



MINUTES
Economic Development Authority
October 15, 2024

CALL TO ORDER

The Economic Development Authority meeting was called to order at 5:00 pm.

Present: Chair: Jahn Dyvik; Vice Chair: Mike Feldmann; Board: Gina Joyce, Deirdre Kvale, Charlie Miner, and Sahand Elmtalab

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

Absent: Board: Tim Hultmann

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

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

CONSENT AGENDA

The Consent Agenda consisted of the following:

- A. Approve Minutes of August 20, 2024 Economic Development Authority Meeting

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

OPEN CORRESPONDENCE

Public Comments Submitted by Email - City Clerk Moeller had received a series of email open correspondence public comments in the last day. She read aloud statements from: Inger Cerny - outlining support for a café rather than a dental office; Jan Harris - who shared her support for a coffee shop, but not a coffee shop on top of a dental office; Brent Harris - who supported a coffee shop/café in the location near Primo, not a dental office; Amy Dyvik - in support of the café proposal being discussed; Cody Farley - in support of the coffee shop proposal; Claire Benway - in support of the coffee shop/café; and Micah Benway - in support of the coffee shop and not another professional office space.

BUSINESS ITEMS

As an introduction to the two proposals under continued review, Moeller recalled that both proposals received would entail a likely rezoning to the PUD classification. With regard to the Sundial Coffee + Provisions concept, the layout with the least amount of parking was just four spaces shy of meeting parking requirements, which planning consultant Ryback indicated could be easily resolved through a

PUD. Sundial had submitted other renditions of their proposal as well that were only two or three spaces off the requirement. The Lakeside Dental dentist office and café proposal did not have a seating plan for the café component, and that information would be needed to determine what parking would be needed to accommodate the two uses on the site. The use of the property for a dentist office is an issue that would take some time to resolve with relation to the deed restrictions currently prohibiting a dentist office use on the site. The applicants for the Sundial Coffee + Provisions concept had done a bit of work on branding since they last appeared before the EDA and she displayed some renderings to remind the EDA what would be discussed. She noted that the Sundial Café applicant plans to have a conversation with Mr. Rettinger about possibly leasing a portion of his property for additional parking, but stated that she wasn't sure that it would actually be necessary because of the minimal shortage in their proposal.

Responding to Board member questions regarding vehicle movements, Moeller recalled that there had been engineering comments submitted for both of the proposals that basically said they would need to work with the County on the traffic flow. She suggested that the applicants come and address the EDA.

Review of Sundial Coffee + Provisions Concept Plan for Single-Story Café at 1905 Wayzata Boulevard W (Billy Rodgers and Sarah King)

Billy Rodgers, 157 Inglewood Street, indicated that he and his wife have lived in Long Lake since 2018. He introduced his wife along with Sarah King, who would be his partner that would operate the coffee shop; and Abbie Seba, their designer/architect. He explained that his background was mostly in sports, hospitality, and entertainment. He stated that what had prompted him to move forward with a concept for establishing a nice local coffee shop had been the application that was submitted for a dog training facility in this location. He noted that the feedback he had received is that most people really like the idea and concept of having a coffee shop and café at the property.

Chair Dyvik suggested that Mr. Rodgers give a brief overview of what their proposed business model would be.

Mr. Rodgers noted that he felt Long Lake was on the cusp of being the next great Minneapolis suburb and that their idea could be a great catalyst for that. He essentially had drawn up what he wanted to see in his community, which was a community-based coffee shop. He indicated that he did not want to offer a full restaurant and planned to keep it super simple with great coffee, snacks, and things like breakfast sandwiches or breakfast tacos. Additionally, he would like to explore the possibility of being able to serve beer and wine because that would allow them to stay open longer. They could possibly also have some seasonal specialties or snacks, such as ice cream sandwiches or specialty hot chocolate and marshmallows. He reiterated that their concept was intended to be simple and straight forward. He stated that they are hoping that they would be able to have some line of sight to the lake and noted that the layout would be easy for people to walk over and just hang out for a while.

Chair Dyvik asked where the restrooms would be located.

Mr. Rodgers responded that there is one included in the design and noted that what they were presenting was just a start. He explained that he really liked the overall direction they were going, but they have not gotten down to the level of detail of determining where their refrigerators, counters, or toilets would go.

Board member Miner asked about the proposed hours of operation.

Board members and the applicant discussed the potential hours of operation, café offerings, and the tentative cost of the proposed structure.

Mr. Rodgers indicated that he has looked at the numbers in depth, but also wondered whether or how the City may be able to support or incentivize their idea and help them make the math work. He recognized that building was very expensive right now and the current proposal has a building that is just over 4,000 square feet, the estimated construction cost would be just over \$2 million, and the land is currently listed for \$450,000. He stated that he would suspect there would probably be another \$500,000 for the build out of the interior and another \$100,000 for miscellaneous items. He stated that if they can get the overall cost under \$2 million it would be much more doable. He explained that his commitment when they'd begun this process was to take it as far as he could until they ran into a reason that it would not work.

Board member Kvale asked what revenue Mr. Rodgers had anticipated as part of his business model.

Mr. Rodgers responded that they have done a lot of the math with those estimates but he would have to pull out his computer to take a look at his spreadsheet to see what their estimated revenue was.

Moeller stated that the question that will be in front of the EDA tonight is whether the EDA would want to have any further conversations with the applicants. She stated that if the EDA was interested in one of the proposals, further detailed discussions would take place in a closed session regarding negotiating purchase options and financial aspects.

Chair Dyvik stated that he would like the EDA to make a decision to either move forward with proposal one, proposal two, or neither proposal, but not to continue on with two proposals.

Review of Lakeside Family Dentistry Concept Plan for a Two-Story Dentist Office and Café at 1905 Wayzata Boulevard W (Mike Giebenhain)

Moeller displayed the conceptual site designs for the Lakeside Family Dentistry proposal to construct a two-story building for their office on the first floor, and a coffee/café on the second level. She reminded the EDA that there had been some conversations about the possibility of the two applicants putting their ideas together.

Mike Giebenhain, Lakeside Family Dentistry, stated that he has been in business in the City since 2013 and noted that his proposal would not add another dental office because he would be relocating his existing practice. He really liked Mr. Rodgers idea and thinks it would be great for the community. He commented that he was not married to any exact building design but thought that Mr. Rodgers' business may work in the building he was proposing. He noted that he had spoken with Mr. Rettinger about purchasing or using the extra space and was told that he would allow him to park there, but they had not worked out any of the details.

Moeller asked if Mr. Rettinger was aware that any area offered for parking would need to be paved.

Mr. Giebenhain stated that he felt that Mr. Rettinger understood that was the expectation, but noted that he had not explicitly mentioned it to him. He explained that the reason he was looking to relocate was because his current location was too small and they have struggled to serve their patients.

Board members and the applicant discussed the dentist office's square footage in their current location versus the proposed concept; how parking requirements would be calculated differently for the two uses; that the building's layout would be more of a split level versus a two-story; entrance locations for both proposed uses; and financial information.

Mr. Giebenhain confirmed that he had run the numbers and was proposing the second level in order to make his project more community focused, and to add value to the City. Adding the second floor will add to his costs and make the building more expensive, so he would need to have a tenant, but he did not think it would be exponential.

Board member Miner asked if Mr. Giebenhain was married to having the café on the upper level instead of the bottom.

Chair Dyvik recalled that the initial plans had the café on the bottom level.

Mr. Giebenhain confirmed that the café had initially started on the bottom level, but following some of their discussions, the thought was that the café may do better on the second level and would have a better view of the lake.

Board member Kvale asked if it would be easier for Mr. Giebenhain to move ahead without a second floor or a tenant.

Mr. Giebenhain replied that would be easier because parking wouldn't be an issue and the building costs would be lower, but he understood that the property is a cornerstone of the City and not a lot of people would love the dentist use only.

Board member Kvale mentioned that dental offices and tenants have a tendency to come and go. She explained that to her, it is very important what will go in this location.

Mr. Giebenhain indicated that dental offices were very stable and added that his office has been there since the 1980s.

Chair Dyvik asked if Mr. Giebenhain currently had a dental partner at his business.

Mr. Giebenhain confirmed that he has an associate who would also plan to move with him.

Chair Dyvik questioned whether that meant the existing location would no longer be a dental office.

Mr. Giebenhain stated that would be his hope and clarified that it would not be anything associated with him.

Board member Joyce asked if Mr. Giebenhain owned his current space.

Mr. Giebenhain replied that he leases his current space from City View Plumbing & Heating.

Board member Joyce asked if Mr. Gienbenhain's current set up would leave if he left the building or if it was fixed in the space.

Mr. Giebenhain stated that he would take the equipment and the space would be left empty.

Board member Miner noted that he believed that Mr. Giebenhain first appeared before the City about five years ago and asked if he had been looking at other spaces in the area.

Mr. Giebenhain responded that there were really no other spots because there was a lot of industrial available, which would not fit his needs very well.

Board member Kvale inquired what Mr. Giebenhain's ideal size office would be.

Mr. Giebenhain stated that he is thinking somewhere around 4,000 square feet.

Chair Dyvik stated that a while back, he had heard a rumor about redeveloping the Primo strip mall building and that corner along with Ryan Webber and asked whether Mr. Webber would be part of this project.

Mr. Giebenhain confirmed that Mr. Webber would not be part of the project. He and Mr. Webber had both had an interest in developing that corner into something that would fit the City, but noted that he never had the intent to remove his building and join it with the corner property.

Board member Kvale wondered if a smaller coffee shop or ice cream shop would be options if Mr. Giebenhain only needed 4,000 square feet.

Mr. Giebenhain stated that would be possible, but added that he was trying to create a space that would be beneficial to the City.

Board member Joyce asked if Mr. Giebenhain had spoken with any potential tenants.

Mr. Giebenhain replied that he had spoken with Mr. Rodgers.

Mr. Rodgers mentioned that his priorities were unchanged and were focused on what could be great for Long Lake and whether it would be a good investment for him. He was open to conversations, but wanted to come in and present his original concept first, since he had been unable to attend the last meeting. He commented that his concept could involve participation by a third party, Hope Filled Café, which is a non-profit organization whose concept is giving people with special needs opportunities to work. He noted that he felt that there were multiple pathways to having a coffee shop in that space.

Board member Joyce wondered if Mr. Rodgers were to partner with Mr. Giebenhain's concept, would it be an owner/tenant relationship or a partnership.

Mr. Giebenhain's preference would be that they each owned their own space, but he and Mr. Rodgers had not discussed the actual details because there was still a lot up in the air.

EDA Discussion of Proposals Received, Provide Direction to Staff

Chair Dyvik noted that this was an unusual process for the EDA because they received two concept proposals within a short time of each other which was why they had decided to review them together. He reflected that he had been very motivated for the EDA to buy the former BP site because the property is a cornerstone of the downtown area, and to have the ability to choose what would be best

for the City at the site, which he did not feel was something like an electrician. His vision had always been a coffee shop or café that would provide a gathering place and would encourage pedestrian activity in the downtown area. He liked the idea of having a single purpose business there because then they have to make it work for it to be successful. The reason he personally wasn't as excited about a dentist's office that had a café element was because the dentist office didn't need a café in order to be successful. He indicated he would be in support of the proposal from Sundial Coffee + Provisions and noted that application had also been submitted before the dental office idea. He admitted that it is possible that the final numbers may not work out and explained that the City/EDA may not be able to offer the financial support that may be needed, but he would vote that they go down the path and start looking at those kinds of details. He clarified that he was not rejecting Mr. Giebenhain's proposal, but the application from Mr. Rodgers was what he had envisioned in this location.

Board member Kvale stated that Mr. Rodgers proposal was for a 4,000 square foot single use building and asked if he had considered a smaller scale establishment that may make it easier to be profitable.

Mr. Rodgers indicated that they had another concept version that was about 2,800 square feet and would be able to save some money with that size.

Board member Kvale noted that her preference would be a smaller building footprint. She asked if the two applicants combined uses with the dental office having 4,000 square feet and the coffee shop having 2,800 square feet, whether the parking would work in that scenario or at least be close with being able to use Mr. Rettinger's parking spaces.

Mr. Giebenhain clarified that Mr. Rettinger was not selling his property, but had indicated he would allow some usage.

Moeller commented that she didn't think the EDA should focus on property that they do not own as part of their conversation and suggested that the EDA focus solely on the two concepts that had been presented. She reminded the EDA that what had been presented were only concepts and would change.

Board member Joyce voiced that her thoughts aligned with Chair Dyvik and while she appreciated both proposals, she loved the concept of the Sundial Café. The community collaborations that Mr. Rodgers had mentioned were exactly what she wanted to see in this location. She added that she appreciated the current design proposed, but would also be okay if the building was a bit smaller.

Board member Miner indicated that his thoughts were similar, but was not sure how the actual math would work out. He was also in favor of further exploring the concept with Sundial Café. He noted that he and Board member Feldmann had recently attended the grand opening celebration of Zvago and a hot topic of conversation was people wanting to know what would be going in at the corner. The feedback he had gotten from at least five people was that they wanted a coffee shop and a place to gather.

Board member Feldmann agreed that he felt there was definitely an appetite for the coffee shop, but reiterated that it would be a tough road to make the numbers work out, though making the numbers work was not the job of the EDA. He liked the idea of having a coffee shop in this location, but was also being realistic that it may not work out.

Board member Kvale commented that she liked the idea of a coffee shop, but was concerned about the numbers which was why she had thrown out some other possible ideas such as a smaller building. She added that she wasn't sure how the City/EDA would be able to help close the financial gap.

Mr. Rodgers stated that the fact that this concept may be a stretch financially was disappointing because he felt it would be really great for the community. However, he felt that the community would rally around it, and even though it may be a financial stretch, he didn't think it was time to kill the plan yet.

Board member Kvale clarified that she didn't want it to sound like she did not want the coffee shop idea.

Board member Joyce asked if there may be crowd funding opportunities available.

Mr. Rodgers stated that there was a brewery in Minneapolis that had conducted a fundraising effort asking participants for \$1,000 for a lifetime supply of beer, and he believed that they gotten a few hundred people to commit to that.

An audience member noted that Bucks Pub had conducted a fundraising effort and asked the community to kick-in and buy shares.

Board member Joyce stated that there are people in Long Lake and in Orono that don't have anywhere to go, so they may also be interested in pitching in.

Mr. Rodgers noted that there is also not any place in Wayzata either.

Board member Elmtalab explained that, selfishly, he agreed with everyone because he felt they would all like a coffee shop. He stated that he would like the Sundial Café option, but would prefer that both applicants continue their conversations. He commented that it would be great to be able to support Mr. Giebenhain and get him some space since he was here five years ago, but understood that was not what everyone wanted to see in this space. He indicated he would support the café concept with the hope that the two applicants would keep talking and possibly revise things, if the Sundial Café plan does not work out.

Moeller mentioned that it was interesting Mr. Rodgers had brought up the Hope Filled Café organization because they had approached her about the property a few years ago before they had formed their 501(c)3. At the time the City already had another proposal that had been submitted for consideration, and the Hope Filled Café wasn't quite far enough in their organization to make any proposals.

Chair Dyvik reiterated that he felt the EDA need to choose one of the proposals, or neither of them. He appreciated the thought by Board member Elmtalab to encourage the two applicants to keep talking, but he felt that if the EDA votes to pursue the Sundial Café option, they should see how far it can go.

A motion was made by Miner, second by Joyce, to enter into purchase or contract negotiations with Sundial Café/Billy Rodgers and Sarah King, for the City-owned property at 1905 W Wayzata Boulevard for the purpose of a single-story cafe. Ayes: all.

Chair Dyvik noted that Board member Hultmann had some concerns about whether this would meet the Village Design Guidelines and explained that he had not seen anything in the concept that would violate those guidelines.

OTHER BUSINESS

Food Truck on City-Owned Property - Moeller reported that the City had received their very first food truck application to use the former BP property for a one day booking in November, from On the Hook Fish and Chips. They were working through final permit steps, and the food truck seems to already have a good following wherever they go. Chair Dyvik asked if the local Al Chile food truck had ever asked for this space. Moeller replied that they had a tough year with the CSAH 112 road project impacting sales, and had also recently experienced some vehicle vandalism. She shared her hope that if one food truck comes in, others may take notice and want to come in and use the space.

ADJOURN

Hearing no objection, Chair Dyvik adjourned the meeting by general consent at 6:13 pm.

Respectfully submitted,
Scott Weske, Executive Director