

CITY OF EXCELSIOR
Hennepin County, Minnesota

MINUTES

City Council Work Session

Monday, May 4, 2015

1. Call to Order/Roll Call

Mayor Gaylord called the meeting to order at 5:39 p.m.

Councilmembers present: Beattie (arrived at 5:54 p.m.), Caron, Fulkerson, and Mayor Gaylord

Councilmembers absent: Miller

Also Present: City Manager Luger, City Attorney Staunton, City Planner Smith (arrived at 5:55 p.m.), and Recording Secretary Johnson

2. Agenda Approval

Fulkerson moved, Caron seconded, to approve the agenda. Motion carried 3/0.

3. Lake Minnetonka Conservation District Board Appointment

Caron said that when Jeff Morris, the City's representative on the Lake Minnetonka Conservation District (LMCD) Board, announced that he would be gone for part of the year she had agreed to fill in for Morris. Morris is back and will resume his seat on the Board. Caron said that she asked Morris if he would be going south again next winter. Morris told her that he would be gone in the winter months and home during the summer months.

Caron said that the experience on the LMCD Board has been very interesting. She reported that the Board has discussed the need to have consistency on the Board versus having people split terms during the year. She had mentioned to Morris that she would be willing to split again, but did not know if the Council would agree to that. She also could not commit to splitting the position for the full three year term.

Fulkerson asked if Morris would be gone during the winter months all three years. Caron said she did not ask, but her assumption was that he would. She is not willing to push Morris out of the position but the point about having consistency on the Board is valid. This is why she wanted to bring this forward to the Council to discuss. She would be willing to continue on the Board for at least the next year.

Fulkerson asked if the Council should advertise for applications for the LMCD Board appointment so there could be consistency on the Board for the full term. Caron said if this is the direction the Council wants to go, the position should be advertised.

**3. Lake Minnetonka Conservation District Board Appointment –
(Continued)**

Caron said that she has also been asked by the LMCD to participate in a planning process which will include updating the LMCD's ordinance and discussing the number of slips for cities, etc.

Mayor Gaylord asked Caron if she plans on attending the planning meeting in May. Caron said she told Morris about the meeting and thought he should participate if he's going to continue on the Board. She stated the topics being discussed are important to the City so she thought she would attend. She noted that the Board is split on some of the topics.

Mayor Gaylord asked what the positions are on the Board. Caron said the yacht clubs would like to have the same provisions as marinas. Then there is the conversation as to whether to allow cities to extend their docks out to 100 feet. One opinion is that cities should be decided on a case-by-case basis similar to a planned unit development process. The other opinion is why not let cities have the same allowances as the marinas and yacht clubs.

Caron said that the Council has already expressed to Morris that Excelsior is interested in expanding the City's docks. The question that needs to be discussed is should the marinas, yacht clubs, and cities have equal rights.

Fulkerson said that she would be opposed to extending the City's docks. Mayor Gaylord said the first question to be discussed is whether the City should have the ability to extend it's docks.

Caron said that any representatives from Excelsior can participate in the discussions. She thinks Morris has done a good job on the LMCD Board, but understands that the Board needs some consistency. There is also not a lot of representatives on the LMCD Board with experience in government.

Mayor Gaylord said maybe the City should post the position and Caron can apply if she wants. Caron said she is not in a position at this time to commit for the full three year term.

Fulkerson asked if Morris has been able to keep up with what the Board's been working on while he's been gone. Caron said she does not have any issue with Morris's performance. She said since the LMCD organization is in transition maybe the City should continue with Morris and her sharing the position. Mayor Gaylord and Fulkerson agreed to have Morris and Caron share the position for the next year.

4. Joint Work Session with the Heritage Preservation Commission – 6:00 p.m.

Heritage Preservation Commissioners present: Commissioners Brabec, Carlson, Finch (arrived at 6:03 p.m.), Haugland, Macpherson, and Chair Schmidt.

Smith stated that the Heritage Preservation Commission (HPC) has four goals that they want to discuss with the Council. These include goals that the HPC is currently working on and future goals.

Smith stated that the City's consultant, Tom Zahn, Thomas Zahn & Associates, LLC is working on reviewing the historic preservation ordinance and drafting a design standards ordinance. The HPC Steering Committee is currently working on the historic preservation ordinance. Mayor Gaylord said that goals #2 and #4 cover these items, so these goals do not need to be discussed.

Luger said that the Planned Unit Development (PUD) Standards are scheduled to be on the Council's May 18, 2015 agenda. Chair Schmidt stated that the HPC has completed their work on this item and forwarded it to the Council for approval.

Luger said that she thought the Council would like to discuss the future goals with the HPC.

Chair Schmidt said that a high priority for the HPC is educating homeowners about the benefits of preserving a historic or noteworthy home and about the process for establishing a residential historic district. Commissioner Macpherson and he are on the Steering Committee and currently working on this item.

Chair Schmidt stated that one thing the Steering Committee learned is that there is a provision in the ordinance requiring that there be a catalog available with all of the HPC reference materials. The City has had three Hess Roise historical preservation studies completed and these should also be available. Smith and he have been working on putting together the catalog of materials. The HPC has worked on being more transparent; publishing the catalog of information on the City's website is one way to continue on this path. Smith said it is a great idea and reiterated that it is required by City ordinance.

Chair Schmidt said that the Commission is kept very busy with applications. The HPC is also working on the educational process, which the HPC would also like to have published on the City's website.

Mayor Gaylord asked if there has been any discussion regarding teardowns of historic and non-historic structures and in regards to keeping regards to keeping historical designs intact.

**4. Joint Work Session with the Heritage Preservation Commission –
6:00 p.m. – (Continued)**

Macpherson said that a lot of the points are interrelated, such as, educating the public and adding homes and buildings to the historic list. Mayor Gaylord said that those would be landmarks. Macpherson said yes.

Macpherson said there has been some discussion by the Steering Committee that the City shouldn't force a property owner to have their property historically designated. Educating the property owners will hopefully help with this. Part of the Steering Committee discussions have been demolition by neglect and how that can be handled. Goals #6 through #9 have been discussed and are interrelated. The property owners need to be educated on the potential value of preserving an historic home.

Finch said that if a residential structure is torn down and the property is not historically designated, the HPC has no authority to review and approve the design of the new structure. If the City wants to preserve structures, historic regulations need to be put in place to address this. There has been a great deal of resistance against forcing a homeowner to historically designate their property.

Mayor Gaylord said that the property owner at 141 West Lake Street tore down a craftsman cottage and built a new house. He believes the house that was torn down was salvageable and the teardown could have been prevented. The City should strongly discourage teardowns.

Finch said that the HPC has discussed some financial incentives, such as giving a property owner a discount on the building permit if the structure is a historic home. Another incentive that's been discussed is if a property owner agrees to have their home historically designated the City would agree to limit the City's portion of the property taxes for a specific number of years.

Beattie asked if there is something the City can do to assist homeowners that have a historic home. Smith said that only the properties on the National Historic Register are eligible for potential tax credits.

Beattie asked if a property owner can apply to be on the National Historic Register. Smith said that only commercial buildings on the National Register can take advantage of the national and state tax credits for significant improvements. Fulkerson asked how many properties in Excelsior are on the National Register. Smith said there are only two properties, the Wyer Pearce home and the old school building.

Fulkerson said she typically does not go on the City's website. The HPC needs to also look at ways to educate people who do not use the internet.

Chair Schmidt said that the Hess Roise studies have a list of homes that are potential candidates for historical designation. The HPC will be reaching out

**4. Joint Work Session with the Heritage Preservation Commission –
6:00 p.m. – (Continued)**

to those homeowners to educate them on the benefits of historic designation. Smith said that the HPC would like to have an incentive to offer these homeowners when they contact them.

Chair Schmidt said that the City has not recorded the historic designation in the chain of title so potential buyers are not made aware that the homes are historically designated. Beattie said that the seller should disclose this when the house is sold. Fulkerson said that should also be recorded on the title. Beattie said the buyer is protected if it is not disclosed by the seller.

Luger asked if the commercial properties have the same disclosure as residential. Staunton said that it is probably an obligation of the seller. It is also dealt with in the City Code.

Mayor Gaylord asked if goal #8 pertaining to unnecessary demolitions for residential and/or commercial. He believes it should be considered for residential.

Mayor Gaylord asked the Commission about goal #7 – Chair Schmidt said that the HPC is hoping the Council will decorate the new Council Chambers with historic displays and pictures. The HPC would like to assist the Council with this. He noted that the Wayzata Depot is lined with historic pictures and is a good example of what the HPC would like the Council to consider.

Caron asked if the HPC is working on goal #8 pertaining to unnecessary demolitions. Chair Schmidt said that the Steering Committee is working on this item. Caron said she thinks this is an important item and she would like the HPC to work on this. She would also like the HPC to work on encouraging and educating people about the significance of historical designation.

Caron said she got the impression that the Steering Committee is leaning toward voluntary designation. She suggested that the HPC look at how many of the designations over the years have been voluntary versus City designation.

Finch said he did not think the Council would support designations other than the development of an historic district. Fulkerson said that she does not think historic designation should be forced on a homeowner. Mayor Gaylord agreed that this is not something the City wants to do.

Caron said that the process has been for people to come forward and request designation, but she is fairly certain that most of the residential and commercial designations have been City initiated. She's not sure where she stands on this. This is an item that the Steering Committee, the HPC, and the Council should discuss.

4. Joint Work Session with the Heritage Preservation Commission – 6:00 p.m. – (Continued)

Chair Schmidt said that the HPC has talked about whether the Hour Glass Cleaners should be included in the Downtown Historic District and most of the HPC have been reluctant to include it. Caron said this should be looked at and discussed by the City.

Macpherson said that the Steering Committee has been provided with examples of ordinances from other cities. Smith said all of the ordinances have different provisions. He noted that the Steering Committee has been discussing having residential designations be by homeowner consent but not necessarily commercial designations.

Chair Schmidt said that the HPC has had a lengthy discussion regarding the Downtown Historic District and whether to remove Trinity Church and the apartment building across the street from the Church from the District. The HPC has been strongly leaning toward keeping these properties in the Downtown Historic District.

Chair Schmidt and Macpherson noted that there have only been two properties removed from the Downtown Historic District and those were the two houses on George Street. Chair Schmidt stated that the BP Station property owner wanted to have their property removed from the District and the HPC denied the request.

Finch said the question is whether the City wants to maintain the character of the residential areas and have some jurisdiction over them.

Beattie said it is his understanding that the City does not have the ability to create a residential historic district. Smith said that there is standards that need to be met to establish a residential historic district and the City cannot meet them. The City can meet the criteria to create a residential conservation district.

Caron asked if there are any areas in the City that do meet the criteria for a residential historic district. Smith said the only area identified by the Hess Roise studies is the College Lake area.

Smith explained that with a residential conservation district the City would develop and apply design standards versus applying the Secretary of State Standards.

Finch said he thinks that the City could develop more residential historic districts, but there would need to be a lot more research done. The HPC can look into this further if the Council would like to move in this direction. There also needs to be some benefit to the homeowner.

4. Joint Work Session with the Heritage Preservation Commission – 6:00 p.m. – (Continued)

Caron said that the value of a historically designated property is higher than a non-designated property.

Mayor Gaylord said if the City decides to develop a residential conservation district maybe the City could look into giving a break on the City taxes to the property owners. Mayor Gaylord and Caron said that this should be moved up on the list of goals along with the residential conservation district.

Haugland said the question at hand is what is the City willing to do to protect the residential areas.

Beattie said that the HPC should look to see what tools are available. He asked if the HPC is aware of the work the Council is doing with regard to design standards. He suggested that the HPC look at the information.

Carlson said that a lot of these discussion items go hand-in-hand. Should there be historic district overlays; should there be different design standards for the different residential neighborhoods.

Mayor Gaylord said there are three steps that need to be addressed: the education process, incentives, and how to protect the residential districts.

Caron said the HPC has a full plate of items to work on and several items that are high priority. She suggested that working with the Minnetonka School Board on the designation of Excelsior Elementary and grant funding for Oak Hill Cemetery be moved to next year.

Mayor Gaylord asked about goal #10. Chair Schmidt said that the HPC thought the home at 100 Lake Street was a perfect example of a residential home that should be designated. Chair Gaylord said that this goal fits with goal #6 of educating property owners. He noted that the home has been restored to its original state. The Council requested that goal #10 be removed from the list.

Chair Schmidt discussed the Excelsior Brewery building. The brick was crumbling and not suitable for restoration and maintenance. Finch said that it was not economically feasible for the business owner to restore the brick. The business owner did not own the property so they did not want to put the money into restoring it. Macpherson said he thinks the brick was in better condition than originally thought, but he understands not wanting to put money into a building they don't own.

Caron said not being able to afford is not a reason for not complying with the standards, but she understands the difference between building owner versus rental property.

**4. Joint Work Session with the Heritage Preservation Commission –
6:00 p.m. – (Continued)**

Chair Schmidt said that the brewery has done a good job with the painting and the windows. It is a good example of refurbishing a building to its original state. Caron said there are numerous examples of this throughout the City.

4. Adjournment

Beattie moved, Caron seconded, to adjourn at 6:54 p.m. Motion carried 4/0.

Respectfully submitted,

Cheri Johnson
Recording Secretary