



**AGENDA
CITY OF MINNETONKA
ECONOMIC DEVELOPMENT ADVISORY COMMISSION**

March 10, 2022
6:00 p.m.

Virtual Meeting
Council Chambers – Minnetonka Community Center (open to public)

Due to the COVID-19 health pandemic, all meetings of the Minnetonka Economic Development Advisory Commission (EDAC) will be conducted pursuant to Minn. Stat. § 13D.021, until further notice. EDAC members will participate in the meeting remotely via WebEx. Members of the public who desire to monitor the meeting remotely or to give input or testimony during the meeting can find instructions at <https://www.minnetonkamn.gov/government/virtual-meeting-information>. Limited seating may be available at the regular meeting room, for members of the public who wish to attend in person, but the public is advised to call 952.939.8200 the day of the meeting to confirm that the room will be open.

1. Call to Order
2. Roll Call

Charlie Yunker
Maram Falk
Melissa Johnston
Ann Duginske Cibulka

Steven Tyacke
Jay Hromatka
Lee Jacobsohn

3. Approval of Dec. 9, 2021 minutes

BUSINESS ITEMS

4. CommonBond financing request

Recommendation: Provide a recommendation

5. Business Development Strategy Work Plan

Recommendation: Provide feedback on the business work plan

6. Staff Report

The next regularly scheduled EDAC meeting is scheduled for May. 10, 2022.

7. Community Development 2021 Annual Report
8. Adjourn

If you have questions about any of the agenda items, please contact:

Alisha Gray, EDFP, Economic Development and Housing Manager, agray@minnetonkamn.gov
(952) 939-8285

Julie Wischnack, AICP, Community Development Director, jwischnack@minnetonkamn.gov
(952) 939-8282

**Unapproved
Minnetonka Economic Development Advisory Commission
Minutes**

Dec. 9, 2021

1. Call to Order

Johnston called the meeting to order at 6 p.m.

2. Roll Call

EDAC commissioners Ann Duginske Cibulka, Jay Hromatka, Lee Jacobsohn, Melissa Johnston, and Steven Tyacke were present. Maram Falk and Charlie Yunker were absent.

Staff present: Community Development Director Julie Wischnack, Economic Development and Housing Manager Alisha Gray, and Community Development Coordinator Rob Hanson.

Councilmember Deb Calvert was present.

3. Approval of EDAC Nov. 4, 2021 Meeting Minutes

Hromatka motioned, Tyacke seconded the motion to approve the Nov. 4, 2021 meeting minutes as submitted. Duginske Cibulka, Hromatka, Jacobsohn, Johnston, and Tyacke voted yes. Falk and Yunker were absent. Motion passed.

4. Business Survey Results

Hanson provided the staff report.

William SaintAmour, of Cobolt Community Research, provided the results of the business survey. He stated that:

- Minnetonka scored very well. The city's performance was above other public-sector benchmarks and consistent with private sector benchmarks.
- Respondents linked business satisfaction with a collaborative environment, business space availability, and community attributes.
- Response rates were solid but could be improved with more outreach mechanisms.
- Businesses reported liking Minnetonka's location, demographics, and feeling of safety.
- Respondents listed that their main concerns are taxes, water supply, COVID, road repair, and power outages.
- Approximately 46 percent of respondents have employees who telecommute, and most do not expect telecommuting to affect the need for business space.

- The majority of respondents expect space needs to stay the same or grow along with employment levels, with 60 percent reporting that their amount of business has stayed the same or is doing better since COVID.
- Respondents identified the most important current programs to be workforce development to help find employees and COVID emergency assistance funds.
- Respondents identified the most beneficial future services that the city could provide to be hosting social events, explaining grant and loan information, providing safety workshops, and organizing job fairs.
- Respondents identified the top environmental and sustainability issues to be reducing waste; encouraging recycling and composting; protecting lakes, creeks, and wetlands; and maintaining drinking-water quality.
- Respondents stated that they chose to locate their business in Minnetonka because of the community's low crime rate, high income, and central location.
- Respondents identified Minnetonka's attributes to be quality of life, schools, and safety.
- Respondents stated that Minnetonka lacks an available skilled workforce and affordable, quality child care.
- Fifty-four percent of the respondents have no employees who telecommute. Of those who are telecommuting, 30 percent expect to continue doing so in the long term.
- Most employees drive a vehicle to work. Twenty percent ride a bike.
- Business owners would like the city to fix potholes, prevent power outages, provide high-speed internet and recycling options, increase the number of bus routes, not have so many street improvement projects being done at the same time and add light rail.
- Respondents would like the electrical grid upgraded, the quality of the city drinking water protected and the cost of utilities reduced.
- Respondents liked the variety of housing options, but the availability of affordable housing was ranked as low.
- The survey shows that the amount of quality and available business spaces rated well, but the affordability of business spaces was rated low. The affordability of warehouse space was also rated low.
- Respondents rated Minnetonka high in regard to welcoming businesses.
- Respondents would like to see more high-speed fiber-optic options, more police presence in the evenings; more affordable housing and mass transportation; and improved internet safety and road conditions.
- Respondents expect their employment levels to remain the same or increase in the next two years.
- Understanding COVID emergency assistance programs and finding employees were listed as the most important services that the city could provide.
- Respondents would like future city services to include hosting social events, providing education to understand grant and loan programs, and providing training done by police and fire personnel.

- Respondents prefer to receive information by email followed by US mail, the city website, and then the business newsletter.
- Respondents reported belonging to the Chamber of Commerce, Lions Club, Rotary, and MN Commercial Association of Realtors.
- Business owners would like the city to provide incentives to attract workers.
- Closing a perception gap can be done by outreach and education.
- The five steps to improve performance and outcomes are measuring the community's experiences, meeting with small groups, expanding the conversation, providing staff with the skills to implement actions, executing the actions, and measuring again to ensure progress was made.

Tyacke asked if 150 responses out of 4,000 contacts was a good enough cross representation of businesses to base the survey's conclusions. Mr. SaintAmour said that the response is a decent base and is enough to be statistical and somewhat representative of large groups. He was more cautious about some of the small groups with asterisks, but the results do provide what the landscape looks like. A lot of surveys were undeliverable, so the businesses had already closed completely or were temporarily closed. The response level has been similar in other cities.

Hromatka asked if Mr. SaintAmour had suggestions on how to increase the response rate. Mr. SaintAmour recommended that Minnetonka create its own list of businesses because a lot of spaces are having a lot of turnovers. Communication content should focus on the concerns and issues identified by survey respondents. Steps should be taken to fix a concern, and that action should be reported to the respondents to build credibility going forward.

Calvert noted that COVID impacts different businesses, such as restaurants, differently. Mr. SaintAmour agreed. He stated that the survey distinguished whether the business rents or owns, its type of use, the size of the business; its number of employees; and the industry type. Wischnack noted that the biggest group that provided responses was received from small business owners. The most common type of use that responded to the survey was services; second was retail and trade; third was healthcare, and fourth was real estate.

Hromatka suggested providing more education to property owners to show how small a percentage of their property taxes actually goes to the city.

Hromatka noted that residents were not happy with construction occurring on Minnetonka Blvd., Hwy 7 and Excelsior Blvd. at the same time, but none of those streets are city streets, and the projects were done by Hennepin County and the State of Minnesota. It might be helpful to educate residents on which agency has control over which roadways in Minnetonka. Mr. SaintAmour agreed that most business owners do not know who owns the road in front of their business.

Johnston was impressed with the ideas provided at the end of the report on how to create a collaborative environment. It got her thinking about Minnetonka providing an incentive to attract workers and organizing social events for business owners and managers.

Tyacke noted that the Chamber of Commerce would be better equipped to hold social events for business owners and managers. He agreed with Hromatka that Minnetonka does not have control over scheduling county and state road improvement projects. He wondered how Minnetonka could help attract workers. He suggested meeting with the Chamber of Commerce and trade groups to discuss how the city could help attract workers.

Hromatka stated that the affordability of housing definitely makes an impact on the number of workers who could afford to live within commuting distance now and in the future. The EDAC does play a part in making affordable housing possible.

Wischnack noted that the survey shows that respondents did not understand that businesses can help with the housing situation. More education could be done in that realm. Mr. SaintAmour said that the respondents saw the lack of available workers caused more by a lack of transportation issue than a housing issue.

Duginske Cibulka would like to learn more about the respondents' perception of what "growing responsibly" means. She suggested providing feedback or a reward to respondents for taking the time to respond. Mr. SaintAmour stated that holding a meeting for non-profit and for-profit businesses can be very powerful where the survey results are shared, and brainstorming can take place.

Wischnack noted that since workforce issues are the greatest concern, the next issue of Thrive could focus on workforce issues. Everyone in the state is having a workforce shortage issue. The newsletter could identify the issues and promote ideas being used to tap potential worker supplies.

Hanson noted that the Twin West Chamber of Commerce merged with the Minneapolis Chamber of Commerce and underwent some staffing changes that delayed working out how it will engage with some cities, including Minnetonka.

Duginske Cibulka liked the idea of holding a debriefing and follow-up focus group with the businesses. She asked if that was being planned. Wischnack answered affirmatively. She explained that 26 businesses expressed interest in participating again.

Jacobsohn noted that the Thrive newsletter could share the survey's statistical results to show respondents that they have been heard. Everyone agreed.

In response to Tyacke's question, Wischnack explained the city's implementation of the business development strategy plan.

Wischnack thanked Gray, Hanson, and Mr. SaintAmour for their work.

5. Staff Report

- Nearly 60 percent of the civil construction of the SWLRT is complete. Eleven of 16 stations are under construction. All eight tunnels are under construction. Red Circle Drive from Shady Oak Road will reopen to two-lane traffic along Hwy 62.
- Starting Dec. 4, 2021, a significant number of changes will occur to the bus system and will affect routes within Minnetonka. The following routes have been suspended: Routes 12, 652, 664, and 670. Route 9 will see an increase in weekday trips in December.
- Development updates include The Pointe, Minnetonka Station, Doran, Shady Oak Crossing, Shady Oak Office Center (Wellington), Ridgedale Area Park, Dick's House of Sport, Medical Examiner's Office, Minnetonka Police and Fire project, Tavern Grill, Culver's, and Kazoku.
- The Small Business Administration is accepting loan applications for Covid-19 resources. To date, 43,000 Minnesota businesses have been approved for loans.
- The Minnesota DEED Job Creation Fund is working with King Technology to move to Minnetonka and create 43 potential new jobs over three years.
- The elevate business platform upgraded its startup space online for businesses to access advisors and peer networking.
- There are still pandemic assistance programs available to help with utility payments, broadband service, allowance for the purchase of a computer, and rental assistance. The state is working on creating a mortgage assistance program.

Wischnack explained that a joint meeting of the city council and EDAC will be scheduled in February of 2022 to discuss the HRA Levy and housing programs, including down-payment assistance and wealth-building programs.

6. Other Business

The next EDAC meeting is scheduled to be held on Jan. 13, 2022 at 6 p.m.

7. Adjournment

The meeting was adjourned at 7:30 p.m.



**Economic Development Advisory Commission
Item #4
Meeting of March 10, 2022**

Title: CommonBond financing request
Report From: Alisha Gray, Economic Development and Housing Manager
Submitted through: Julie Wischnack, AICP, Community Development Director

Action Requested: Motion Informational Recommendation Vote
Form of Action: Resolution Ordinance Contract/Agreement Other N/A
Votes needed 4 votes 5 votes N/A Other

Summary Statement

[CommonBond Communities](#) is seeking financing assistance to purchase and rehabilitate Cedar Hills Townhomes located at 10860 Cedar Bend.

Recommended Action

Staff recommends the EDAC recommend the city council enter an agreement with CommonBond as described below.

Strategic Profile Relatability

Financial Strength & Operational Excellence Safe & Healthy Community
 Sustainability & Natural Resources Livable & Well-Planned Development
 Infrastructure & Asset Management Community Inclusiveness N/A

The proposed project preserves naturally occurring affordable rental housing units for very low-income households.

Financial Consideration

Is there a financial consideration? No Yes \$1,063,833
Financing sources: Budgeted Budget Modification New Revenue Source
 Use of Reserves Other

Background

CommonBond Communities, an affordable housing non-profit organization, has a contract to purchase Cedar Hills Townhomes (currently owned by Dominion). Cedar Hills Townhome, built-in 1983, consists of five townhome buildings with 30 family-sized units. The unit mix includes 20

two-bedroom units, nine three-bedroom units, and one four-bedroom unit. The property currently serves very low-income families. CommonBond's interest in purchasing the property is to maintain the long-term affordability and complete substantial renovation of the property. CommonBond intends to assume the Section 8 Housing Assistance Payment (HAP) contract that is in place until 2033. The HAP assistance in place ensures that households only pay 30% of their income towards rent. Additionally, the project formerly received Low Income Housing Tax Credits (LIHTCs) that provides additional affordability restrictions through 2037 and will remain in place following the sale of the property.

Financing Request

CommonBond requested \$2,250,000, structured as a 30-year deferred loan, to assist with the acquisition and full rehabilitation of the property. As part of the request, CommonBond would acquire the property and complete nearly \$1.7 million in improvements to the property. Ehlers reviewed this request with staff and recommended the following revised structure for the assistance:

- The city provide assistance of \$864,000 with a 7 year, 0% interest deferred loan in the amount of the acquisition gap (\$864,000) with the understanding that the loan is paid back at recapitalization or refinance
 - The city provide a \$200,000 grant for renovations (50/50 cost share of phase 1 improvements)
 - CommonBond would provide the equity contribution of \$582,752 plus the balance needed to complete the phase 1 site work improvements (estimated at \$200,000 for a total of \$988,000 for site improvements)
 - The phase 1 improvements include site work, repairing corroded foundation walls, and siding trim and siding repair.
 - If site work costs decrease, the savings are split 50/50 between CommonBond equity and the city rehabilitation grant.
 - If site work costs increase, CommonBond may approach the city about potential additional rehab funds at a future date.
 - At a future date, CommonBond may request additional funding to complete the remainder of the improvements to the property. This includes:
 - Replacement of furnaces and ducting
 - Replacement of condensing units
 - Replacement of water heaters
 - Replacement of laundry room water heater
 - Installation of magnetic fire stops
 - Installation of security camera in common areas
- Staff is encouraging CommonBond to seek out additional grants/deferred loans to assist with the second phase of the rehabilitation.

The attached memo from Ehlers, the city's financial consultant, provides additional information on the recommendation.

Acquisition Timeline

CommonBond's purchase agreement indicates that the acquisition will occur the later of May 4 (i.e., 90 days post-execution of the agreement) or upon receipt of approval of the assignment of the HAP contract and assignment of the Hennepin County HOME loan.

- Purchase Agreement: February 2022
- Property Acquisition: May or June 2022

- Recapitalization or Refinance: Summer 2025 or 2026; strategy to be determined based on physical needs and competitiveness for State and County resources to support the recapitalization

Next Steps

Depending on the recommendation of the commission, the next step would be to prepare a formal contract with the applicant. The contract would then be presented to the city council/economic development authority.

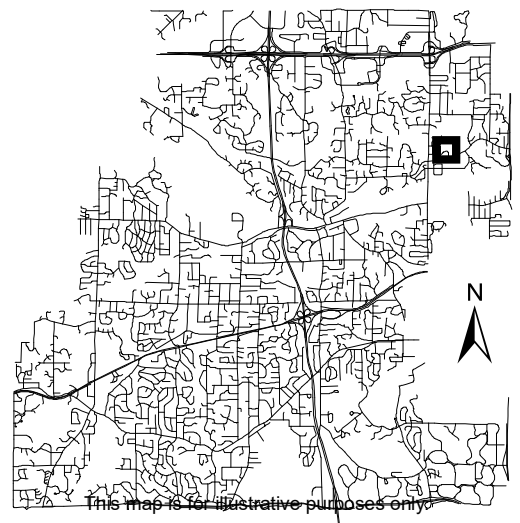
Attachments

Location Map
Memo from Ehlers
Letter and information from CommonBond



Location Map

Location: Cedar Hills Townhomes
 Address: 10860 Cedar Bend



This map is for illustrative purposes only.

MEMORANDUM

TO: Alisha Gray – Economic Development and Housing Manager
FROM: Stacie Kvilvang - Ehlers
DATE: March 4, 2022
SUBJECT: Common Bond – Acquisition/Exterior Rehabilitation of Cedar Hills Town Homes

Common Bond requested \$2,250,000 in assistance from the City in the form of a 30-year deferred loan to acquire the above referenced rental town homes and to complete some exterior rehabilitation and HVAC replacement. Based upon review of the project and the short-term goal of acquiring the site, we are recommending that the City provide a 7-year, 0% deferred loan of approximately \$864,000 and a \$200,000 grant to go towards exterior improvements. The remaining costs will be paid with a bridge loan from Bridgewater Bank, HOME funds from Hennepin County and cash from Common Bond as noted in the chart below.

SOURCES			
	Amount	Pct.	Per Unit
First Mortgage	5,100,000	67%	170,000
City Deferred Loan	863,833	11%	28,794
Hennepin County HOME	681,172	9%	22,706
Developer Cash	782,752	10%	26,092
Local Grants	200,000	3%	6,667
TOTAL SOURCES	7,627,757	100%	254,259

USES			
	Amount	Pct.	Per Unit
Acquisition Costs	6,500,000	85%	216,667
Exterior Rehabilitation Costs	988,000	13%	32,933
Professional Services	51,252	1%	1,708
Financing Costs	70,005	1%	2,334
Cash Accounts/Escrows/Reserves	18,500	0%	617
TOTAL USES	7,627,757	100%	254,259

Any cost savings in the rehabilitation for the exterior will be reduced 50/50 from the City's \$200,000 grant and Common Bonds cash contribution. Common Bond intends to prepare a scope of work for interior improvements as well and would undertake those (along with the HVAC work) as part of an overall refinancing package for the site. Common Bond anticipates refinancing the property as early as three years but requested the 7-year term to allow for any issues that may arise in them finding permanent financing for the project.

Please contact me at 651-697-8506 with any questions.



1080 Montreal Ave
Saint Paul, MN 55116
commonbond.org

Alisha Gray
Economic Development and Housing Manager
City of Minnetonka
14600 Minnetonka Blvd
Minnetonka, MN 55345

Delivered via email: agray@minnetonkamn.gov

Re: Acquisition Funding Request for Cedar Hills Townhomes

Dear Ms. Gray:

CommonBond Communities (“CommonBond”) is pleased to submit this request for \$2,250,000 from the City of Minnetonka’s Affordable Housing Trust Fund to utilize in the acquisition of Cedar Hills Townhomes (“Cedar Hills”), as more fully described below. Acquisition of Cedar Hills offers an exciting and critical opportunity to preserve much needed affordable housing that serves very low-income families in the city of Minnetonka and to transfer this property from a for-profit sponsor to a nonprofit sponsor committed to long-term affordability and preservation.

CommonBond Communities Background

Since 1971, CommonBond has been building homes, hope, and community as the Upper Midwest’s largest nonprofit provider of affordable housing with on-site services. CommonBond owns or manages over 7,000 units in approximately 126 housing communities, located in 65 cities in Minnesota, Wisconsin, and Iowa, and will be breaking ground on its first project in Rapid City, SD in spring 2022. Nearly 13,000 people – families, seniors and people with disabilities and other barriers – call CommonBond home.

Our work is led by our vision and mission statements:

Organization Vision: CommonBond builds stable homes, strong futures, and vibrant communities.

Organizational Mission: Every person has a dignified, affordable home that supports independence and advancement within a flourishing community.

CommonBond Communities is a 501(c)3 non-profit organized in Minnesota. Its Board of Directors is comprised of industry leaders committed to the CommonBond’s mission.

See organizational materials provided with this document for additional information.

Property Information & Background

Cedar Hills is an existing 30 unit, 100% project-based Section 8 property located at 10860 Cedar Bend, Minnetonka, Minnesota. The property consists of family sized units: 20 two-bedrooms, 9 three-bedrooms and 1 four-bedroom. The HAP contract provides that all households pay just 30 percent of

their income towards rent. The HAP contract provides rental subsidy for the balance of the rent up to the current HAP contract rent. Current rents are provided in the attached sources and uses worksheet.

Cedar Hills was built in 1983 and contains five townhome buildings, four garage buildings, a playground, community center building, and play areas. The garage buildings have 15 garage stalls and approximately 32 surface stalls. Except for the ADA accessible units, all units are two level townhomes. See attached Project Location Map and Aerial Image for additional detail.

The project was acquired by Dominion in 2006. In 2007, the project was recapitalized and underwent a substantial rehabilitation including, but not limited to, demolition and reconstruction of a portion of the garages, full siding and roof replacement, new windows, comprehensive unit work including new kitchens, bathrooms, flooring, interior and exterior doors, and the construction of a new community room building. The property is well-located, within a half-mile of a grocery store, local and express route transit, and other amenities.

CommonBond, acting through single purpose entity CB Cedar Hill Holding LLC, has a contract to purchase Cedar Hills from Dominion. CB Cedar Hill Holding LLC is wholly owned by CommonBond.

The Section 8 Housing Assistant Payment (HAP) contract was most recently renewed in 2013 for a 20-year term, running through 2033. The original HAP contract was put in place at initial property construction in 1983. The 2007 recapitalization utilized Low Income Housing Tax Credit (LIHTC) financing. The 15-year LIHTC compliance period expires in December 2022. The affordability restriction extends through 2037. CommonBond will assume the HAP contract at acquisition closing.

Funding Request

CommonBond is requesting \$2,250,000 from the City of Minnetonka ("City") to support the acquisition of the property. We are requesting that the funding be provided in the form of a subordinate, deferred loan with a 30-year term at 0% percent interest. We are requesting that the loan be structured as a balloon note, with no payments due during the term. We understand that the City's loan will come with 30-year affordability requirements.

The City's funding will leverage an additional, approximate \$6,364,000 in private and public funding from the new first mortgage lender, existing Hennepin County funds, and CommonBond equity as described below.

Acquisition Financing & Interim Hold

The anticipated interim financing includes a new private bank loan, a new subordinate loan from the City of Minnetonka, assumption of the existing Hennepin County loan, and CommonBond equity. Specifically, these sources include:

- Bridgewater Bank new first mortgage – 3 year term, interest only, proceeds to be used for acquisition and rehabilitation
- Hennepin County HOME Loan – assumption of existing HOME loan principal and interest
- CommonBond equity – acquisition sources are leveraged to allow CommonBond resources to address any required rehabilitation

See the sources and uses provided for additional information and detail.

The preliminary budget for near-term property improvements provides for upgrades and investments that will be completed during the interim hold period with a focus on critical need items to stabilize the property. CommonBond's Construction Management team has toured the property previously and are scheduled to conduct a 100% unit walk through on March 4. Based on CM's preliminary assessment, near-term improvements are anticipated to cost up to \$1,700,000. Some of the key items in this potential scope include: site work (replacing 90% of sidewalks, regrading and related new landscaping, foundation work at garage buildings, replace decking & railings & other site work), replacing water heaters, condensing units and furnaces in all units, and adding security cameras to common areas. Additional detail is provided in the scope of work tab in the sources and uses.

Recapitalization or Refinance

CommonBond has preliminarily identified three viable long-term redevelopment options: a Low-Income Housing Tax Credit (LIHTC) recapitalization; a LIHTC recapitalization combined with other CommonBond-owned properties; and a refinance of the interest-only debt without a full syndication. The rehabilitation to be completed during the interim hold period will aim to stabilize the property to allow time to further assess the most appropriate and feasible long-term strategy for the benefit of the property and residents.

Acquisition Timeline

The acquisition timeline is being driven by the terms of the purchase agreement, which indicates that the acquisition will occur the later of May 4 (i.e. 90 days post execution of the agreement) or upon receipt of approval of assignment of the HAP contract and assignment of the Hennepin County HOME loan.

Purchase Agreement:	February 2022
Property Acquisition:	May or June 2022
Recapitalization or Refinance:	Summer 2025 or 2026; strategy to be determined based on physical needs and competitiveness for State and County resources to support recapitalization

Attachments

- CommonBond Communities Overview & Real Estate Biographies

We are very excited about the opportunity to acquire this important affordable housing community. The City of Minnetonka's financial support is a critical component for project feasibility and to allow CommonBond to focus its resources on any required immediate renovation as described herein.

We thank you for the opportunity to submit this request. We look forward to your review and advancing this request to the next steps.

Sincerely,

Cecile Bedor
Vice President, Executive Vice President – Real Estate

Stable Homes. Strong Futures. Vibrant Communities.
An equal opportunity & affirmative action organization





CommonBond
COMMUNITIES

Real Estate Acquisition & Development

Affordable homes and thriving communities through smart real estate decisions and collaboration.

CommonBond is renowned for its award-winning acquisition & development and property management expertise. We've been in the business of developing homes and community since 1971. With a deep portfolio of successful, diverse, long-term partnerships and properties, we are best positioned to address the critical need for more affordable housing in our region. CommonBond manages a portfolio valued at about \$500M in a pro-resident and professional manner, while simultaneously protecting the assets and interests of our public and private investors

We are good neighbors and our presence in a community makes a difference. We go beyond effectively managing our properties, too - we provide supportive services to help residents achieve stability and independence, and we build and maintain important relationships with cities, public agencies, faith communities, and community organizations.



Our Acquisition & Development team handles all aspects of development including:

- Site and market analysis
- Project financing
- Community outreach and engagement
- Entitlements
- Construction management



Now serving nearly **13,000** people

1,124
Residents

11
Housing
Communities




9,297
Residents

103
Housing
Communities



644
Residents

9
Housing
Communities



**as of December 2021*

We are CommonBond Communities. We are real estate experts. And, because a home is the foundation for everything in life, we use that expertise to create **stable homes**, **strong futures**, and **vibrant communities**.

Meet Our Real Estate Team



Cecile Bedor



Executive Vice President of Real Estate

Cecile Bedor serves as Executive Vice President of Real Estate. She brings executive leadership skills and practical experience to lead all real estate activities for CommonBond. She is responsible for all aspects of the purchase and development of real estate, property asset management to ensure financial sustainability, and reporting to project funders and investors. Cecile previously served as the Executive Vice President of GREATER MSP, where she began in 2014. Prior to that, she served for eight years as the City of Saint Paul's Director of Planning and Economic Development. During that time, she was also the Executive Director of the City's Housing & Redevelopment Authority. Before joining the City, she was the Director of Partnerships and Development for the Minneapolis Public Library, overseeing the system's marketing and communications, community library capital projects, and community partnerships. She previously held positions with the National Equity Fund, the Metropolitan Council, and Aeon.

Tammie Fallon



Director of Construction Management

Tammie's responsibility as Director of Construction Management is to coordinate and supervise the construction process from pre-construction through project completion. She has worked on the Construction Project Management Team since 2013 and previously held the position of Senior Construction Project Manager before taking on the role of Director. Tammie has over 20 years of experience in construction management. Project types include commercial, multi-family, religious, and restaurants. For the past 15 years, the majority of her projects have been multi-family housing, including CommonBond's Riverview Apartments. Tammie earned a Bachelor of Arts in Psychology and a Bachelor of Science in Construction Management at the University of Wisconsin-Stout.

Heidi Rathmann



Director of Acquisition & Development

Heidi Rathmann leads CommonBond's Acquisition and Development team. She holds primary responsibility for business development for new real estate development opportunities. She supports her team on project management and due diligence for new projects in Minnesota, Iowa, South Dakota, and Wisconsin. Heidi has nearly 25 years of experience in affordable housing in various leadership and project management capacities with a proven ability to successfully identify feasible development opportunities for homeless veterans, homeless singles, people with developmental disabilities, families with children in need of affordable housing, and seniors on fixed incomes. Prior to joining CommonBond, Heidi most recently was the Senior Vice President at Trellis Co. (fka Community Housing Development Corporation) and Co-founder and Principal for two affordable housing consulting groups, Ponterre Group and HM Collaborative. Heidi holds a Master of Arts in Urban Studies and a Bachelor of Science in Business Administration.

Katie Anthony



Principal Project Manager

Katie Anthony is a Principal Project Manager in the Real Estate/Acquisitions & Development Department. She is responsible for originating, coordinating, and implementing all aspects of the development of housing projects. Additional responsibilities include building capacity within the Acquisitions and Development Team by providing underwriting assistance, technical support and leadership. Prior to joining CommonBond Communities, Katie provided affordable housing financial strategy and structuring, underwriting and technical capacity for her non-profit and for-profit clients in a consulting capacity through her firm Sheridan Ventures. Previous to Katie creating Sheridan Ventures in 2009, she was a Senior Development Officer with Community Preservation and Development Corporation (CPDC), one of the largest nonprofit affordable housing developers in Washington DC and the Mid-Atlantic. Prior to her tenure at CPDC, Katie managed neighborhood revitalization and commercial development activities at community development corporations (CDCs) in Washington, DC and St. Paul, MN.

Ryan Kriesel



Construction Project Manager

Ryan's responsibilities as Construction Project Manager include coordinating and supervising the construction process from pre-construction through construction close-out. Ryan has over 10 years of various construction management experience, including superintendent and project manager roles in the Twin Cities market. Project types have varied from multi-family to aviation to warehouse, but his niche has been in the multi-family sector - including senior-living, family apartments, and hotels. Ryan has a Bachelor of Science in Construction Management from the University of Minnesota, Twin Cities.

Ann Schley



Construction Project Manager

As Construction Project Manager, Ann coordinates the construction process from design and pre-construction through project completion. Prior to joining CommonBond, Ann guided nonprofit organizations through their building projects, whether new construction, an addition, or a renovation. She has experience in historical rehabilitation, with housing, places of worship, museums and schools. Ann holds a Bachelor of Architecture from the University of Minnesota.

Sally Rabban



Project Manager

As a Project Manager Sally's responsibilities include determining and securing financing, loan closings, and leading the project development team. She manages various aspects of the development process on multiple projects at once to create safe, stable, affordable housing. Most recently, Sally worked for Trellis Co. (fka Community Housing Development Corporation) as a Project Coordinator on the Development Team for 4 years. Prior to Trellis, Sally was a housing development specialist at Landon Group and also worked for Habitat for Humanity. Sally holds a Masters Degree in Urban and Regional Planning from the Hubert H. Humphrey School of Public Affairs, and a Bachelor of Arts degree in Architecture and Geography from the University of Minnesota.

Meredyth Skemp



Project Manager

Meredyth works on all aspects of the real estate development process, including: acquisition, entitlements, financing, and design and construction. Prior to joining CommonBond, Meredyth spent more than 15 years in the Bay Area of California, where she was a Project Manager with two leading affordable housing developers—Habitat for Humanity Greater San Francisco and BRIDGE Housing Corporation. During her time managing multifamily developments for low-income seniors and first-time homebuyers, she grew increasingly interested in learning how to create better efficiencies in the building process, a journey which led her to market-rate development with a focus on innovative construction techniques to reduce costs. Meredyth holds a BA in Architecture from the University of Minnesota – Twin Cities and is a graduate of the Coro Fellows Program in Public Affairs and the California College of the Arts Leading by Design Fellows Program.

Asher Michels-Allen

Housing Development Associate II



Asher's primary responsibility is to assist the real estate project managers on every phase of their development projects. This includes, but is not limited to researching and assessing the feasibility of potential project sites, completing applications for project financing, and managing project budgets. Prior to becoming an Associate, he was an intern at CommonBond for a year during graduate school. Previous employers in the community development field were Project for Pride and Living, the Metropolitan Council, and the Center for Urban and Regional Affairs. He holds a Bachelor's degree from the University of Northern Iowa and a Master's of Public Policy from the Hubert H. Humphrey School of Public Affairs.

Marques Morgan

Housing Development Associate

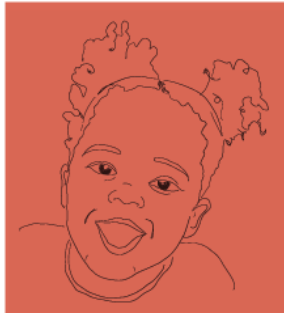


Marques's main responsibility as a Housing Development Associate is to help with all phases of CommonBond's development projects. This includes, but is not limited to, researching and assessing the feasibility of potential sites, completing applications for project financing, and creating/managing project budgets. Before stepping into this role, Marques worked as a Marketing/Leasing Specialist at CommonBond, which allowed him to learn about the development and lease-up process firsthand. Marques holds a Bachelor's degree from Concordia University-Wisconsin and has 5 years of real estate experience.

CommonBond Communities



CommonBond
COMMUNITIES



CommonBond's Guiding Framework



MISSION

Build stable homes, strong futures, and vibrant communities.

VISION

Every person has a dignified, affordable home that supports independence and advancement within a flourishing community

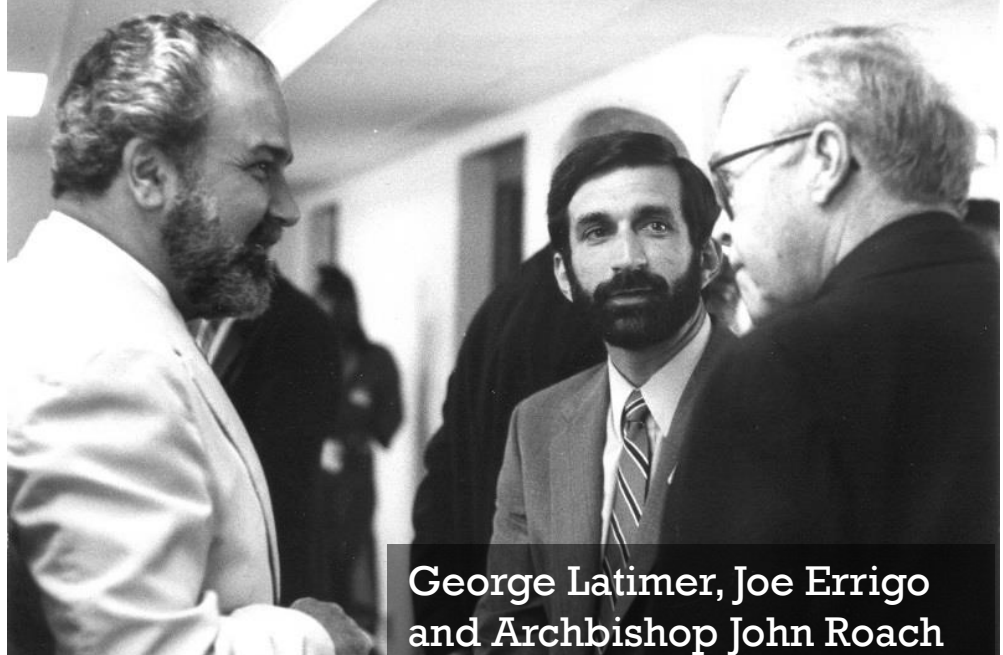


CommonBond's history



Cathedral Hill Homes (1999)
St. Paul, MN

- Established in 1970, grew out of social justice initiative of the Catholic Church
- Archdiocese chose housing as primary tool for social equity
- Now serving **nearly 13,000** people with founding values still integral to mission



George Latimer, Joe Errigo
and Archbishop John Roach



Joe Errigo, Bill Cosgriff, Ed Flahavan



Serving **13,000** people

- Families
- Children
- Older Adults
- Veterans
- People living with disabilities
- Average household income \$24,000



Areas of Expertise

- Affordable Housing Development & Financing
- Community Development & Revitalization
- Eviction Prevention
- Long-term Homelessness/Supportive Housing
- Naturally Occurring Affordable Housing (NOAH)
- Social Impact Investing



Advantage Services:

What sets us apart

Services by Intensity Level

■ Core ■ Enhanced ■ Comprehensive

- ■ ■ Eviction prevention
- ■ ■ Support services & coordination
- ■ ■ Community building events
- ■ Health & Wellness activities
- ■ Employment & financial services
 - Homework center
 - Study Buddies/Teen Programs



Property Management

With a Mission



With our mission-centered management model, we prioritize proactive **relationship-building** and individualized **conflict resolution**

This allows us to intervene and provide support when residents face challenges or eviction.

Real Estate:

Build, develop, preserve

With a deep portfolio of successful, diverse, long-term partnerships and properties, we are best positioned to address the **critical need** for more affordable housing in our region.



What's our **Impact?** In 2020...

64% of students behind grade level in reading made one or more academic years' progress

92% of teen program participants engaged in future/post-secondary planning

105 new job placements were secured with support of an Employment Coach

95% of residents at risk of eviction were able to maintain their housing or exit positively

73% of participants in senior exercise classes maintained or improved their strength and coordination

2,359 residents actively engaged in community-building events



10,194

Residents

109

Housing
Communities



1,347

Residents

13

Housing
Communities

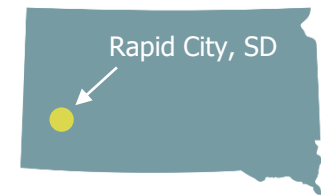


685

Residents

9

Housing
Communities



Coming Soon

400 units

Numbers as of June 2021


“Through our initial assessment and ongoing work of expanding to Rapid City, we have been continually impressed by the commitment and close coordination of community leaders.

We believe there is a unique opportunity for this community to be a national example for responding to the affordable housing crisis.”

—**Derek Madsen**

Executive Vice President
CommonBond Communities



A woman with short brown hair, wearing a purple patterned short-sleeved shirt and a gold necklace with a cross, is smiling warmly at the camera. She is standing in a kitchen, leaning over a counter where she is cutting a red tomato with a knife. The kitchen has wooden cabinets, a white countertop, and a water dispenser in the background. The lighting is warm and indoor.

“My home is like a coat that covers me up from the cold. It gives me comfort just like a winter coat would.”

-Vida
Franklin Meadows resident



**Economic Development Advisory Commission
Item #5
Meeting of March 10, 2022**

Title: Business Development Strategy Work Plan
Report From: Rob Hanson, EDFP, Economic Development Coordinator
Submitted through: Julie Wischnack, AICP, Community Development Director

Action Requested: Motion Informational Recommendation Vote
Form of Action: Resolution Ordinance Contract/Agreement Other N/A
Votes needed 4 votes 5 votes N/A Other

Summary Statement

Discussion on proposed business development strategy work plan based on the 2018 business development strategy plan and from feedback received from the 2021 business survey.

Recommended Action

Provide feedback on the proposed work plan

Strategic Profile Relatability

Financial Strength & Operational Excellence Safe & Healthy Community
 Sustainability & Natural Resources Livable & Well-Planned Development
 Infrastructure & Asset Management Community Inclusiveness N/A

Financial Consideration

Is there a financial consideration? No Yes
Financing sources: Budgeted Budget Modification New Revenue
Source
 Use of Reserves Other

Statement: Funding sources would be identified at a later time should programming proceed.

Background

The Economic Improvement Plan (EIP) outlined the need to be more proactive with business outreach. At the March 22, 2018, EDAC Meeting, staff presented a formal Business Development Strategy Plan. This plan outlines the tools, resources, and activities to support Minnetonka's business community. Elements of the strategy include the development of a Business Retention and Expansion Program, Marketing and Communications Plan, Researching Small Business Development Resources and Financing Programs, Forming Partnerships, and Administrative Resources.

The city has established the infrastructure and programming outlined within the Business Development Strategy and the Economic Improvement Plan. Following the 2021 business survey, it became apparent that while the city is performing well in many aspects, it also highlighted possible enhancement services to the business community.

The attached Business Development Strategy Work Plan Outlines concepts and action steps to implement aspects of the Business Development Strategy further and to respond to issues identified by the Business Survey.

EDAC and City Council Feedback

The EDAC and the City Council have both had an opportunity to review the survey results and were provided an opportunity to provide feedback.

EDAC Feedback 12/9/2021:

- Commissioners recognized that some categories that the city scored poorly, such as taxes, roads, and utility infrastructure, were beyond the city's control.
- Commissioners also agreed that they would like to see more ideas about supporting social events for businesses.
- Commissioners expressed the importance of continuing the city's work to support affordable housing as essential for keeping a diverse workforce within Minnetonka to support businesses.
- Commissioners asked staff to dig deeper into defining what growing responsibly looked like. They also noted that the city should focus on issues where the city has control, such as addressing the lack of awareness on specific projects and housing-related issues.
- Commissioner agreed that staff should establish a plan to share what staff is doing to address concerns brought up by the survey.

Meeting Minutes

City Council Feedback 1/24/2022:

There was a comment received regarding the reliability of the power grid in the city. While it was recognized that it may not be directly a responsibility of the city to manage the power grid, it was discussed that there is importance in making sure the city communicates the business community's concerns to the power utility providers.

[Meeting Minutes](#)

Attachments

Business Development Strategy (2018)

Business Development Strategy Work Plan Outline (2022)



Business Development Strategy

Overview:

Following is an outline of business development services that are currently available or could be utilized by the city of Minnetonka to enhance business development within the community. These services include a variety of tools, resources and activities that are being proposed to support Minnetonka's business community and achieve the goals of the Economic Development Advisory Committee, Economic Development Authority and City Council.

Elements of the strategy include the Business Retention and Expansion Program, Marketing and Communications, Small Business Development Resources, Financing Programs, and Partnerships. The following is a summary of those elements:

Business Retention and Expansion Program (BR&E)

A BR&E program is a tool to help identify barriers local businesses face as they work to survive and grow. A successful BR&E Program develops and maintains strong relationships with local business leaders to assess business concerns, understand the structure of the local economy, set priorities, and implement programs or projects that will help make the business community thrive.

In the short-term, a BR&E Program can demonstrate community support for local businesses through enhanced communication and can help solve immediate business concerns. Long term goals of a BR&E Program include: Building community capacity to sustain business growth and development, increasing local businesses' capacity to compete in the global economy, and establishing and implementing a strategic priorities to address businesses' needs.

Business Retention and Expansion Outreach Recommended Approach:

2018-2019 Connect with partnership organizations to explore outreach opportunities

- Grow Minnesota! – MN Chamber of Commerce
- TwinWest Chamber of Commerce
- GreaterMSP
- Department of Employment and Economic Development

Develop and maintain a comprehensive business list

- Facilitate communication with business community
- Identify key business leaders
-

Harness community branding efforts to establish an economic development marketing plan to attract and retain residents and businesses

2018-2019 Connect with Minnetonka Businesses

- Develop a template for an annual business newsletter to connect with the business community. Publication will highlight:
 - Investment updates
 - Available business development and financing opportunities
 - Launch of a business survey with business visit opportunities

- Highlight single point of contact at the city for business inquiries

-

2019-2021 Analysis and Implementation

- Partner with Twin West, Grow MN, GreaterMSP, and DEED to conduct business outreach visits
- Analyze business surveys for industry trends and business needs
- Develop proactive business development strategies to meet the needs of businesses

Marketing and Communications

Economic development marketing and communications are important tools in promoting a community as a promising destination for business expansion and relocation by increasing its visibility and demonstrating its benefits. Following are the examples of tools that can be utilized in marketing and communications efforts:

- Business Centric Marketing: Marketing aimed at positively positioning the community in the minds of the target audience of business executives, site selection firms, bankers, and commercial brokers.
- Community Branded Economic Development Resources: A comprehensive package of custom designed economic development resources will be utilized in a variety of applications. Such applications include the presentation of information at special events and meetings with business and development prospects. Tailored information relevant to each use is able to be included. Ie: Housing, Business Development, and Transit.
- Web Presence: A portion of the website will be dedicated to information about demographics, available land and buildings, financing opportunities, maps, utilities and workforce resources. This information corresponds to that identified by site selection firms and businesses as key data considered when conducting site searches.
- Media Relations: Public relations staff coordinate the distribution of press releases on important development projects and business-related programs and events.
- Relationship Building: Staff works to maximize participation in the area chambers of commerce and industry-specific trade organizations and professional associations in order to promote Minnetonka as a strong place to do business.

Business Financing Programs

To help support business expansions and relocations or equipment purchases, a number of general financing programs are available for businesses in Minnetonka. Staff works to establish and promote a range of financial resources to meet the changing needs of businesses. A number of these resources are available on a local, regional or state basis, including the following:

- The Property Assessed Clean Energy (PACE) Program allows local governments to fund the up-front cost of energy improvements on commercial and residential properties. The funding is paid back over time by the property owner which provides an incentive to invest in energy improvements that might otherwise be cost prohibitive.
-
- Hennepin County Common Bond Fund is a loan fund for growing manufacturing companies. Tax-exempt or taxable revenue bonds are issued on behalf of private

borrowers to provide lower interest rates on long-term financing. Projects can include land acquisition, new facility construction, additions to existing facilities, purchase and renovation of existing structures, and production equipment purchase.

- Hennepin County Economic Development Infrastructure Fund is a grant available to support business recruitment and expansion through targeted investments in infrastructure upgrades and extraordinary costs associated with starting a business. Eligible uses include demolition, site clearance, relocating utilities, and replacing aging or inadequate water and sanitary sewer systems.
- The Minnesota Investment Fund is a program through the Minnesota Department of Employment and Economic Development. The program's purpose is to provide low interest loans to create and retain high-quality jobs in industrial, manufacturing, and technology-related industries; increase the local and state tax base; and improve the economic vitality for the state. Eligible loan uses include land, buildings, infrastructure improvement, equipment, and training.
- The Job Creation Fund is a program through the Minnesota Department of Employment and Economic Development. The program provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets. Companies deemed eligible to participate may receive up to \$1 million for creating or retaining high-paying jobs and for constructing or renovating facilities or making other property improvements.
- The Economic Gardening Program provides scholarships to owners of second stage growth businesses for business research combined with peer learning and business forums.

Small Business Development Resources

Supporting small business development is a continual focus of Community Development Department. Staff works to guide entrepreneurs through the process of establishing or growing their business in Minnetonka and publicize the availability of resources in Minnetonka. To help direct these small business entrepreneurs to the appropriate resources, staff has established relationships with partner organizations that can provide technical assistance and micro lending options. Following is a listing of some of the organizations:

- Metropolitan Consortium of Community Developers (MCCD) is an association of nonprofit community development organizations that promote entrepreneurship and small business development by offering access to capital and technical assistance. MCCD also offers more focused assistance to Minnetonka through monthly office hours at City Hall and is named "Open to Business".
- Small Business Development Centers provide free consulting, offering assistance with strategic business plans, market research, financial planning and analysis, loan packaging and cash flow management.
- Service Corp of Retired Executives (SCORE) provides free one-on-one counseling and low-cost workshops in key subject areas critical to small business success.
- Neighborhood Development Center offers business training, financing, and ongoing support and business incubation to ensure that businesses participating in its programs succeed through the start-up and growth phases of their businesses.

- University of Minnesota Office for Business and Community Development (OBCED) is a social enterprise whose purpose is to leverage the assets and resources of the University to create programs and services that provide innovative solutions to real-world social-economic problems that impact urban communities.

Partnerships

- GreaterMSP is the regional economic development organization for the Minneapolis/St. Paul region. They partner to help provide a vision and agenda for regional economic development as well as brand and market the region. GreaterMSP offers services in business retention and expansion, data tools and research, and targeted industry assistance (manufacturing, small business, technology).
- The Department of Employment and Economic Development (DEED) is a state agency assisting in economic development through programs targeting business recruitment, expansion and retention; workforce development; and community development.
- Twin West Chamber of Commerce serves ten communities in the western and northwestern metro area, including Minnetonka. It offers relevant, timely programming as well as numerous networking opportunities for area business people. The chamber supports local workforce and high school education through its philanthropic arm, the Twin West Foundation.
- The primary focus of Grow Minnesota! (Minnesota Chamber of Commerce) is to retain and grow Minnesota's businesses. Grow Minnesota's business assistance resources include confidential one-on-one site visits with businesses to identify their specific expansion plans, workforce recruitment and development needs, exporting opportunities, and relevant business financing services.
- Hennepin County provides assistance to businesses and municipalities through a variety of programs designed to support businesses, promote economic development, create and retain jobs, and cultivate entrepreneurs.
- Metropolitan Council provides regional infrastructure, services, and amenities that serve as a foundation for economic growth to support economic development efforts. The Council provides grants to help clean up polluted sites for redevelopment, expand affordable housing opportunities and build pedestrian friendly transit-oriented developments.

Administrative Resources

- Single Point of Contact: Staff acts as a single point of contact by providing a reliable, responsive information source for questions related to business development in Minnetonka. In this role, staff acts as a liaison between various city departments, assists in the coordination of city approvals and researches answers to a wide range of questions. Staff also helps facilitate the creation of public/private partnerships with partner organizations such as the State of Minnesota and Hennepin County as appropriate.
- Site Location Services: Staff receives requests for information on site options on a regular basis. Requests can be as simple as the availability of a certain square footage of office space to lengthy, complex requests for large corporate users. Staff also

provides a key service of promoting available office, retail and industrial locations in Minnetonka that may not be listed with a broker as well as redevelopment opportunities.

- Development Policies: A number of policies have been established to help guide the use of available resources within the community. These policies indicate development focuses such as targeted industries and redevelopment areas.
- Property Monitoring: Staff monitors the existing building market.
- Workforce Development: Staff will participate in workforce development discussions and will continue to stay informed of workforce development opportunities available to Minnetonka businesses.
- Business List: Staff will develop a comprehensive business list and map of businesses within the community that includes basic information such as employment sector or specialty, to assist with visualizing the business climate and sectors within the city.

Draft Updated 03/01/2018



Business Development Strategy Work Plan

Overview:

The Economic Improvement Plan (EIP) outlined the need to be more proactive with business outreach. Additionally, in 2018, staff presented an overview of a business development strategy for the city. The strategy outlined various tools, resources, and activities that staff employs to engage with the business community. Following the 2021 business survey, it became apparent that while the city is performing well in many aspects, improvements can be made to enhance services to the business community.

Businesses reported the location of the city, demographics, and feeling of safety as the most positive attributes of operating a business in Minnetonka. The main concerns from businesses surveyed included taxes, worker supply, COVID-19, road repair, and power outages.

Businesses view the partnerships supporting workforce development or finding employees and COVID-19 emergency assistance funds as essential services that staff currently provides. While they have indicated that social events/mixers, grant/loan information, safety workshops, and job fairs were necessary future services that can be expanded.

Conceptual and Proposed Activities

Listed below are proposed programmatic ideas for consideration to address issues identified in the survey. The programs fall into four categories: Conceptual, Further Research Needed, Near Term Action (Can be implemented immediately), and Long Term Action (Can be implemented in 6+ months with further research)

Survey Concerns Addressed	Activity or Topic	Action Category	Partnerships
Workforce			
Workforce / Housing	Employer Benefit: Down Payment Assistance/Rent	Conceptual	Employers/ Housings Organizations
Workforce/Collaboration with Educational Institutions	Encourage Business Education Network Partnerships	Further Research Needed	Minnesota Chamber of Commerce
Workforce/Collaboration with Educational Institutions	Encourage Business Participation in Local High School Career Programs	Further Research Needed	Minnetonka, Hopkins, and Wayzata School Districts.
Workforce/Collaboration with Educational Institutions	Technical Assistance for Creation of Career Pathway Programs	Long Term Action	Hennepin County, DEED
Public Safety			
Public Safety	Police/Community Development Quarterly Business Meetings	Conceptual	Minnetonka Police Department

Public Safety	Building Safety and Security Grants	Conceptual	Police, Fire, Building Dept.
Public Safety/Business Engagement	CPTED Certification for city staff	Near Term Action	Internal
Infrastructure Reliability and Construction Mitigation			
Construction Mitigation/Communication	Construction Technical Assistance Marketing Program	Conceptual	Marketing Firms
Infrastructure/Communications	Recurring meeting with Xcel Intragovernmental Liaison Staff	Near Term Action	Xcel Energy
Construction Mitigation/Communication	Neighborhood Meetings for County/DOT Road Projects	Long Term Action Item	Public Works, Hennepin County, DOT
Business Engagement			
Business Engagement	Partner with MPLS Chamber to host business mixers/hiring fairs	Conceptual	Minneapolis Chamber
Business Engagement	Mayor's Outstanding Business Award	Conceptual	
Business Engagement/Communication	Update of city business development webpages	Near Term Action	
Business Engagement/Target Industries	Obtaining and maintaining up-to-date local economic data	Near Term Action	Greater MSP, Consultants
Business Engagement	Business Registration Form	Long Term Action	
Workspace/Business Support			
Business Support	Hospitality/Childcare/Fitness COVID-19 Emergency Relief	Conceptual	
Business Support	Small Business Improvement Revolving Loan Fund	Conceptual	
Business Support	Emerging Business Lease Emergency Fund	Conceptual	MCCD Open to Business
Inclusiveness			
Inclusiveness	Review contract procurement procedures to encourage DBE contract awards	Further Research Needed	
Inclusiveness	List culturally relevant business development centers on the website	Near Term Action	Multiple organizations

Ongoing Action and Next Steps

Staff will continue to work to implement the strategies and tasks outlined in the 2018 business development strategy and also to work to address the gaps identified by the survey. Actions that address concerns outlined in the survey that have already occurred are:

- Additional publishing of *Thrive*, providing three issues annually.
- Development of the online business email list, with now over 1000 subscribers.
- Creation of professionally drafted informational brochures and checklists which can be handed out to prospective or established businesses.
- Acquiring up-to-date economic and market data through the Visitor 360 report and Community 360 report.

Staff will also continue to review and modify existing services as needed to best accommodate engagement with the business community.

Further research may be needed to validate ideas and possible programming. Vetting ideas could be done through focus groups, through additional targeted short surveys, and further participation in collaborative groups such as workforce boards, trade groups, education institutions, and the chamber of commerce.

To monitor progress, staff plans to perform future surveys every few years and research economic development tracking software.



**Economic Development Advisory Commission
Item #6
Meeting of March 10, 2022**

Title: Staff Report
Report From: Rob Hanson, EDP, Economic Development Coordinator
Submitted through: Julie Wischnack, AICP, Community Development Director

Action Requested: Motion Informational Recommendation Vote
Form of Action: Resolution Ordinance Contract/Agreement Other N/A
Votes needed 4 votes 5 votes N/A Other

Summary Statement

Staff update on community transit, economic development, and housing matters.

Recommended Action

Receive the report; no formal action is required.

Strategic Profile Relatability

<input type="checkbox"/> Financial Strength & Operational Excellence	<input type="checkbox"/> Safe & Healthy Community
<input type="checkbox"/> Sustainability & Natural Resources	<input checked="" type="checkbox"/> Livable & Well-Planned Development
<input type="checkbox"/> Infrastructure & Asset Management	<input type="checkbox"/> Community Inclusiveness <input type="checkbox"/>
N/A	

Transit Updates

Green Line Extension (Southwest LRT)

Civil construction on the project is now anticipated to be complete by 2025, followed by systems work. The project is currently scheduled to open for revenue service in 2027. The revised schedule is a result of numerous challenges along the line including:

- Constructing a barrier protection wall between the BNSF freight and LRT tracks in Minneapolis as part of the safety agreement with BNSF
- Changing construction methods to include a retaining wall for the Kenilworth Tunnel in Minneapolis due to the proximity to and sensitivity of nearby structures.
- Adding the construction of the Eden Prairie Town Center station, originally deferred but added back to meet community priorities.

Project leaders estimate that the project will need an additional \$450-\$550 million to finish.

The project office is hosting a series of virtual Town Halls in March. These events are open to the public and will allow an opportunity to learn about upcoming construction activities planned for 2022.

The Minnetonka virtual town hall is scheduled for March 9, 2022, from 5:30-6:30 pm. More information can be found on the [Green Line Public Involvement](#) website.

Minnetonka Highlights

Recently Completed:

- Red Circle Drive from Shady Oak Road is now open to two-lane traffic alongside Highway 62.
- Bren Road West is open to two-lane traffic where it crosses the LRT corridor.

Ongoing:

- Part of Red Circle Drive remains closed to westbound traffic as the second phase of the nearby pedestrian underpass construction continues. Drivers exiting Opus Park along Bren Road East can access Red Circle Drive and Shady Oak Road. Yellow Circle Drive is configured as a two-way road during this phase of construction to accommodate through traffic and local businesses.
- The left lane on Green Circle Drive near the Bren Road West intersection is closed through spring 2022.
- Feltl Road is closed at Smetana Road through summer 2022.
- Crews continue to work on the Minnetonka-Hopkins LRT bridge

Metro Transit:

Staff continues to engage with Metro Transit staff quarterly and as needed to discuss transit service in the city.

Regional transit ridership has started to recover from pandemic lows. In the early stages of the pandemic, regional transit services averaged only about 2.3 million customers per month. Throughout 2021, ridership grew to nearly three million customers and nearly reaching four million in October 2021.

All transit modes showed a significant increase in ridership, leading to about 34% more customers using regional transit between April and December in 2021 compared to the same time period the previous year.

The Met Council presented the [full ridership report](#) at the February 14 Transportation Committee meeting.

Development Updates

Projects	Location	Status
Housing		
The Pointe (Amira Minnetonka)	801 Carlson	Under Construction
Minnetonka Station	Opus	Site development permit pending
Doran (Shady Oak)	5959 Shady Oak Road	Site development permit issued
Shady Oak Crossing	Shady Oak Road / Main Street	Residents moved in December 1. About 50% leased
Shady Oak Office Center (Wellington)	10901 Red Circle Drive	Footing and Foundation Permit Issued
Abdo Market House (Glen Lake Apts)	14317 Excelsior Blvd	36 Unit Apartment Concept
Misc. Projects		
Ridgedale Area Park Project	Ridgedale Drive	Under Construction
Medical Examiner's Office	Hwy 62	Certificate of Occupancy Issued
Business Projects		
King Technology	6000 Clearwater Drive	Moving into Mtka from Hopkins

Business Updates

Thrive Minnetonka

The winter issue of [Thrive Minnetonka](#) was sent out on February 24 to over 1200 Minnetonka businesses. This issue includes information on:

- Minnetonka business survey results
- Steps for protecting your business property
- Resources to assist with talent attraction
- Tips for sustainable winter salting

DEED

Minnesota Job Creation Fund

King Technology has been approved for participation in the Minnesota Job Creation Fund.

Launch Minnesota Grants

Launch Minnesota is a statewide collaborative effort to accelerate the growth of startups. The program provides grants to the most promising and innovative businesses in Minnesota. A local Minnetonka company, Advisory Aerospace OSC, received nearly \$20,000 through the program to develop a production scheduling optimizer for aerospace manufacturers.

Visitor 360 Data

While conducting the business survey, staff also obtained data on the flow of visitors to the city overall and points within Opus and Ridgedale. The report uses anonymous data from individuals and allows for a statistical analysis that provides insights on who visits the community, their characteristics, where they come from, and where they are going. The report looked at the

points of interest from January 1, 2018, to June 30, 2021. This time frame also allows staff to view the impacts related to COVID-19 closures and the ongoing recovery. Critical information learned from the report includes:

- Over the date range, the Ridgedale area had 48.15 million visits.
- The Ridgedale area had 1.65 million visits in December 2018. In June 2019, there were approximately 1.25 million visits. There were about the same number of visits in June 2021.
- During April 2020, at the height of COVID-related closures, 300K visited the area compared to 1.3 million in the year before.
- Ridgedale sees the most number of visitors from Maple Grove, Osseo, Minneapolis, and Eden Prairie.

This data can be used by staff and shared with businesses within the study area to direct marketing campaigns, allow for benchmarking to measure progress, calculate economic impact, as a tool for business retention and recruitment, and monitor trends related to the pandemic. Staff plans to update the information in July 2022 so that there is a complete two-year snapshot of visitor movements.

Housing Updates

Assistance programs remain available for Minnetonka residents. The State of Minnesota has made grants available to residents to help pay their utility bills. This program allows grants from \$300-\$2,000.

The Federal Communications Commission has established a program to provide a \$50 monthly discount to eligible households to help households pay for necessary internet service or receive a discount towards purchasing a new laptop computer.

Staff is working with ICA to provide additional Emergency Rental Assistance to ICA in 2022.

CDBG Updates

Hennepin County has announced that the city is poised to receive approximately \$142,000 in CDBG grant funds to continue the home rehabilitation grant program into 2023.

Additionally, the county is soliciting proposals from public service providers to carry out service activities into 2023. \$450,000 is available for services related to the following:

- Temporary or short-term housing assistance
- Domestic abuse counseling
- Financial counseling
- Job training
- Senior services
- Senior center programming
- Tenant advocacy
- Youth counseling or programming

In previous funding rounds, the following organizations benefiting Minnetonka residents have been funded: Resource West, Senior Community Services, YMCA, Treehouse, ICA Foodshelf, Community Action Partnership of Hennepin County, Sojourner Project, and Homeline.

Attachments: 2021 CD Annual Report



Community Development

2021 Annual Report



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A Note from the Director

Community Development is both a process and an outcome. At its core, Community Development is the enhancement of a community in its many realms: physical, environmental, social, and economic.¹

As the COVID-19 pandemic moved into its second year, the department continued to seek opportunities to enhance the Minnetonka experience for those that choose to live, work and recreate in our community.

- ✓ Staff continued to evaluate and put into place practices to better include and engage those in our community that are marginalized.
- ✓ Staff organized a community event around workforce housing development. The event introduced new Minnetonka residents to the services and opportunities the city provides.
- ✓ Staff optimized the city's online technologies to both engage the public in consideration of major ordinance/policy changes and to provide basic services such as the review of building permit applications.
- ✓ Ensuring effective service delivery, despite the pandemic disruption, continued to be a priority this year.

In 2021, Community Development championed Adaptable Learning and Innovation and looks forward to the new challenges and opportunities 2022 will surely provide.

Julie Wischnack, AICP
Community Development Director

¹ <https://loomio-uploads.s3.amazonaws.com/uploads/a857276f9762676b869e7112c396824c/An%20Introduction%20to%20Community%20Development.pdf>

Planning

The planning division is responsible for the review and management of physical development activities in the community. Such activities include large-scale development and redevelopment, as well as smaller subdivisions and building projects. Members of planning staff act as liaisons to the planning commission and make recommendations to both the commission and the city council.



✓ Total Applications

Staff processed more planning applications in 2021 than in 2020. Though increases occurred in every “type” of application, the 2021 total was still slightly less than the five-year average.

Types of Applications	2017	2018	2019	2020	2021	5-YEAR AVERAGE
Amendments to Previous Projects	0	7	2	1	2	2
Concept Review	6	10	4	4	7	6
Conditional Use Permit	25	18	24	21	27	23
Environmental Assessment Worksheet	0	1	0	0	0	0
Expansion Permit	7	9	10	6	4	7
Interim Use Permit	2	2	1	1	3	2
Guide Plan Amendment	2	3	1	1	0	2
Rezoning & Master Development Plan	9	11	9	9	11	10
Sign Plan	4	2	13	2	4	5
Site and Building Plan	7	12	10	13	6	10
Subdivision	24	18	19	15	19	19
Variance	33	28	27	17	21	25
Telecommunications Facility (admin)	1	12	4	7	12	7
Wetland/Floodplain Alteration	4	2	1	2	0	2
Zoning Text Amendment	0	1	2	3	5	2
Other	11	3	10	8	6	8
TOTAL	135	139	137	110	127	130

✓ **Project Overview**

Many of the projects considered in 2021 were site redevelopment projects involving either the reuse of existing, vacant buildings or the removal of such buildings and construction of altogether new uses.

Culvers

In July 2021, the city approved the redevelopment of the long-vacant Burger King at Hwy 7 and Co Rd 101. Culvers opened for customers in Dec. 2021.



Dick's House of Sport

After several meetings and plan revisions, the city approved the redevelopment of the former Ridgedale Sears tenant space. The new Dick's House of Sport will include 205,000 sq. of indoor retail area and a 31,000 sq. ft. outdoor athletic field.



Doran Apartments at Shady Oak Road

In June 2021, the city approved the construction of a six-story, 356-unit apartment building – including 54 affordable units – on the site of the former International Spanish Language Academy near Opus. Site work has started, and building completion is anticipated sometime in 2023.



Duke's on 7

In March 2021, the city approved the reuse of the former Christo's restaurant site. To accommodate the new restaurant, significant interior and exterior renovations occurred, including the construction of a spacious outdoor seating area. Duke's has been quite successful since its August opening.



Island Oaks

Following concept plan review and several neighborhood meetings, the city council approved the redevelopment of the Ice family property in July 2021. As approved, an existing single-family home was removed, and six new homes will be constructed. Site work is nearly completed, and new home construction is anticipated to begin in early 2022.



Minnetonka Station

In March 2021, the city approved the redevelopment of three small office sites in OPUS. As approved, a seven-story, 275 unit apartment building will be constructed on the combined site. Twenty-eight of the units will meet affordability guidelines. Site work is anticipated to begin in early 2022.



Top Ten Liquors

In Nov. 2021, the city approved reuse of the former Champp's restaurant site. As approved, the interior of the tenant space will be remodeled to accommodate an off-sale liquor store, grocery store, restaurant/deli, and wine bar. An existing patio enclosure was be removed, and a new outdoor patio will be constructed. Work is anticipated to begin in early 2022.



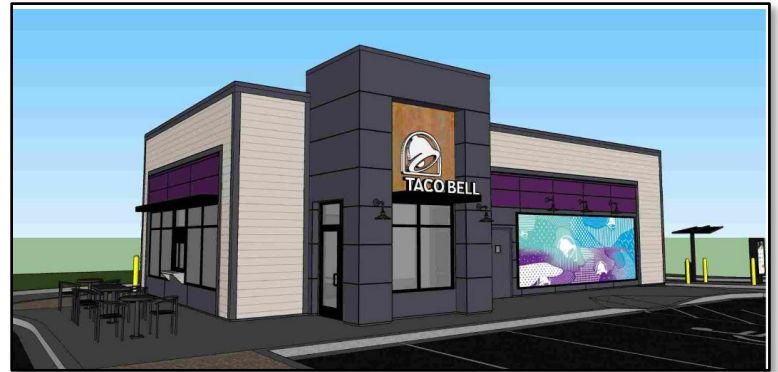
Wellington Apartments at Red Circle Drive

In June 2021, the city approved the redevelopment of a large office property in OPUS. As approved, a two-phase, two-building apartment project will be constructed. Phase one will include 223-units (68 affordable units), and phase two contemplates 150-185 units. Site work is well underway, and building completion is anticipated sometime in 2023.



Taco Bell

In May of 2021, the city approved a new Taco Bell location, north of Interstate 394, on Wayzata Blvd. The fast-food restaurant intends to serve a primarily auto-oriented clientele, as there is no seating in the restaurant. This type of business (drive-through only) is part of the response to changing behaviors during the pandemic.



✓ Tree Protection Ordinance

Beginning in 2019, general changes to the city's already strong tree protection ordinance were discussed by the city council, planning commission, and sustainability commission at seven public meetings.

A Minnetonka Matters Tree Protection Ordinance page was established in Sept. 2021. The page included a survey regarding general tree protection and specific ordinance language. Emails directing users to the page and requesting completion of the survey were sent to 7,065 minnetonkamn.gov subscriber groups, including Sustainable Minnetonka, Natural Resources News & Events, Latest News, and Planning Commission Agendas and Minutes. In addition, Minnetonka Twitter and Facebook messaging were also used to encourage the completion of the survey.

In October 2021, the city council adopted a revised tree protection ordinance. The ordinance provides additional natural resource protection by further limiting the percentage of tree removals on a property for construction, site work, and land development activities.

✓ **Census**

Community Development staff served as the point of contact for activities leading up to, during, and after enumeration for the 2020 Census. The statistics shared by the Census include:

- 2020 population: 53,781 – 20% under 18; 20% over 65
- 2010 population: 49,734
- 2020 86.2% white; 13.8% non-white
- 2020 23,065 households (2.28 persons per household)

✓ **Planning Commission**

The planning commission reviews development applications, zoning, and subdivision code changes, and amendments to the city's comprehensive plan based on the city's codes and policies. By council policy, commission members should attend at least 80 percent of the regularly scheduled meetings.

The planning commission met 20 times in 2021 and reviewed 65 individual projects. (For more information, see the Administrative Services section of this report.) For attendance records, please see the appendix.

Sustainability

In October 2020, the Minnetonka City Council approved an ordinance to create a new sustainability commission to further the city's efforts to protect and preserve the environment.

This new commission:

- Reviews and provides input on sustainability issues
- Acts as a sustainability ambassador to the community
- Serves as a resource for existing city advisory groups

The commission was formally seated in Feb. 2021. The commission meets at a minimum, bi-monthly. The first meeting was held on May 11, 2021.

✓ **Work Plan Progress and Sustainability Commission**

The commission held four meetings in 2021, completing a number of work plan items. Below are a few completed task highlights from the 2021 work plan update:

- From June to December 2021, the city hosted six Sustainable Minnetonka webinars (11 total in 2021) and one "Solar Power Hour" webinar. Video links can be found on the Sustainable Minnetonka webpage under "Monthly webinar series." Compared to other communities, Minnetonka's participation was higher than other communities for energy-related topics that Xcel Energy hosts. The initial meeting had 99 registrations which gradually reduced. These videos are also viewable on the city's website.
- Sustainability commission members and staff served as ambassadors at seven city events (Summer Farmers Market, Winter Farmers Market, and City Open House). Staff and commissioners handed out free LED light bulbs, gave out sustainability handouts, and spoke with community members about various sustainability topics.
- The sustainability commission reviewed and provided comments on the city's revised tree protection ordinance.
- The commission hosted the Bee Lab to present on pollinators at their Sept. 14 meeting.
- The city applied for and was selected to host a GreenCorps member to work on air pollution reduction strategies from Sept. 2021 to Aug. 2022. Projects include outreach efforts for multifamily building efficiencies, solar and wind source energy promotion,

✓ **Website**

The sustainability-related items on the city’s website have had many visitors since their recent inception.

WEBPAGE	2021 STATISTICS
Sustainability Page	2199 views
Energy Action Plan	395 views
Solar Energy	522 views
Webinar Series	302 views
Sustainable Mtka Email List	585 subscribers

✓ **Sustainability Commission**

By city charter, the duties and responsibilities of the Sustainability Commission are:

1. The commission will review, research, evaluate, develop, and advise the city council on plans, policies, procedures, programs, and practices regarding climate change mitigation and the sustainable use and management of environmental resources that include air, water, energy, land, and ecological resources, recycling and landfill waste, and related sustainability areas not addressed by city code or assigned to another city advisory group.
2. The commission will serve as an ambassador to the community about city plans, policies, procedures, programs, practices, and proposals that relate to sustainability and conservation of the environmental resources outlined above;
3. The commission will provide leadership in engaging with the Minnetonka community and serve as a liaison between the community and city council for applicable issues, ideas, and proposals, and will provide appropriate feedback to the city council;
4. The commission will cultivate relationships with residents, neighborhoods, community groups, businesses, public and private institutions, non-profit organizations, and other organizations to promote sustainability efforts.
5. The commission will serve as a resource for other Minnetonka commissions, boards, committees, and task forces on any issues related to sustainability.
6. The commission will review and provide input to the city council on sustainability and climate change mitigation proposals.
7. The commission will annually submit a written work plan and progress report to the city council for review and approval.
8. The commission will perform additional duties and responsibilities as assigned by the city council.

By council policy, commission members should attend at least 80 percent of the regularly scheduled meetings. See appendix for attendance.

The sustainability commission met four times in 2021 and reviewed 17 individual items. (For more information, see the Administrative Services section of this report.)

Housing and Economic Development

The housing and economic development division manages the community's many housing programs and supports all business activities in the city. Members of staff act as liaisons to the economic development advisory commission and economic development authority and make recommendations to both these bodies and the city council.

Housing

✓ Affordable Housing Trust Fund (AHTF)

In November 2020, the council adopted an ordinance to establish an Affordable Housing Trust Fund to provide temporary relief programs to residents impacted by COVID-19. The council utilized the AHTF to provide \$200,000 in rental assistance to households impacted by COVID-19. In 2021, the council approved the transfer of nearly \$5 million of existing tax increment financing pooling funds for future affordable housing initiatives. The city-funded two affordable housing projects through the trust fund in 2021, Doran apartments (\$280,000) and Minnetonka Station apartments (\$553,000) located in Opus. Approximately \$6.2 million remains available for affordable housing efforts in 2022 and beyond.

✓ Housing compliance

The housing staff is responsible for tracking affordability for previously approved rental and homeownership projects with mandated affordability requirements. Each year, economic development staff spends time preparing maximum resale reports for homeowners, contacting rental properties to obtain annual rental compliance information, and counseling homeowners looking for affordable housing opportunities.

- Staff directly monitors 822 housing units across 13 multifamily housing buildings. In 2021, staff negotiated an additional 150 units across three redevelopment projects that will be affordable and monitored by the city starting in 2023.
- Staff monitors 127 price-restricted ownership units to ensure continued compliance with annually adjusted resale price restrictions.

✓ 2021 Housing Affordability

The city continued to be a strong year for multifamily housing developments. There were three new projects approved in Opus, adding a mix of market-rate and affordable housing near the future Opus Light Rail Transit Station.

- Linden Street Partners – 247 market-rate and 28 affordable units
- Doran Apartments – 302 market-rate and 54 affordable units
- Wellington Apartments – 155 market-rate and 68 affordable units
- The Pointe (Amira) – 167 market-rate and 19 affordable units

In total, the city has 8,640 multifamily housing units (available or in production), comprised of 5,551 market-rate units and 3,089 affordable units (35% of the units available with affordable rents).

✓ **Loan programs (Welcome, Rehab, and CDBG Homes within Reach)**

The city received \$170,346 through the CDBG Urban County Consortium for new housing rehabilitation loans and \$28,710 towards public services serving Minnetonka residents. Five rehabilitation projects were completed. Three projects are underway, and seven applications are in process.

There was one Minnetonka Home Enhancement Loan through the HRA Levy Loan program and one down payment assistance loan made during the year.

In 2021, the council allocated \$207,500 to create an emergency rehab program exclusively for Homes Within Reach residents to make needed repairs to their homes. Over the course of the year, ten HWR homeowners completed projects, and two are currently in progress. There is a balance of \$118,000 for new grants.

✓ **Regional Housing Workgroup**

Each month, staff participates in the regional housing workgroup. The group is comprised of housing and economic development professionals from metro area cities. The workgroup focuses on sharing insights on legislative priorities, housing policies and programs, and other time-sensitive housing information. Thirty-three cities or housing agencies participate in these meetings each month.

✓ **Housing Work Plan**

Staff completed two priorities on the housing work plan. The city amended the accessory dwelling unit (ADU) ordinance to allow for detached units. Previously, the ordinance allowed ADU's within or attached to single-family homes. Additionally, staff was successful in obtaining special legislation that allowed the city to transfer the existing tax increment financing pooling dollars accumulated to the city's affordable housing trust fund, resulting in more flexibility in how the funds can support affordable housing efforts. In 2022, the city will explore the topics of wealth-building initiatives and homelessness at city council study sessions.

Tax Increment Financing Updates (TIF)

✓ **Opus TIF district**

In April, the city council established the Opus Renewal and Renovation TIF district to finance road improvement projects, public improvements, and affordable housing units in Opus. The newly created district will support three housing redevelopment projects currently under construction and future projects. The district is anticipated to generate up to \$194 million in tax increment over the next 16 years.

✓ **TIF Management**

Staff currently monitors ten active TIF districts to ensure compliance with affordability requirements, facilitate TIF payment processing, and track expenses related to the management of the districts.

Economic Development

✓ COVID-19 relief updates

The city's economic development and housing staff worked diligently to provide updates to residents and businesses on all of the available COVID-19 relief assistance through the city's communication outlets.

- Minnetonka businesses secured over \$180,000,000 in financial assistance in 2021 through various COVID-19 related programs.
- Fifty-eight households received a total of \$79,500 in direct rental assistance through the city's emergency rental assistance program. The average assistance per household was \$1,345.
- Looking ahead to 2022, the city's budget includes \$750,000 to aid residents and businesses in the coming years.

✓ Business Survey

The pandemic has had a profound impact on businesses within Minnetonka. Companies faced many issues such as workforce shortages, supply chain issues, closures, and the need to quickly adapt their business models. In the fall of 2021, staff set out to gain a better understanding of the business climate in the city through a citywide business survey.

Surveys were sent out to all of the businesses in the city, and we received 157 responses. The characteristics of the responding businesses were diverse:

- 54% of respondents worked in commercial office space
- 32% were retail businesses
- 84% expect their business to remain stable or grow
- 78% of respondents were small businesses with fewer than 50 employees
- 37% were either a minority, female, or a veteran-owned business

Overall, the city received good marks. Areas most strongly linked with business satisfaction and engagement are:

- Feeling of a collaborative environment within the City of Minnetonka
- Business space
- Community attributes

✓ Thrive

In 2021, staff increased the publication of Thrive newsletter to three times annually. The following chart shows the growth of the engagement since 2019.

Thrive Minnetonka	2019	2020	2021
Newsletters Produced	2	1	3
Business Mailings	1,164	1,175	1,203
Electronic Subscribers	458	846	1,010
Business Requested Site Visits	5	0	0
Business Assistance Meetings	10	7	13

✓ Grants

Staff will often serve as the official applicant or support various grant applications on behalf of local developers. In 2021, Hennepin County awarded \$250,000 to the Wellington apartment development in Opus through its TOD program. Staff also assisted Linden Street Partners to apply for Met Council LCDA funding for the Minnetonka Station.

✓ Business Financing Programs

The economic development and housing division supports local businesses with financial assistance programs, business consulting, workforce development, and site selection. In addition, staff connects business owners with contacts and programs at the state, region, county, and federal levels. In 2021, economic development staff:

- Supported an application by King Technology to the Job Creation Fund to support a move from Hopkins to Minnetonka. The funding would also support the creation of 43 new jobs in the city.
- Two businesses enrolled in the Sewer Access Charge deferral program.

✓ Open to Business

Minnetonka partners with Open to Business to provide free business counseling to current and prospective entrepreneurs. Consultants can assist entrepreneurs and businesses with advising and technical assistance, access to capital, and advising. In 2021, Open to Business advisors assisted 14 business clients by providing more than 122 hours of technical assistance. Of the 14 businesses assisted, 4 were food related businesses, 4 were retail, 5 were service, and 1 is a construction based business.

✓ Projects (not covered under planning)

The Cliffs repaid a \$2.1M loan to the EDA that it received in the early 1980s to assist with the purchase of land and redevelopment costs. The repayment will add additional funds to the affordable housing trust fund for future affordable housing needs in the community.

✓ EDAC Meetings and Members

The Economic Development Advisory Commission advises the city council regarding economic development, housing, and redevelopment matters. By council policy, commission members should attend at least 80 percent of the regularly scheduled meetings.

The EDAC met seven times in 2021 and reviewed 13 individual projects/items. (For more information, see the Administrative Services section of this report.)



Environmental Health

The environmental health division is responsible for general public health within the community. This includes ensuring compliance with state food and lodging requirements and investigating and resolving nuisance complaints.

✓ Establishments Inspected

The number of licensed and inspected establishments increased well above the 2020 numbers, likely due to more restaurants being open “full time” after pandemic closures the previous year.

	2017	2018	2019	2020	2021	5-YR Average
Minnetonka						
Routine Food Inspections	500	487	465	295	327	415
Re-Inspections	159	183	143	28	42	111
Swimming Pool Inspections	not tracked				116	116
Lodging Inspections	not tracked				17	17
Subtotal	659	670	608	323	502	552
Wayzata						
Routine Food Inspections	143	139	136	74	75	113.4
Re-Inspections	45	54	48	11	21	35.8
Swimming Pool Inspections	not tracked				11	11
Lodging Inspections	not tracked				3	3
Subtotal	188	193	184	85	110	152
TOTAL	847	863	792	408	612	704

✓ **Health Investigations**

While food-related investigations decreased, suspected food borne illnesses increased. Both continued to be less than the five-year average.

	2017	2018	2019	2020	2021	5-YR Average
Food-Related	21	17	32	59	29	32
Suspected Food Borne Illness	30	36	0	10	18	19
Pools and Beaches	2	0	1	1	2	1
Clean Indoor Act	0	0	0	0	1	0
TOTAL	53	53	33	70	50	52

✓ **Nuisances and Abatements**

Both total nuisance complaints and abatements decreased from 2020 and remain under the five-year average.

	2017	2018	2019	2020	2021	5-YR Average
Nuisance Complaints	607	459	578	522	510	535
Abatements	22	18	25	13	12	18

✓ **COVID Response**

The division spent many hours in 2021 enforcing the city's and state's mask mandates for city licensed facilities. Regulations changed often and information sharing was a priority. Regular emails, phone calls and advisory inspections were completed. The environmental health division also received complaints or inquiries regarding COVID policies or regulations.

Building

The building division is reasonable for review and management of construction activities in the community. This includes evaluating plans to ensure compliance with state and international constructions codes, issuing permits for work, and inspecting construction projects.

✓ All Permits Issued

The total number of construction permits issued in 2021 was significantly higher than both the number issued in 2020 and the five-year average. The increase was seen in all permit types.

PERMITS ISSUED	2017	2018	2019	2020	2021	5-YR AVERAGE
Building	1,790	1,828	2,210	2,596	3,305	2,346
Electrical	1,918	1,994	2,196	2,071	2,490	2,134
Mechanical	1,699	1,737	1,772	1,719	1,922	1,770
Plumbing and Sewer/Water	1,837	1,799	1,961	1,638	1,798	1,807
TOTAL	7,244	7,358	8,139	8,024	9,515	8,056

✓ All Permits Issued – Construction Value

The value of the permits issued increased over 2020 values. This increase is attributed to several commercial remodel projects, as well a general increase in the value of residential remodeling.

CONSTRUCTION VALUE	2017	2018	2019	2020	2021
Building	189,189,513	\$167,488,245	\$306,329,747	\$186,195,575	\$206,062,321
Electrical	8765821	\$16,254,467	\$23,923,923	\$17,991,991	\$14,327,905
Mechanical	16,099,036	\$22,074,974	\$20,861,296	\$23,617,137	\$19,751,482
Plumbing and Sewer/Water	15,993,819	\$13,354,714	\$19,623,997	\$8,641,984	\$12,719,367
TOTAL	\$230,048,189	\$219,172,400	\$370,738,963	\$236,446,687	\$252,861,075

✓ Large Projects

Several large commercial and institutional remodel projects occurred in 2021 with values over \$2 million.

PROJECT	LOCATION	VALUE
Dick's House of Sport (Interior)	Ridgedale Mall	\$8,047,009
Dick's House of Sport (Exterior)	Ridgedale Mall	\$3,744,363
Minnetonka High School Momentum	Mtka High School	3,042,000
Goddard School	Highway 7	\$2,687,844

Opus Headquarters	Opus Parkway	\$2,590,000
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✓ **Building Permits Issued – New Single-Family Homes**

The number of new, detached single-family home permits issued in 2021 was less than that issued in 2020. While the total number went down, the average permit value and floor area both increased. It is important to note that the values in the chart below do not include land values.

NEW HOMES	2017	2018	2019	2020	2021
Number of Permits	41	60	43	42	37
Average Permit Value	\$447,976	\$525,104	\$572,977	\$566,728	\$633,067
Average Area ²	4,832 sq.ft.	4,407 sq.ft.	4,576 sq.ft.	4,650 sq.ft.	4,758 sq.ft.

✓ **Building Permits Issued – Single-Family Home Reinvestment**

The number of residential addition, remodel, and maintenance/repair permit applications increased. Increases were seen in both total permit value and average value.

REINVESTMENT	2017	2018	2019	2020	2021
Number of Permits	1,448	1,484	1,860	2,323	2,581
Total Permit Value	\$28,457,861	\$34,295,325	\$34,510,319	\$41,673,465	\$54,058,614
Average Permit Value	\$19,653	\$23,110	\$18,594	\$17,940	\$20,945

✓ **Inspections**

Total inspections increased in 2021. Some of this increase, particularly in building permits, was due to “closing out” old permits. However, much of it can simply be attributed to an increase in total permits issue. The city also conducted significantly more inspection hours for the cities of Deephaven, Woodland, and Greenwood.

Inspection Type	2017	2018	2019	2020	2021	5-YR AVERAGE
Minnetonka						
Building	4,132	3,969	4,962	6,840	7,787	5,538
Electrical	3,279	3,152	3,608	3,740	3,769	3,510
Mechanical	3,052	3,006	3,450	4,200	3,894	3,520
Plumbing	2,623	2,679	2,962	3,487	3,842	3,119
TOTAL INSPECTIONS	13,086	12,806	14,982	18,267	19,292	15,687
Deephaven, Woodland, and Greenwood						
TOTAL HOURS	1,442	1,544	1,501	1,552	1,842	1,576

² For single-family homes, floor area is defined as “the sum of the following as measured from exterior walls: the fully exposed gross horizontal area of a building, including attached garage space and enclosed porch areas, and one-half the gross horizontal area of any partially exposed level such as a walkout or lookout level.” The average total area of the homes constructed in 2021 was 5,813 sq.ft.

✓ **ePermits**

Online permit applications continue to far exceed in-person application submittal. The convenience and ease of applying for a permit online are clearly indicated; only five percent of construction permit applications are taken “over the counter” in 2021.

PERMITS	2017	2018	2019	2020	2021
Total Permits	7,244	7,358	8,139	8,024	9,515
ePermits	2,696	5,037	5,977	7,303	9,056
Percent ePermits	37%	68%	73%	91%	95%

Licensing

Licensing staff are responsible for the administration of on- and off-sale liquor, food, and lodging establishment licenses. Solicitors and certain contractors and businesses must also obtain city licenses periodically.

✓ Licensed Facilities

	2017	2018	2019	2020	2021	5-YR Average
Food Facilities	434	438	474	453	444	449
Special Event Food Vendors	111	55	60	16	25	53
Lodging Facilities	35	22	24	20	19	24
Public Pools	77	75	76	79	79	77
Other – massage, bowling, food vending, refuse haulers pet shops, and body art	39	37	39	42	40	39
TOTAL	696	627	673	610	607	643

✓ Contractor Licensing

	2017	2018	2019	2020	2021	5-YR Average
Gas	153	201	143	140	208	169
Warm Air	123	170	124	109	165	138
Refrigeration	74	106	74	69	108	86
Steam/Hot Water	57	89	59	54	96	71
Fireplace Only	1	6	5	4	6	4
TOTAL	408	572	405	376	583	469

✓ **Business Licensing**

	2017	2018	2019	2020	2021	5-YR Average
Dumpsters/Portable Containers	3	3	4	1	1	2
Pawn/Precious Metal/Secondhand	6	5	4	4	4	5
Peddler/Solicitor	79	70	95	89	68	80
Tobacco	24	30	28	27	27	27
TOTAL	112	108	131	121	100	114

✓ **Liquor Licensing**

	2017	2018	2019	2020	2021	5-YR Average
On-Sale Intoxicating Liquor	22	22	23	23	21	22
Off-Sale Intoxicating Liquor	12	11	10	10	10	11
On-Sale Wine	17	17	14	14	15	15
On-Sale 3.2 Percent Malt Liquor	19	17	15	15	15	16
Off-Sale 3.2 Percent Malt Liquor	2	2	2	2	1	2
On-Sale Brewers Taproom	1	1	2	2	2	2
Temporary Liquor	14	9	4	1	6	7
TOTAL	87	79	70	67	70	75

Administrative Services

✓ Packets and Agenda Items

Staff is responsible for producing packets for the economic development advisory commission (EDAC) and planning commission. In addition, the staff is integral in the production of packets for the economic development authority (EDA) and the city council.

In 2021:

- Staff produced – or helped to produce – 69 packets, more than one per week.
- These packets include 223 reports written by community development staff.

	# of Packets	# of Reports
City Council	22	105
City Council Study Session	5	6
Economic Development Authority	11	17
Economic Development Advisory Commission	7	13
Planning Commission	20	65
Sustainability Commission	4	17
TOTAL	69	223

✓ Neighborhood or Special Project Meetings

In July, the economic development advisory commission, planning commission, and city council participated in the Urban Land Institute’s “Navigating Your Competitive Future” workshop to learn more about the current challenges of development and redevelopment. Four industry experts from the non-profit and for-profit development community shared their insights and expertise.

In August, city staff hosted a meet and greet event at Bren Road Station and Preserve at Shady Oak (Dominium Apartments). Staff from Community Development, Police, Fire, Recreation, and Engineering attended the event. The event also had representatives of the school district.

✓ Minnetonkamn.Gov

Staff is responsible for maintaining web pages on minnetonkamn.gov for the EDAC, planning commission, sustainability commission and individual development project pages. These pages – and regular updates to each – reach a large number of self-selected subscribers. On average, 28% of the subscribers to the pages are opening the emails when new packets are posted.

SUBSCRIBERS	2020	2021
EDAC Packet	589	718
Planning Commission Packet	760	898
Sustainability Packet	n/a	611
Project Pages	3,496	7,500

✓ **Special Issues Tracking**

In 2021, staff used both minnetonkamn.gov and Minnetonka Matters to engage city residents regarding several proposed zoning ordinance amendments; specifically: the tree ordinance, the accessory dwelling unit ordinance, and the licensed residential care facility ordinance. These virtual forums provided valuable insight into resident goals and preferences. Even the low levels of participation regarding care facilities suggested that such facilities are not a widespread concern.

	Views	Responses
Accessory Dwelling Unit Ordinance	593	23
Residential Care Facilities Ordinance	241	5
Tree Ordinance	1,600	105

Staffing

Community Development is comprised of 27 full and permanent part time positions. The city continues to employ at least 5 part-time/on-call staff to assist with inspections. All of these staff members bring education, experience, and expertise to their positions in the city. Staff further serve the broader region membership and leadership on a variety of committees, panels, and workgroups.

✓ Degrees

- Bachelor's Degree in Animal Science
- Bachelor's Degree in Community Health
- Bachelor's Degree in Community and Regional Planning
- Bachelor's Degree in Environmental Design
- Bachelor's Degree in Food and Nutrition
- Bachelor's Degree in Food Science
- Bachelor's Degree in Geography and Education
- Bachelor's Degree in Geography and Sociology
- Bachelor's Degree in Medical Laboratory Science
- Bachelor's Degree in Microbiology
- Bachelor's Degree in Landscape Architecture
- Bachelor's Degree in Physics
- Bachelor's Degree in Urban Studies
- Bachelor's Degree in Urban Studies and Economic
- Master's Degree in Public Administration
- Master's Degree in Urban and Regional Planning (2)
- Master's Degree in Urban and Regional Studies
- Master's Degree in Urban Planning

✓ Certifications

- Basic Development Certification, IEDC
- Building a Foundation, Urban Land Institute
- Certified Mediator
- Certified Planner, American Institute Certified Planners (3)
- Certified Pool Operator (1)
- Community Development Block Grant Certification, Department of Housing and Urban Development
- Economic Development Finance Professional, National Development Council
- Housing Development Finance Professional, National Development Council (2)
- Human Resources Certificate
- ICC Certified Building Inspector (3)
- ICC Certified Electrical Inspector
- ICC Certified Electrical Plan Reviewer
- ICC Certified Mechanical Inspector
- ICC Certified Permit Technician
- ICC Certified Plans Examiner
- ICC Certified Residential Building Inspector
- ICC Certified Residential Plan Review
- Leadership Academy Certification, University of Park (2)
- MN Accessibility Specialist (3)
- MN Certified Building Official (4)

MN Certified Building Official, Limited (2)
MN Certified Commercial Electrical Inspector
MN Certified Journeyman Electrician
MN Certified Licensed and Certified Master Plumber (2)
MN Certified Master Electrician
MN Certified Plumbing Plans Examiner
MN Certified Residential Electrical Inspector
Minneapolis/St. Paul Licensed Plumber/Gas Fitter
MN Liquor License Certification
MN Standardized Environmental Health Specialist, State of Minnesota (2)
Registered Environmental Health Specialist, National Environmental Health Association (2)

✓ **Committee or Community Membership**

10,000 Lakes Chapter, ICC Building Officials Board of Directors
AHIF and Home Program Advisory Committee
Association of MN Building Officials Egress Committee
Association of MN Building Officials Mechanical Code Committee
Community Development Block Grant Public Service Allocation Committee
Environmental Health Plan Review Committee
Environmental Health Program Evaluation Committee
MN Environmental Health Association
National Environmental Health Association
Housing Preservation Workgroup (2)
Hopkins Race and Equity Initiative (2)
Mankato State Urban Studies Leadership Council (2)
Metro Cities Housing and Economic Development Committee
LMC Housing Task Force
MN Building Permit Technician Association Education Committee
MN Fire Department Association, Honorary Life Member
SWLRT Technical Implementation Committee (2)
Urban Land Institute Community Development Council
West Metro Home Remodeling Fair Committee

Planning Commission attendance:

PC MTG	HANSON	HENRY	LUKE	MAXWELL	POWERS	SEWALL	WATERMAN
01/07	P	P	P		P	P	P
01/21	P	P	P		AB	P	P
02/04	P	P		P	P	P	AB
02/18	P	P		P	P	AB	P
03/04	P	P		P	P	P	P
03/18	AB	AB		P	P	P	P
04/08	CANCELLED						
04/22	P	P		P	P	AB	P
05/05	P	P		P	P	AB	P
05/20	CANCELLED						
06/30	P	AB		P	P	P	P
06/17	P	AB		P	AB	P	P
07/01	P	AB		AB	P	P	P
07/15	P	P		P	P	P	P
08/05	CANCELLED						
08/19	P	P		P	P	AB	P
09/02	CANCELLED						
09/30	P	P		P	P	P	AB
10/14	P	P		AB	P	P	P
10/28	P	P		P	P	P	P
11/18	AB	P		P	P	P	P
12/02	P	P		P	P	AB	P
12/16	P	AB		P	P	P	P
PRESENT/ # OF MTGS:	17/19 89%	14/19 74%	2/2 100%	15/17 88%	17/19 89%	14/19 74%	17/19 89%

Sustainability Attendance:

SC MTG	ANDERSON	AVALOS	BECK	GOLOB	HENRY	INGRAM	MURALIDHARA	PARK	PATTAIN
05/11	P	P	P	P	P	P	P	P	P
07/13	P	P	AB	P	P	P	P	P	P
09/14	P	P	P	P	P	P	P	-	P
11/09	P	P	P	P	AB	P	AB	-	P
PRESENT/ # OF MTGS:	4/4 100%	4/4 100%	3/4 75%	4/4 100%	3/4 75%	4/4 100%	3/4 75%	2/2 100%	4/4 100%

EDAC Attendance:

EDAC MTG	DUGINSKI- CIBULKA	FALK	HORMATKA	JACOBSON	JOHNSTON	TYACKE	YUNKER
02/25	P	P	P	P	P	P	P
03/11	P	P	AB	P	AB	P	P
04/29	P	P	AB	P	P	P	P
06/10	P	P	AB	P	AB	P	P
07/08	P	P	P	P	AB	AB	P
11/04	P	AB	P	P	P	P	P
12/09	P	AB	P	P	P	P	AB
PRESENT/ # OF MTGS:	7/7 100%	5/7 71%	4/7 57%	7/7 100%	4/7 71%	6/7 75%	6/7 100%