

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
AUGUST 2, 2021**

CALL TO ORDER

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Monday, August 2, 2021 at 7:05 p.m. in the Council Chambers at City Hall, 1010 1st Street South.

Mayor Gadd called the meeting to order with Council Members Beck, Brausen, Halverson and Hunke attending. Others attending included City Manager Mornson, Assistant City Manager Lenz, City Clerk Domeier, Director of Planning and Development Elverum, City Attorney Riggs, Community Development Coordinator Youngquist, Management Analyst Imihy, Fire Chief Specken, and City Planner Lindahl.

ADOPT AGENDA

Mayor Gadd stated one change to the proposed agenda. New Business Item 1 the First Reading of the Rental Housing Ordinance to Item 6.

Motion by Brausen. **Second** by Beck.

Motion to Adopt the Agenda as amended.

Ayes: All.

Nays: None. Motion carried.

CONSENT AGENDA

Motion by Halverson. **Second** by Brausen.

Motion to Approve the Consent Agenda as amended.

1. Minutes of the July 20, 2021 City Council Regular Meeting Proceedings
2. Second Reading of Ordinance 2021-1171; Domeier
3. Approval of Temporary On-Sale Liquor License for St. Gabriel the Archangel Catholic Church; Domeier
4. Approval of Temporary On-Sale Liquor License for Team Tucker Association; Domeier
5. Ratify Checks Issued in July 2021; Bishop
6. 325 Blake Road – Notification of Environmental Assessment Worksheet (EAW); Lindahl

Ayes: All.

Nays: None. Motion carried.

NEW BUSINESS

VII.1. Site Plan Review & Setback Exception for 1409/1413 Mainstreet Atelier Academy of Beauty; Lindahl

City Planner Lindahl summarized Council Report 2021-072. William Anderson, the owner of Atelier Academy of Beauty requested site plan approval and an exception to the setback standards of the West Mainstreet Overlay District to allow an addition to their existing building located at 1409/1413 Mainstreet.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
AUGUST 2, 2021**

Council Member Hunke questioned the combination of the parcels. Mr. Lindahl stated that the applicant will need to combine the properties before the building permit. Further discussion was held about the lighting plan. Mayor Gadd asked the applicant to share more about the project. Mr. Anderson provided more information about the property, proposed use, parking and thanked staff for their help with the site plan review.

Motion by Beck. **Second** by Hunke.

Motion to adopt Resolution 2021-036 approving the site plan application and setback exception requests from Atelier Academy of Beauty to allow an addition to their existing building located at 1409/1413 Mainstreet (PIDs 24-117-22-32-0099 and 24-117-22-32-0100), subject to conditions.

Ayes: All.

Nays: None. Motion carried.

VII.2. Preliminary and Final Plat Review for Hennepin County Regional Rail Authority (HCRRA) Downtown Hopkins Plat; Lindahl

City Planner Lindahl summarized Council Report 2021-073. Hennepin County Regional Rail Authority (HCRRA) requested preliminary and final plat approvals to dispose of excess right-of-way (ROW).

Council Member Halverson confirmed that the HCRRA is conveying property to the individual property owners. Mr. Lindahl further explained the combining of the property for the adjacent private property owners.

Motion by Beck. **Second** by Brausen.

Motion to adopt Resolution 2021-037, approving the preliminary plat for the HCRRA Downtown Addition, subject to conditions.

Ayes: All.

Nays: None. Motion carried.

Motion by Halverson. **Second** by Hunke.

Motion to adopt Resolution 2021-038, approving the final plat for the HCRRA Downtown Addition, subject to conditions.

Ayes: All.

Nays: None. Motion carried.

VII.3. 101 Interlachen Road Front Yard Setback Variance; Lindahl

City Planner Lindahl summarized Council Report 2021-074. Richard & Shannon Rosati, requested a 3.5' front (west) yard setback variance to allow expansion of their front

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
AUGUST 2, 2021**

existing porch which currently covers only a portion of the front elevation of their 1-unit dwelling located at 101 Interlachen Road.

Motion by Brausen. **Second** by Halverson.

Motion to adopt Resolution 2021-039, approving a 3.5' front yard setback variance for a front porch on the property located at 101 Interlachen Road (PID 20-117-21-33-0001).

Ayes: All.

Nays: None. Motion carried.

VII.4. Site Plan and Conditional Use Permit Applications for Take 5 Oil Change at 819 Cambridge Street; Lindahl

City Planner Lindahl summarized Council Report 2021-075. Jeffery Orosz of Pocket Change, LLC requested site plan and conditional use permit (CUP) approvals to redevelop the property at 819 Cambridge Street.

Council Member Brausen requested that Mr. Lindahl explain the storm water design given the proximity to the Minnehaha Creek. Take 5 Oil Change representative Tim Eaton addressed the City Council providing information about the use, prevention of spills, site design, and proximity to the creek.

Motion by Beck. **Second** by Brausen.

Motion to adopt Resolution 2021-040, approving the site plan for the property at 819 Cambridge Street, subject to the conditions.

Ayes: All.

Nays: None. Motion carried.

Council Member Halverson questioned the service station designation. Mr. Lindahl explained the definition includes the dispensing of gasoline or oil. There are no gas pumps included with the project. A new definition for this type of use will be included in the zoning code update.

Motion by Halverson. **Second** by Brausen.

Motion to adopt Resolution 2021-041, approving a conditional use permit allowing a Service Station for the property located at 819 Cambridge, subject to the conditions.

Ayes: All.

Nays: None. Motion carried.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
AUGUST 2, 2021**

VII.5. Blake Road Station Rezoning, Planned Unit Development & Site Plan Review for Site A; Lindahl

Director of Planning and Development Elverum provided background information on the project. She focused primarily on the business relocation process, notifications and engagement with business owners, lease terms and conditions, affordable housing and existing housing stock, and transportation opportunities. Council Member Halverson confirmed the definition of area median income.

City Planner Lindahl summarized Council Report 2021-076. Bryan Farquhar of Trilogy Real Estate Group requested rezoning and planned unit development (PUD) approvals for Blake Road Station, a 3 phase mixed use residential and commercial development proposed for the northwest quadrant of Excelsior Boulevard and Blake Road just south of the future Blake Road light rail transit station.

Josh Peters and Jesse Karasik with Trilogy Real Estate Group provided an overview of the proposed project including retail phasing, development notifications/communications, current tenant leases and assistance, housing market trends, affordable housing supply in Hopkins, the rent relief and financial package to the tenants, intent to lease to local businesses and the Trilogy company history. Girish S. Gehani, COO of Trilogy Real Estate Group spoke of Trilogy's commitment to inclusion and NAA's DEI initiatives.

Jesse Symynkywicz with Damon Farber Landscape Associates spoke to the site plan, landscape, and streetscape of the project. Alyssa Jagdfeld with ESG focused on the details of Site A including the sustainable aspects of the design.

Mayor Gadd provided history on the proposed site development within the Blake Road Corridor. He shared that the City Council has made it a priority to support the local businesses.

Mayor Gadd requested that City Attorney Riggs provide information on the land sale. Mr. Riggs stated that the City is not the developer and this is a private land sale. The City acts on the land use applications.

Mayor Gadd provided affordable housing statistics in Hopkins. Mr. Peters explained Trilogy's draw to Hopkins. Mr. Karasik elaborated on the market rate housing vacancy statistics. Council Member Beck questioned Trilogy's review of affordable housing supply in Hopkins. Mr. Karasik explained that Trilogy has multiple data sources.

Council Member Hunke questioned who sent the business notifications in July. Mr. Peters stated that the notices came from Trilogy and talked about areas for notification improvements. Mr. Hunke requested that business be given a longer period of time to relocate. Mr. Karasik spoke to the state funding opportunity and the winter budgeting concerns. Phase A tenants will be able to remain in their space through October 31 and a financial package is included for those tenants. Free rent is offered until businesses depart their leased space. It was anticipated that Phase B would commence in a year.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
AUGUST 2, 2021**

Council Member Halverson confirmed that the developer was not contractually allowed to contact Phase A tenants.

Council Member Brausen spoke to the benefits of the sustainability plan. He requested more information about the sustainability items if time allows.

Council Member Hunke liked the creation of the 360 degree building faces along with the north and east townhome placement. He also pointed out the amount of commercial space in comparison to the 325 Blake Road project retail proposed.

Mayor Gadd requested that all speakers share their name and address for the record.

Lee Gilbertson with Mac's Liquor at 8558 Excelsior Boulevard shared concerns about the final date based upon his type of business. He also shared concerns about the TIF funds available and requested that the funds be given to the tenants. He proposed the options for City relocation grants and requested any assistance possible.

Cindy Meuwissen owner of Blue Ceiling Staging, stated she has leased space in the strip mall. She shared concerns about the infrastructure and conditions of the building. She requested that the new development have plenty of parking for the tenants.

Mahmoud Abdel-Karem owner of Blake Grocery and Deli at 108 N Blake Road stated he has been a business owner since 1998 and shared his experience as a tenant and business owner. He expressed concern about the money he has invested into his business and requested any assistance possible.

Joanie Johnston, Manager of Curves at 8570 Excelsior Blvd East, provided information about their membership and the search for a new space. She request more time to find a new space to lease.

Scott Reinhardt with CW Healthcare at 8572 Excelsior Blvd requested more time to successfully move his business. He shared concerns about the disruption with moving the business. Mr. Reinhardt also expressed his disappointment in being misled on the project by the current landlord.

Trinity Eckdahl with DAS Auto requested that the existing businesses be included in the new building. She shared concerns about traffic and parking in the area. She also questioned if the project will increase her payment of water usage because her business is located on top of a well.

Brent Kummer with Mach1 Auto, shared his thoughts on the timeline. While he believed Trilogy has been working with him, he still had concerns going forward.

Michael Launer, managing partner of Hopkins Commerce Center, shared excitement about the development, history on the property and the concept plan, acknowledged the tenant's frustrations, stated that he made personal calls to the tenants in June 2020 of

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
AUGUST 2, 2021**

the proposed development, spoke to month to month lease benefits, and highlighted Trilogy's financial assistance.

Nick Luzak shared his concerns about the building conditions of the strip mall. He questioned why anyone would not want to improve the site.

Dennis Guillaume urged caution in proceeding with the project and shared concerns about the community engagement and notification of the project. He questioned why a racial equity impact assessment was not included with the development.

Sue Ostenso, 233 Blake Road South, stated that although the proposed development was beautiful she did not feel that a high end luxury apartment complex fit within the community. She requested more communication on the project given her proximity to the property.

Larry Hiscock, 302 7th St. S., shared his experience in various groups in the metro area and expressed his concerns about the comprehensive plan, community engagement and the financial subsidies. He requested that the Council delay making a decision tonight.

Jay Graham, with Mac's Liquor at 8558 Excelsior Boulevard, shared concerns about the lack of communication with Westside Village and noted holes in the communication plans. She also shared concerns about relocating this type of business.

Patrick Hanlon, 109 11th Ave N., spoke of the need of market rate apartments. His main ask was to delay the Council decision for one more meeting to allow the public more time to review and give feedback. He wanted to also allow Trilogy more time to work with landlords. Mr. Hanlon spoke to the ARPA funds and the ability to use them to assist the businesses. He also wanted to set standards for future developers.

Heidi Garrido, 330 12th Ave N., expressed disappointment in approving the Trilogy project in its current form. She added that affordable housing is vital to the community. She wanted more done to protect the current business owners and tenants.

Maureen Bailey, 920 Feltl Ct., stated the new complex was one of white privilege without inclusiveness. She asked for the Council to take more time considering the project.

Ellie Kretz, 430 Althea Lane, encouraged the delay of the decision since racial equity piece is missing. She asked the Council to consider affordable housing within the project.

Pamela Potempa-Rivers stated that a racial equity assessment should have been done. She asked the Council to wait on decision before making a decision that would impact people's livelihood.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
AUGUST 2, 2021**

Dale Johnson, 1050 Hiawatha Avenue, stated he lives in rental property and received a notice about the meeting. He shared concerns about the proposed property referring to it as a money grab.

Mayor Gadd requested clarification on the site plan timing. Mr. Riggs stated that while Council can attempt to gain improvements to the property, they do not have authority to change payments to the tenants.

Council Member Brausen stated this has been a difficult process and acknowledged comments about what more the City can do for the businesses going out. He understood the timeframe concerns and wanted options to financially help businesses affected. He did not feel the project would affect diversity and spoke to the housing history in Hopkins. He requested extra focus on the businesses going out.

Council Member Halverson shared her history of living in the project area since 1983. Her concerns have always been about the businesses and the Council has relayed those concerns to Trilogy.

Council Member Hunke's biggest concern was the small businesses having enough time to move. He apologized for the disappointment in the communications process. He wanted the City to provide better signage about developments going forward. He spoke to the balance of different types of housing stock. He wanted opportunities for business assistance and options.

Ms. Elverum provided information about the Open to Business Program noting the City does not have a direct business loan program. Discussion was held about exploring the use of the ARPA funds. Assistant City Manager Lenz explained that the ARPA funds are covid relief funds that would need to be shared across the board.

Council Member Hunke wondered about the implication of pushing construction to spring. Mr. Peters spoke to the amount of utility work that is need on the site. He added that the general contractor and design team are working hard to do some of the work with the existing businesses still in operation. Trilogy is committed to the October 31 date with some possible extension of days or a weeks but could not commit to a 6-month extension.

Mayor Gadd questioned Trilogy's communication plan going forward. Mr. Peters stated they are committed to have offers finalized by the end of the week. He talked about methods of service for notices, the project development website options, texting and social media outreach.

Council Member Brausen questioned the City's ability to provide some assistance to the businesses. Mr. Riggs stated there are some limitations with TIF funds. He suggested running by the City's financial advisor to assess the impact on financing to accommodate more time for tenants.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
AUGUST 2, 2021**

Motion by Brausen. **Second** by Halverson.

Motion to adopt Resolution 2021-042 approving the first reading of Ordinance 2021-1172 rezoning the subject properties in the northwest quadrant of Excelsior Boulevard and Blake Road with PID's 19-117-21-42-0044, 19-117-21-42-0045 & 19-117-21-42-0046 to Mixed Use with a Planned Unit Development (PUD), subject to conditions.

Ayes: All.

Nays: None. Motion carried.

Motion by Halverson. **Second** by Brausen.

Motion to adopt Resolution 2021-043 approving the site plan for the Blake Road Station Site A (PID 19-117-21-42-0045), subject to conditions.

Ayes: All.

Nays: None. Motion carried.

Council Member Brausen requested an update on financial options at the August 10 work session. City Manager Mornson talked about the use of public funds. Ms. Elverum asked Trilogy to put a dollar amount to the time and requested from tenants if the priority was time or money.

VII.6. First Reading: Ordinance Amending Chapter 20, Article III of the Hopkins City Code Regarding Rental Housing; Lenz

Assistant City Manager Lenz summarized Council Report 2021-055. Adoption of the proposed ordinance will revise the City Code cleaning up language to make the ordinance more equitable and accurate operations.

Mayor Gadd and Council Member Brausen complimented staff for updating the process and making a better program. Assistant City Manager Lenz touched on the communication efforts.

Motion by Hunke. **Second** by Beck.

Motion to adopt for first reading Ordinance 2021-1169 An Ordinance Amending Chapter 20, Article III of the Hopkins City Code Regarding Rental Housing.

Ayes: All.

Nays: None. Motion carried.

ANNOUNCEMENTS

Mayor Gadd provided the upcoming meeting schedule. Council Member Hunke thanked Public Works for their work at Maetzold Field during the Hopkins Area Little League tournament.

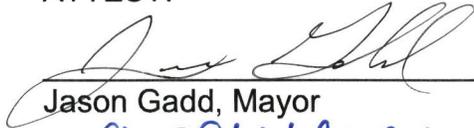
**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
AUGUST 2, 2021**

ADJOURNMENT

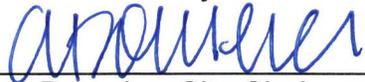
There being no further business to come before the City Council and upon a motion by Brausen, second by Hunke, the meeting was unanimously adjourned at 11:05 p.m.

Respectfully Submitted,
Amy Domeier, City Clerk

ATTEST:



Jason Gadd, Mayor



Amy Domeier, City Clerk