

1. Agenda And Packet

Documents:

[FEBRUARY 28, 2022 SPECIAL WORK SESSION AGENDA.PDF](#)  
[FEBRUARY 28, 2022 SPECIAL WORK SESSION PACKET.PDF](#)

City of Excelsior  
Notice of Regular Meeting  
of the Excelsior City Council

NOTICE IS HEREBY GIVEN that the City Council of the City of Excelsior will hold its Special Work Session on Monday, February 28, 2022 at 5:00 P.M. via a telephonic and/or electronic meeting. The agenda for the meeting is attached hereto.

In accordance with the requirements of Minn. Stat. Section 13D.021, the Mayor, the city manager, and the city attorney have determined that an in-person meeting is not practical or prudent because of the recent increase in COVID infections in Minnesota and our region. Due to this recent spike in infections, it has been determined that attendance at the regular meeting location by members of the public. Therefore, all staff and City Council members will be participating by telephone or other electronic means.

Members of the public may attend the work session by joining via Zoom either online or by telephone at:

Join Zoom Meeting

<https://us02web.zoom.us/j/83633441899>

Meeting ID: 836 3344 1899

Dial by your location

+1 312 626 6799 US

+1 301 715 8592 US (Germantown)

Meeting ID: 836 3344 1899

City of Excelsior  
City Council Special Work Session

Agenda

Monday, February 28, 2022

5:00 P.M. – 6:00 P.M.

1. Call to Order/Roll Call
2. Agenda Approval
3. 339 Third Street Redevelopment
4. Adjournment

Note: The purpose of a Special Work Session is for the Council to discuss matters informally and in greater detail than is allowed at formal Council meetings. All meetings of the Council, including Special Work Sessions, are open to the public. While the privilege of participating in these discussions is generally limited to the Council, staff, and consultants, the Mayor may open a discussion from the floor.

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# MEMORANDUM

Work Session Item 3 – 339 Third Street

**Re:** Redevelopment

**Date:** February 28, 2022

Kevin Staunton, City Attorney/Assistant City

**To:** City Council

**From:** Manager

## Background

At your meeting on February 7, 2022, you approved an Exclusive Development Rights Agreement (EDRA) between the City and Red Leaf Partners, LLC (RLP). That Agreement included a Project Scoping Document designed to provide a list of items to be addressed as the project proceeds. At your work session on February 22, you met with RLP representatives to review the items on the Project Scoping Document in preparation for further discussions scheduled for the February 28 and March 14 work sessions. During that meeting, you confirmed agreement with RLP's vision on a number of the items listed on the Project Scoping Document. An updated version documenting that discussion is attached.

As Kristi noted in her February 22 memo for that work session, the plan for the February 28 and March 14 work sessions is to focus on the remaining items in the Project Scoping Document. We have divided the discussion of these remaining items into two categories – (1) Design-Focused issues; and (2) Economics-Focused issues. The February 28 work session will examine the design-focused issues (Item numbers 5, 7, 10, 11, and 20 from the attached Updated Project Scoping Document). The March 14 meeting will examine economics-focused issues (Item numbers 4, 17, and 18). Since they have elements of both design and economics, Item numbers 7 and 10 will also be discussed on March 14.

RLP (along with Snow Kreilich) will lead the discussion as they did at the February 22 work session. A copy of their agenda for that discussion is attached.

## Attachments:

Updated Project Scoping Document

Agenda for RLP-Led Discussion

**Council Action:** Discussion Only

## **Excelsior Council Work Session 2.28.22 @ 5:30pm**

### **Objective**

1. Update Council on latest design concepts from Snow Kreilich
2. Resolve design components of Scoping Document items #5, 7, 10, 11, 20

### **Agenda**

1. Recap Scoping Document decisions resolved at previous Work Session (5 min)
2. Review updates on design concepts with Snow Kreilich (20 min)
  - a. Scale/Massing
  - b. West Drive Pedestrian Garden Walk & Vehicle Traffic
  - c. Parking Capacity
  - d. Residential Unit Mix/Count
  - e. Design Precedents for Architectural Character & Streetscape
  - f. City Hall Location Planning
  - g. Remnant Parcel Planning
  - h. Siren Location
3. Resolve Design Components of Scoping Document Items #5, 7, 10, 11, 20 (20 min)
4. Preview Economic-Focused Work Session – March 14<sup>th</sup> (10 min)
  - a. Public parking TIF analysis, preliminary project proforma/budget, parking maintenance, purchase price, impact of City Hall planning
  - b. Scoping Document Items #4, 7, 10, 17, 18

Issue	RLP Vision	Work Group Reaction	Council Reaction
1. Project Uses	For-Rent Apartment Component, For-Sale or Rent Rowhome Component, Public Parking Component, possible civic spaces and public realm. <del>Limited service or retail uses to be further studied on the corner of Third Street and West Drive, but unlikely to be included.</del> Residential components to be market-rate and designed to appeal to a variety of resident ages and incomes.	AGREED	AGREED, remnant parcel may be candidate for future commercial. Consider some for-sale rowhomes to provide more attainable purchase options than single family new construction.
2. Scale and Height	Height to be determined by appropriate scale studies, project economics, and ability to construct underground parking that expands current public parking capacity. Anticipated to be 2 Story rowhomes on Third Street and along West Drive. Apartment building to be a terraced structure with setbacks, <del>minimum 3 Story, maximum 4 Story (only if scale impact is determined to be appropriate for site)</del>	AGREED	AGREED
3. Unit Count	To be determined based on scale studies and market research, project economics, and TIF feasibility. Initially estimated at 10-15 rowhomes and 40-60 apartment units.	AGREED	AGREED, variety of unit sizes should be considered to appeal to different incomes, ages, etc.
4. Economics/Feasibility	Project financial feasibility conditioned upon TIF funding of the public components of the parking structure and other infrastructure and a unit count supportive of the Purchase Price.	REVIEW on 3/14	
5. Design Drivers/Inspiration	To be led by the architect. Key inspiration includes the eclectic streetscape of the back side of Water Street, lush greenery of the adjacent hillside residential neighborhood, and creation of green pedestrian & auto boulevard along West Drive.	REVIEW on 2/28	
6. Public Spaces	Design to consider connections between the Lake Minnetonka Regional Bike Trail, West Drive, Excelsior Commons Park, local businesses, and creation of public spaces that spur new pedestrian friendly connections.	AGREED	AGREED
7. Public Parking Requirement net of Resident Parking	Parking Structure to accommodate resident parking + current parking capacity of West Lot + growth factor to be determined by Council (ie: 125-150% of current capacity – contingent on TIF capacity generated from the residential components of the project).	REVIEW on 2/28 & 3/14	
8. Public Engagement Process	City-led neighborhood meetings, RLP/City/SK open houses at various stages of design to articulate project benefits and garner public feedback.	AGREED	AGREED, engagement should include business and resident engagement.
9. Commission Review Process	Project subject to Planning Commission and council review per Sketch Plan and PUD process. Project is not within boundaries of Downtown Historic District. Remnant parcel will require Heritage Preservation review.	AGREED	AGREED
10. City Hall Direction	Design will provide alternate visions to accommodate contingency plan for city hall location on-site.	REVIEW on 2/28 & 3/14	
11. Remnant Site Direction	To be considered in design. Options include retaining as parking, city hall location, retail, or conversion to siren park area.	REVIEW on 2/28	
12. Whistle Location	Design will identify a location within the project for retention of the whistle. RLP also open to relocation of the whistle to other suitable location in city, if directed by Council.	AGREED	AGREED
13. Timing Objectives	Schedule in accordance with provided council decision dates, allowing construction to commence by the end of 2022.	AGREED	AGREED
14. Staging Plan	Any project construction will be staged to minimize impact on summer parking, residential streets and city hall functions.	AGREED	AGREED
15. Ownership Structure	City to own Public Parking Component and any civic spaces, if applicable. RLP to own apartments and rowhomes. Upon completion, the components shall be subdivided via vertical registered land survey (VRLS) and establishment of a reciprocal easement and operating agreement (REOA) between the components.	AGREED	AGREED, subject to further staff review on structure of subdivision
16. Project Management	Project to be managed, financed, and delivered by RLP with a project advisory team including city staff and two council representatives.	AGREED	AGREED (Reflected in EDA)
17. TIF Analysis and District Boundaries	To be determined by TIF analysis and requirements to fund parking ramp.	REVIEW on 3/14	
18. Acquisition Price	\$2M based on the scope identified. Subject to enhancement or reduction if project is modified to account for more or less housing and city hall location.	REVIEW on 3/14	
19. Due Diligence & Development Costs	RLP to fund purchase price, due diligence costs, design, engineering, and construction costs. City to be responsible for costs related to updated survey & TIF Analysis. The parties to each be responsible for their legal costs. Any costs of environmental remediation and geotechnical impacts to be reviewed in the context of project viability once understood.	AGREED	AGREED (Reflected in EDA)
20. Traffic Impact	Consider any changes for traffic patterns to site and traffic study requirements.	REVIEW on 2/28	