

**DEEPHAVEN CITY COUNCIL MEETING
MONDAY, APRIL 20, 2020
MINUTES
VIA ZOOM VIDEO CONFERENCING TECHNOLOGY**

1. **CALL MEETING TO ORDER:** Mayor Paul Skrede called the meeting to order at 6:00 p.m.

PRESENT: Mayor Paul Skrede, Councilmember's Tony Jewett, Steve Erickson, Kent Carlson, and Melissa McNeill

STAFF: City Assessor Dan Distel and City Administrator Dana Young

2. **PLEDGE OF ALLEGIANCE**

The Council did not recite the Pledge of Allegiance this evening due to the fact that the meeting was a video conference.

3. **LOCAL BOARD OF APPEAL & EQUALIZATION**

Mayor Skrede introduced City Assessor Dan Distel and Hennepin County Assessors Ashley Gunderson and Melody Devine.

Dan Distel stated that there were 66 sales during the study period, 13 of which were lake property. He stated that the study period extends from October 2018 to October 2019. He stated that there was a 2.5% increase in off-lake property and a 5% increase in lake property in 2020. He stated that he received 10-15 phone calls this year, a number of them regarding the potential impact of COVID-19 on market values. He stated that COVID-19 has not been taken into consideration at this time but common sense tells him that it might have a future impact.

Mayor Skrede noted that the Council packet contains both the letter of appeal from Jeff Wright and Dan Distel's response to Mr. Wright's letter.

Jeff Wright stated that he doesn't view his property as part of Cottagewood.

Councilmember Carlson asked Jeff for the square footage of his house.

Jeff Wright stated that it was 4,000 S.F.

Dan Distel stated that Jeff had a significant increase on his property since 2017, an increase well above the average increase in Deephaven. He stated that newer homes in the Cottagewood area, including Jeff's property, have increased significantly over the past few years. He stated that the sales for these newer homes in the Cottagewood area, both on and off lake, have demanded a higher price. He noted that the other comparable properties that he included in his response

letter showed properties increasing 21-24% since 2017. He added that the two recent sales of the property at 20100 Minnetonka Blvd sold far in excess of what he had listed for the estimated market value on that property.

Councilmember Erickson enters the meeting at 6:17 p.m.

Further discussion was held on the value of comparable properties in the area and their rate of increase since 2017.

Jeff Wright stated that just because the other properties also increased at a significant percentage doesn't mean that they are valued correctly. He asked when the second sale of 20100 Minnetonka Blvd occurred and whether it was included in the sales data.

Dan Distel stated that the second sale of this property was not included in the sales data.

Mayor Skrede stated that the relevance of this second sale is that it indicates that the first sale price seems legitimate. He asked for a breakdown on the market value of Jeff's property.

Dan Distel stated that he had a value of \$1,215,000 on the land and \$795,000 on the house.

Mayor Skrede asked if you could build a house for \$200 per foot.

Councilmember Carlson stated that you couldn't build a house for that amount. He noted that Jeff's property sold for \$1,124,000 in 2010. He stated that he thought it very likely that the land value alone would increase \$100,000 in ten years. He stated that land values on lake property have gone up substantially in the past ten years.

Councilmember Jewett compared Jeff's property with a recent sale at 20236 Cottagewood Road. He stated that he could sympathize with a 13% increase this year but felt that the property was just moving towards its true value.

Councilmember McNeill stated that she couldn't see what Jeff had thought the value of his property should be in his letter.

Jeff Wright stated that he is not the expert on assessing properties. He stated that the 13% increase he received this year got his attention and thought it was well-beyond what the market is doing. He stated that he thought a single digit percentage increase would be more reasonable.

Dan Distel stated that establishing comparables is difficult and didn't know what the effect was on Jeff's property being located across from the City Hall parking lot. He stated that for this reason he has given Jeff's property a discount for his location and would increase the value of his property if he were located further down the street.

Councilmember Erickson stated that he understands Jeff's concerns with a 13% increase this year but noted that there is significant interest in on-lake properties. He stated that he had no further questions.

Councilmember Carlson agreed that he had no additional questions. He stated that he believe the land value is there along with a 4,000 S.F. house. He stated that he appreciates the expertise of Dan Distel and Councilmember Jewett in this matter.

Mayor Skrede noted that the 13% increase this year is in line with the other properties.

Jeff Wright stated that just because they are all high doesn't mean that they are right.

Mayor Skrede stated that Jeff could take his appeal to Hennepin County to see what they think about the values. He noted that this whole section of Cottagewood Road was re-evaluated.

Jeff Wright stated that he appreciates the Council's consideration of his request.

Motion by Councilmember Jewett to accept the City Assessor's 2020 market value of \$2,010,000 at 20220 Cottagewood Road. Seconded by Councilmember Erickson. Motion carried 5-0.

Motion by Councilmember Carlson to adjourn the Local Board of Appeal & Equalization meeting at 6:50 p.m. and to reconvene the Regular Council meeting. Seconded by Councilmember Erickson. Motion carried 5-0.

4. APPROVE CONSENT AGENDA

Motion by Councilmember Carlson to approve the Consent Agenda, consisting of the following items:

- A. Approve April 6, 2019 Special Council Work Session Minutes
- B. Approve April 6, 2020 Regular Council Minutes
- C. Approve 2020 SafeAssure Contract
- D. Adopt Ordinance No. 04-69, Amending Small Wireless Facility Permit Fees
- E. Adopt Ordinance No. 04-70, Amending Tobacco Ordinance

Seconded by Councilmember McNeill. Motion carried 5-0.

Councilmember Jewett noted that Ordinance No. 04-69 only addresses fees and not the state mandated requirement on small cell facilities.

Mayor Skrede asked to staff to review what would trigger Council review of any upgrades on the city's two cell towers.

5. PUBLIC HEARING

A. Public Hearing on the Partial Vacation of Dale Avenue

Administrator Young stated that the public hearing on the partial vacation of Dale Avenue was scheduled for this evening and notices were sent to those residents within 350 feet of Dale Avenue. He stated that there are still some unanswered questions regarding the proposed vacation request including the impact on an existing pedestrian easement and why the street vacation did not include the entire portion of Dale Avenue west of Walden Trail. He stated that he would recommend obtaining public comment this evening but have a further discussion on this vacation request on May 4th after these and other questions have been answered.

Hearing no comments on the proposed partial vacation of Dale Avenue, Mayor Skrede declared the public hearing closed.

Councilmember Carlson stated that further conversation with the applicant would be helpful.

Mayor Skrede agreed that additional information would be helpful and we don't need to hold another public hearing on this issue on May 4th.

Brit, who joined the Council on this Zoom presentation, stated her concern regarding small cell technology, which she understood has been banned in certain cities as there have been no independent safety studies on this technology.

Councilmember Erickson stated that the small cell facilities report back to a cell tower. He stated that the legislation adopted by the City allowing small cell facilities was required by the State of Minnesota.

Paul Skrede recommended that concerns regarding small cells should be brought to the state level.

6. UNFINISHED BUSINESS

A. Review Boat Lift Addendum

Administrator Young stated that at the April 6th Council Work Session, the Council discussed the possibility of adding an addendum to the Mooring Lease Agreement that would allow residents on a dock slip to install a boat lift. He stated that the language used in the addendum is taken from the City of Excelsior Mooring Policy on Boat Lifts.

Councilmember Jewett stated that this addendum covers the questions that he and Dean Friesen have on boat lifts. He stated that the boat lifts described in the addendum are self-explanatory and only expects to receive a handful of requests for a boat lift. He noted that it may be difficult to fit these boat lifts in one of our dock slips.

Mayor Skrede asked if the boat lifts described in the addendum would fit in our slips.

Councilmember Erickson stated that our slips are 9.5' wide post to post.

Mayor Skrede stated that we need to get specific measurements on the proposed boat lifts to make sure they fit.

Councilmember Jewett stated that the lift measures 120” wide by 124” long.

Councilmember McNeill stated that the addendum also needs to include a release of liability and agreed to draft a liability release form to use along the addendum.

Councilmember Erickson agreed that we need to hold the lift user liable for any damage to the dock.

Mayor Skrede asked Councilmember McNeill to forward the proposed language to staff and to check on the proposed lift specifications for Council review on May 4th.

B. Discuss Park Committee Recommendations

Administrator Young stated that at their April 6th meeting, the Deephaven Park Committee submitted two recommendations for Council consideration. The first recommendation was for the City Council to consider whether to sell parking permits to non-residents during the COVID-19 pandemic in the attempt to alleviate potential problems with over-crowding and maintaining the appropriate social distancing at the beaches.

He stated that the Public Safety Committee also reviewed this issue at their April 14th meeting and recommended continuing with the sale of beach parking permits to non-residents but limiting the total number of non-resident beach parking permits to 235. The number of 235 permits was determined by using a five-year average of beach parking permits issued to non-residents.

Mayor Skrede appreciated that input from the Park Committee but noted that Police Chief Johnson didn't think that no longer offering non-resident beach permits would necessarily limit the number using the beach. He noted that when the triathlon was held during Deephaven Days, non-residents simply parked at Thorpe Park and walked to the beach. He stated that it really is the practicality of not selling non-resident permits vs. installing social distancing signs at the beach.

Councilmember McNeill asked how many of these permits belong to the Minnetonka Yacht Club.

Councilmember Jewett stated that not many are sold to the Yacht Club. He stated that a lot of members use the parking lot but don't want to pay for permits. He stated that one idea would be to delay selling non-resident beach permits until after the Governor's Stay at Home Order has been lifted. He stated that limiting the number of non-resident beach permits to 235, as suggested by the Public Safety Committee, doesn't really do that much.

Councilmember Carlson agreed with Councilmember Jewett on waiting on the lifting of the Stay at Home Order.

Mayor Skrede agreed to support holding off on the non-resident beach permits but didn't want to

hold off on sending out parking permits to residents.

The Council agreed that resident parking permits should be sent out as soon as possible.

Councilmember Jewett stated that we can discuss the sale of non-resident beach permits at the May 4th meeting, when Governor Walz would have acted on the Stay at Home Order.

Councilmember Carlson agreed. He stated that we need to know when other similar uses are opened up.

Councilmember Erickson stated that we should continue to sell the \$120 boat launch permits.

The Council agreed that boat launch permits should continue to be sold.

Britt stated that she found it difficult to park down at the beach last year. She stated that it is difficult now to enforce social distancing with all the people out walking. She stated that selling the maximum number of permits is not the best idea. She suggested increasing the permit cost to discourage non-resident use or perhaps the Council is content with the way things are.

Mayor Skrede agreed that it can be very crowded at the beach. He stated that the beach often quiets down after the launch ramp is blocked for the swimming season. He stated that it is hard to determine which cars parked down at the beach are for Deephaven residents or non-residents. He thanked Britt for her thoughts on this matter.

Councilmember Jewett stated that he doesn't have an answer to the permits but noted it is a very popular beach. He wondered if we can decrease the numbers at the beach due to COVID-19. He suggested that we hold off on further discussion until after the Stay at Home Order is lifted on May 4th.

Administrator Young stated that the second Park Committee recommendation was for the City Council to consider and determine the appropriate funding for securing the warming house and restrooms during those hours that Thorpe Park is closed

He added that the Public Safety Committee also reviewed this issue at their April 14th meeting and recommended the following course of action:

- Obtain a quote on the installation of a timer on the two restroom doors set to automatically lock 10:00 p.m. and reopen at 6:00 a.m.
- Establish consistent closing hours for all city beaches, parks and ice rinks at 10:00 p.m. to 6:00 a.m.

Mayor Skrede stated that the Public Safety Committee suggested that the restrooms should only be open during park hours and the Council should establish uniform park and beach closing hours.

Councilmember Erickson asked what is the problem we are fixing and is 10:00 p.m. an appropriate closing time.

Councilmember McNeill stated that we should have consistent times and she didn't think 10:00 p.m. was too early to close down the parks.

Councilmember Erickson stated that he wants the locking of the restrooms to be need based.

Mayor Skrede stated that we could readjust closing times as we move forward.

Councilmember Jewett noted that this has been a discussion item for the Park Committee all last year. He stated that he doesn't know what the right answer is but is fine with closing at 10:00 or 11:00 p.m. He wondered if the police could lock the restrooms at 10:00 p.m. and if public works could open them up back up at 6:00 a.m. He stated that this has been a wish list item for the Park Committee for quite a while.

Mayor Skrede stated that he is not looking at a wireless locking solution but a timer.

C. Other

There was no other Unfinished Business this evening.

7. NEW BUSINESS

A. Other

There was no other New Business this evening.

8. REPORTS FROM STANDING COMMITTEES

A. Park Committee

Administrator Young presented a review of the Park Committee meeting held on April 7, 2020 on the following items:

- The two recommendations on the sale of non-resident beach parking permits and warming house security issues
- 2020 Park Committee goals were discussed
- Discussed the revised Bikeway Survey results that just included the results from Deephaven residents

B. Public Works Committee

Administrator Young presented a review of the Public Safety & Public Works Committee meeting held on April 14, 2020 on the following items:

- Discussed the responses to the Stone Arch letter that was sent out regarding proposed options on the Stone Arch. The vast majority of Northome and Cedarhurst residents strongly supporting keeping the Stone Arch. A follow-up letter will be sent to the residents within the next few weeks.
- Discussed a request from Barbara Sykora on selecting a new and more historically accurate plaque for the Stone Arch. The Committee responded to the request by stating that the Committee's interest in the Stone Arch was solely in regards to the narrow width & limited height and not in the design of a new plaque for the Stone Arch. Dana Young stated that he further recommended that she obtain the opinion on the proposed plaques from the Northome and Cedarhurst Homeowner's Association.
- Reviewed and denied recommendations on installing a three-way stop sign at the intersection of the Vine Hill Bridge & Minnetonka Blvd and on the installation of a load limit sign on the Vine Hill Bridge.
- Issued recommendations on the sale of non-resident beach parking permits and warming house security issues.
- Reviewed and denied a request from a resident for the City to participate in the cost of installing a fence along a portion of the Chowens Corner Parking Lot at 3435 Montgomerie Avenue.
- Reviewed a report from the City Engineer summarizing the results of the most recent bridge inspections conducted by Hennepin County.
- Discussed ongoing drainage issues at 20664 Linwood Road and recommended providing engineering services to determine the scope and cost of outletting excess water from the drainage easement area to the lake.

10. ADJOURNMENT

Motion to adjourn by Councilmember Jewett, seconded by Councilmember Erickson. Motion carried 5-0. The meeting adjourned at 8:34 p.m.

Respectfully submitted,
 Dana H. Young
 City Administrator