the dentist office concept design did fit with the rustic, old charm of the downtown area.

Moeller mentioned that the two things that should be noted were that they do not have a seating plan for the café could be under the revised proposal shown for the two-story concept because it was a last minute 'curve ball'; and also, a height exhibit hadn't been provided. She reminded the EDA that there is a maximum height of 35 feet above grade requirement.

Boardmember Hultmann stated that he believed that was incorrect and it was actually 45 feet on that side of Wayzata Boulevard W.

Boardmember Feldmann commented that the one thing that was jumping out to him was the parking need, which was not being met in any of the proposals. He noted that the one-story building was closer to meeting them and he also felt that there may be some practical solutions to that issue. He was in agreement that it was good that there were two local entities interested in the lot, but he would be worried about pushing the parking situation too far.

Boardmember Hultmann indicated that he was in favor of the second proposal and recalled that Mr. Shaffer seemed to think that it would be possible to get through the BP deed restrictions. He stated that if they can sit down with the first applicants, he felt that would make City Clerk Moeller happy because she had been working hard with them on their concept. He observed that he believed her preference may be the first concept design, but the second concept design matches the type of building that Barry Pettit had presented for the downtown area. He concluded that he would like to see Mr. Giebenhain get together with Mr. Rodgers and Ms. King to see if they can come together with a joint plan and then work with BP on the deed restrictions, because he thinks it could be great for both the restaurant and the dental office.

Moeller shared that she actually likes both concepts and could see a place for both in the City, but she felt one of the proposals may have recognized the proximity to the lake and included more glass in their design in order to take advantage of that nearby amenity. She stated that was just her personal preference regarding aesthetics and design, but noted that was not what tonight's discussion was about.

Boardmember Hultmann stated that from the ground level they would be looking at a liquor store and a beauty parlor. He explained that he understood what she was saying about the glass component, but felt that the second design proposal could incorporate bigger windows and still have the aesthetic he favored.

Moeller added that if the second proposal did place the coffee/café on the second floor, they would even have a better view of the area.

Boardmember Kvale observed that there may be able to be some extra rental space with the two-story concept as well.

Moeller cautioned that additional use would require more parking which would be difficult to accommodate on the site.

Chair Dyvik recalled that he'd pushed hard for the City to buy the property because it was being considered for purchase, at the time, by an electrician who planned to primarily park his trucks there. His thought was that if the City purchased it, they could decide what belonged there, which he felt was something that would be a gathering place that could bring pedestrians to it. He had always envisioned a café or restaurant use, but did not want something like a Scooters that was only a drive-thru as it would not promote the pedestrian use. When he saw the two proposals presented, he was in favor of the first proposal because it was a singular focus. When he saw the second proposal, he saw a dentist office where they included a café because they knew that the City wanted that element. He stated that, in his opinion, the dentist office would be the primary focus and the café would be secondary, as they probably wouldn't even need the café to succeed in order to be a profitable business. He reiterated that he is in favor of having a project with just one focus rather than splitting the focus. The 11th hour idea of the two applicants working together may be possible, but it raised questions for him about whether they would be co-owners or if one would one lease from the other. He explained that he would still be

wary if the dental office owned it and leased the space to the cafe because it may not be as permanent of a thing as it would be if a café business came in and actually owned the property.

Moeller admitted that she had communicated that perhaps the two applicants could help each other and that there may be a way where both parties who were invested in the community could work together to bring something special. She agreed that Chair Dyvik's point about the dentist office being the focus has some validity, but noted that there may be ways to emphasize both entities once they have more time to discuss design options further and have more discussion between the two parties. She gave the example of the revised second plan which has the second story café having more of a lake view instead of a ground view.

Chair Dyvik stated that for him, it would depend on what the actual arrangement was between the two parties. He recalled that when he'd first panicked about the possibility of an electrician buying the property, a dental office was not what he had envisioned for the site. If there could be some type of joint project that would emphasize a legitimate café component as well, it may work.

Moeller observed that the EDA has two standalone proposals and the EDA could continue to focus on one or the other, but she suggested that they may actually want to give the two applicants a little bit of time in order to see what they may be able to do together, if interested, because they had not had time to have those conversations. She recommended that the EDA plan to meet again in order to allow those conversations and reviews to happen, and to see how a project could represent a design that would meet both of their needs. The EDA could further review all proposals and decide if they liked Option 1, Option 2, or an Option 3 if developed. She noted that they may also be able to have the full EDA present then too, since there were three members missing tonight who had not been advised of the possibility of the parties working together.

Chair Dyvik was supportive of the suggestion that the EDA meet again in the near future. He noted that he would also like to see larger windows included in the design plans for the second proposal.

Boardmember Kvale stated that to her, the decision they have is between support for a one-story building or a two-story building.

Mr. Shaffer noted that their design is sort of a two-story building that is also a one-story building because of the elevation and grade. He gave examples of some different design choices that may be possible.

Moeller mentioned that she felt both applicants had demonstrated a sensitivity to the downtown area, but also utilized creativity in their approach, which she appreciated. She confirmed that she would find another meeting date that works for the EDA as well as the applicants.

OTHER BUSINESS

No other business was discussed.

ADJOURN

Hearing no objection, Chair Dyvik adjourned the meeting by general consent at 6:14 pm.

Respectfully submitted,
Scott Weske, Executive Director