



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

May 19, 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 March 10, 2022 minutes

BUSINESS ITEMS

4. 2023-2027 EIP

Recommendation: Review and provide feedback for the draft 2023-2027 EIP

5. Staff Report

6. Other Business

The next regularly scheduled EDAC meeting will be held on **June 16, 2021 at 6:00 p.m.**

7. Adjourn

If you have questions about any of the agenda items, please contact:
Alisha Gray, EDFP, Economic Development and Housing Manager (952) 939-8285
Julie Wischnack, AICP, Community Development Director, (952) 939-8282

**Unapproved
Minnetonka Economic Development Advisory Commission
Virtual Meeting
Minutes**

March 10, 2022

1. Call to Order

Chair Yunker called the meeting to order at 6 p.m.

2. Roll Call

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

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

Financial consultant Stacie Kvilvang of Ehlers and Associates was present.

3. Approval of EDAC Oct. 29, 2021 Meeting Minutes

Tyacke motioned, and Jacobsohn seconded to approve the Oct. 29, 2021 meeting minutes as submitted. Jacobsohn, Johnston, Tyacke, and Yunker voted yes. Duginske Cibulka, Falk and Hromatka were absent. Motion passed.

4. CommonBond

Gray provided the staff report.

Katie Anthony, principal project manager with CommonBond, stated that:

- CommonBond will secure a private first mortgage in addition to the money from Minnetonka and a loan from Hennepin County for the acquisition.
- An appraisal would be completed and shared.

Cecile Bedor, executive vice president for real estate with CommonBond, stated that:

- CommonBond targets properties that have deep affordability that need to be preserved in communities. Section eight housing is a critical resource in terms of affordability.
- CommonBond fully expects the property to be appraised within the purchase price.
- If there are restrictions on the income that may be generated on the property, that depresses the value. She knows that the value would be

higher given the location, type of property, and the amount of rent being charged.

Ms. Bedor stated that:

- CommonBond's mission is to build stable homes, strong futures, and vibrant communities, which are the basis for everything.
- CommonBond was formed by the Archdiocese of Minneapolis and St. Paul in 1971 to provide social justice.
- CommonBond operates in rural and suburban communities and serves families, seniors, and homeless veterans.
- CommonBond provides property management services and advantage services to promote educational advancement, community building and engagement, and health and wellness.
- Minnetonka's support will allow CommonBond to preserve a property that it would not be able to preserve otherwise. CommonBond has no equity since it is a nonprofit organization. There is a property management fee that helps support the organization, but the vast majority of that comes from fundraising and developer fees.
- CommonBond will apply for low-income tax credits, which will be sold to investors to create cash.
- She appreciated Minnetonka's participation and the commission's consideration. Minnetonka is a key partner with CommonBond.
- Minnetonka is a great place to live, has a lot of amenities, and is not too far away from major employment corridors.

Tyacke asked if future refinancing would eliminate the need for the financing assistance being requested. Ms. Bedore explained that a tax-credit tool would be used to bring in more private equity to refinance all of the debt. She provided a peek into the future of what one could expect to take place to preserve this asset in the long term. A nonprofit agency serves low-income earners, so the rent is discounted, and the property is owned in perpetuity. CommonBond never sells the property. Nonprofits have to pay the same salaries as everyone else, pay insurance costs and utilities, and complete compliance requirements. The funding being requested today would assist with acquiring the property and doing the site work. The money would be paid back in seven years, which would either be done with a refinance or complete syndication and renovation, which would be determined in the future.

Jacobsohn asked if the residents who currently live there would be able to continue living there during the rehabilitation. Ms. Bedore answered affirmatively.

Jacobsohn asked if it would be possible for staff to provide a breakdown of the amount of cost per unit that Minnetonka's funding would provide based on the number of years that affordable housing would be extended. Gray agreed to create a comparison of the \$200,000 grant and repayable loan for councilmembers when they review the proposal. Wischnack understood the intent to compare this deal's price per unit per year to show

the amount of affordability being gained. This proposal would provide more affordability and be a better deal than what is typically done most of the time.

Tyacke asked what source would be used to fund the deferred loan and grant assistance. Gray explained that there is a tax increment currently available to fund the grant.

Chair Yunker invited members of the public to speak.

Ken Isaacson, a resident of Minnetonka, stated that:

- He is familiar with CommonBond and is very supportive of the work CommonBond does.
- Transitioning ownership of Cedar Hills to a nonprofit organization is in the best interests of the residents who live there and the community.
- He thought the current income restrictions would be tied to the land through 2037.
- He asked for the purchase price amount. He thought the proposed purchase price was nearly \$217,000 per unit.
- He advocated strongly that there be an MHFA qualifier and NIA appraisal completed for the as-is value of the asset. For this level of subsidy, it is prudent that Minnetonka should not be using public funds to pay prices that are outside the market. He did not know what the market price was for the property. He thought \$217,000 seemed extremely expensive if it needed immediate work.
- He confirmed with Gray that there would be a public hearing when the city council reviews the item.
- He will speak with staff further at another time. He appreciated everyone's time.

Ms. Bedore stated that:

- She agreed with Mr. Isaacson. CommonBond does not want to overpay for a property. It is a hot market right now. CommonBond would not have moved this far in the process if they did not have confidence that the appraisal would be appropriate.
- This would not be a \$1 million subsidy. The funding would be a \$200,000 grant, and the rest would be a loan that would be paid back with interest.
- Mr. Isaacson is correct that the preservation agreement keeps the tax credit restrictions in place in terms of the rent levels and income limits. A developer may opt-out of a section-eight contract, so the acquisitions that CommonBond focuses on have section-eight housing. CommonBond would preserve the deep affordability through the section-eight subsidy.

Ms. Anthony explained that CommonBond has a purchase agreement to acquire the property for \$6.5 million. An appraisal is in the process of being completed. The units

have two, three, or four bedrooms. The building houses 12 households that earn less than \$25,000 a year; four households that earn no more than \$30,000 a year; and eight households that earn between \$30,000 and \$50,000 a year.

Kvilvang explained that the only funding subsidized would be for the \$200,000 grant. The other \$800,000 would be a loan that would be repaid. She did not see the purchase price being a problem.

Jacobsohn was very excited about the opportunity for CommonBond to do more in Minnetonka. That is a real positive. The project would provide diversity in the lowest and most needed type of housing since most affordable housing consists of multi-family units. The proposal would also improve an existing property. CommonBond would be a good manager. He fully supports the proposal.

Johnston, Tyacke, and Chair Yunker agreed with Jacobsohn. Chair Yunker noted that the only thing being subsidized are improvements in the long term. Homes Within Reach highlights the importance of maintaining the properties for the long run. He likes the proposal and recommendation as presented.

Wischnack stated that staff would meet with Mr. Isaacson to gain his perspective.

Jacobsohn motioned, and Tyacke seconded the motion to recommend that the city council enter into an agreement with CommonBond to provide a repayable loan in the amount of \$864,000 and grant in the amount of \$200,000 to purchase and rehabilitate Cedar Hills Townhomes located at 10860 Cedar Bend to provide affordable-rental-housing units for low-income households. Jacobsohn, Johnston, Tyacke, and Yunker voted yes. Duginske Cibulka, Falk and Hromatka were absent. Motion passed.

5. Business Development Strategy Work Plan

Hanson provided the staff report. Staff requested commissioners provide feedback on the proposed business development strategy work plan.

Jacobsohn was a little concerned with a loan program that may help one business and not a competing business.

Chair Yunker stated that Hanson did a great job putting the information together and providing some great ideas. The information would be a valuable resource for businesses. He echoed the thought that loans and grants tied to Covid relief were applicable at the time, but providing assistance to one business and not a competitor of that business would need to be thought through carefully.

Johnston agreed.

Hanson asked if there is anything in the work plan that commissioners consider to be way-off base. Chair Yunker did not find anything way-off base. Providing direct financial

assistance would need to be carefully considered. Providing a trusted source of information and opportunities for business owners and managers to make connections are priorities to be focused on first. Maybe conducting another survey later on, could provide more feedback and information.

Hanson appreciated the comments.

6. Staff Report

- Civil construction on the SWLRT is anticipated to be complete by 2025. The project is currently scheduled to open for revenue service in 2027. The revised schedule is a result of numerous challenges along the line. Project leaders estimate that the project will need an additional \$450 million to \$550 million to finish.
- Regional Metro Transit ridership has started to recover from pandemic lows. Ridership grew to nearly 4 million customers in October 2021.
- The winter issue of Thrive Minnetonka was sent to over 1,200 Minnetonka businesses in February 2021.
- King Technology has been approved to participate in the Minnesota Job Creation Fund.
- 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.
- A study shows that from Jan. 1, 2018 to June 30, 2021, Ridgedale had 48.1 million visits. In April 2020, 300,000 patrons visited Ridgedale compared to 1.3 million the year before. Ridgedale sees the highest number of visitors from Maple Grove, Osseo, Minneapolis, and Eden Prairie.
- 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. Approximately \$450,000 is available for services related to temporary or short-term housing assistance, domestic abuse counseling, financial counseling, job training, senior services, senior center programming, tenant advocacy, and youth counseling or programming.

7. 2021 Annual Report

Wischnack provided the 2021 annual report.

Chair Yunker thanked staff for their achievements and for representing Minnetonka so well.

8. Other Business

The next EDAC meeting is scheduled to be held on May 10, 2022 at 6 p.m.

9. Adjournment

The meeting was adjourned at 7:55 p.m.



**Economic Development Advisory Commission
Item #4
Meeting of May 19, 2022**

Title: 2023-2027 EIP
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

Staff present recommendations on updates to program and economic development strategies each year ahead of the city's budget discussions. On May 19, staff will present the initial recommendations to include in the draft.

Recommended Action

Review and provide feedback for the 2023-2027 Economic Improvement Program (EIP).

The schedule for approval is as follows:

- May 19 EDAC — Review the existing 2022-2026 EIP and provide feedback for 2023-2027.
- June 20 City Council Study Session — Review draft 2022-2026 EIP and provide feedback.
- July 14 EDAC — Finalize full EIP document and make a recommendation to the city council.
- September 12 City Council meeting — Review and approve EIP.

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 [Enter]

Every year, the EDAC reviews the Economic Improvement Program (EIP). Staff developed the EIP to consolidate programming relating to economic development, housing, transportation, and development tools into one resource. The document grew out of a conversation to combine programs and strategies into one document, which allowed for a future projection of investment and potential funding sources. The document contains metrics for programming and ten-year projections for revenues to fund specific programs.

The city council will be reviewing a draft of the document at the June 20 study session, and the EDAC will review the final draft on July 14, before council adoption, which is scheduled for Sept. 12, 2022.

EIP Review

The existing [2022-2026 EIP](#) is reference for discussion to help prepare commissioners to identify any changes or priorities for the 2023-2027 document.

Components of the 2022-2026 EIP include:

- EIP Policy page (Chapter 1). Defines what funding categories the different programs will fall under and details the funding principles.
- EIP Program Pages (Chapters 2 through 7). Each of the city's existing and potential future economic development efforts has its own program page. The program page will detail the program description, purpose, goals, budget impacts, schedule, and key measures. Additionally, it will outline the funds needed to develop or sustain the program over a period of years.
- Funding Sources and Expenditure Projections Pages (Chapter 8). A series of funding sources, expenditures, and TIF district fund balance sheets are included.
- Affordable Housing Goals Page (Chapter 9). This section focuses on how the city's progress towards meeting the affordable housing goals through these programs.

Feedback from the EDAC will be incorporated into the first draft of the document, which will be reviewed by the council on June 20. The EDAC will review again on July 14 and make a final recommendation to the council for the Sept. 12, 2022 meeting.

Supplemental information:

[Information on community wealth building](#)

[EDAC Meeting – July 8, 2021 \(2022-2026 EIP\)](#)

- [Unofficial Minutes](#)

[City Council Study Session – June 21, 2021 \(2022-2026 EIP\)](#)

- [Adopted 2022-2026 EIP](#)

[City Council Study Session – Aug. 16, 2021 – Preliminary Budget and 2022-2026 EIP](#)

[Economic Development Authority Sept. 13, 2021 – 2022 Preliminary HRA Levy](#)

Attachment:

May 19, 2022 Presentation

EDAC Meeting

May 19, 2022



Roll Call

Yunker

Falk

Johnston

Duginske Cibulka

Tyacke

Hromatka

Jacobsohn

Minnetonka Economic
Development Advisory
Commission



Approval of EDAC minutes

March 10, 2022



Minnetonka Economic
Development Advisory
Commission

2023-2027 Economic Improvement Program



Recommendation:
Review 2022-2026 EIP to inform 2023-2027 EIP draft

Minnetonka Economic
Development Advisory
Commission

EIP Overview

EDAC to make recommendation to City Council/EDA on:

- Development Account (Pre-development)
 - Fund balance of \$5,610,306
- Livable Communities Account (HWR)
 - Fund balance of \$799,463
 - \$350,000 previously committed to HWR for purchase/ rehabilitation of homes and ongoing admin.
- Community Development Block Grant
 - Fund Balances
 - \$108,017 (HWR remaining funds - Rehab)
 - \$140,000 (2021 Allocation for CDBG)
- HRA Levy (Housing, SWLRT, Business)
 - Fund balance of \$1,103,233
 - \$555,000 committed to loan programs
 - \$135,000 business marketing use
 - \$50,000 emergency business assistance
 - \$75,000 SWLRT
- Blvd Gardens/Pooled TIF
 - Transferred to Affordable Housing Trust Fund
 - Completing the final documentation
- Affordable Housing Trust Fund
 - Fund balance of \$5,728,680
- American Rescue Plan Act
 - \$750,000

Program Review

Program Review Considerations

- Alignment with the city's strategic plan
- Programs that “but for” the city's funding, there would be no program and if that program purpose aligns with other city goals (i.e. comprehensive plan, housing plan, etc.)
- What area of economic development (transportation, housing, business, or redevelopment) does the program serve and is currently under committed?

EIP Schedule

The schedule for approval is as follows:

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- July 14 EDAC – Finalize full EIP document and make a recommendation to the city council
- Sept. 12 City Council – Review and approve EIP

Housing 2022-2026 EIP

Review 2022-2026 EIP then discuss changes/additions for 2023-2027.

HOUSING CHAPTER SUMMARY

Projects and programs which encourage diversity and broaden choices in types, sizes, and prices of the city's housing stock to meet the needs of the aging population and to attract younger residents.

The city currently has nine programs in place to assist in the construction, maintenance, and renewal of housing in the city. An additional one program in the conceptual phase and will be explored for further consideration.

- The total five-year estimated cost of the programs is \$6,300,000.

| Program | 2022 | 2023 | 2024 | 2025 | 2026 | 5-Year Total |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| CDBG Entitlement | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | \$175,000 |
| Homes Within Reach | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | \$625,000 |
| Housing Improvement Areas | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | \$5,000,000 |
| Minnetonka Home Enhancement | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | \$250,000 |
| Welcome to Minnetonka | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | \$250,000 |
| Housing Trust Fund | 0 | 0 | 0 | 0 | 0 | \$0 |
| | \$1,260,000 | \$1,260,000 | \$1,260,000 | \$1,260,000 | \$1,260,000 | \$6,300,000 |
| Conceptual Programs | | | | | | |
| Housing Program Research | | | | | | |

Programs in green=funding/program is expected to continue
 Programs in yellow=funding/program is uncertain for a number of reasons
 Programs in red=funding/program is ending

- The city provided \$150,000 in emergency rental assistance in 2020/2021 in response to COVID-19.
- No funding was recommended for Homes Within Reach in 2021. In 2022, the council will discuss Homes Within Reach at the study session on June 21.

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Opportunities for 2023

HRA Levy

- \$100,000 continued funding for down-payment and housing rehabilitation programs (increase in some transactions for expanded program)
- \$125,000 continued contribution for Homes Within Reach

ARPA

- \$300,000 for Pathways to Homeownership program (new pilot program)
- \$200,000 for Homelessness prevention pilot program (2-year)
- \$50,000 for rental assistance (multi-year commitment)

Affordable Housing Trust Fund

- Noah Preservation Opportunities
- Scattered site acquisition/affordable housing ownership production
- Redevelopment of city owned sites/affordable housing production

Strategic Priorities

- Implement changes to the down-payment assistance program that specifically addresses first generation home ownership
- Implement additional housing work plan items including new efforts relating to preserving NOAH
- Provide more readily available information about affordable housing compliance
- Outline additional potential uses for affordable housing trust fund

Staff Recommended Changes/Additions

Housing Chapter:

- Update all housing program pages with new projections
- Update Affordable Housing Production Chart
- Updates to Active Pages
- Housing Program Research
 - Pathways Program – in progress
 - Homelessness prevention – in progress
- Redevelopment of city owned properties
 - 5501 Baker Rd
 - 5321 Rowland Rd
 - 5937 County Road 101

General Updates

- Update pages with strategic priorities and comprehensive plan strategies

Business Chapter 2022-2026 EIP

Review 2022-2026 EIP then discuss changes/additions for 2023-2027

BUSINESS CHAPTER SUMMARY

Projects that support existing business retention and expansion, attract new businesses, and allow the city to remain economically competitive.

For the 2022-2026 Economic Improvement Program, there are nine business programs, and one program under conceptual review.

- The total five-year estimated cost of the programs is \$11,850,000

| Program | 2022 | 2023 | 2024 | 2025 | 2026 | 5-Year Total |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Fire Sprinkler Retrofit | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | \$250,000 |
| Pass-Through Grants | 2,000,000 | 2,000,000 | 1,000,000 | 500,000 | 500,000 | \$6,000,000 |
| GreaterMSP | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | \$125,000 |
| MIF/JCF | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | \$5,000,000 |
| Open to Business | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | \$75,000 |
| Outreach | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | \$125,000 |
| MPLS Regional Chambe | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | \$25,000 |
| SAC/REC Program | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | \$250,000 |
| Emer. Business Assist. | 0 | 0 | 0 | 0 | 0 | \$0 |
| | \$3,170,000 | \$3,170,000 | \$2,170,000 | \$1,670,000 | \$1,670,000 | \$11,850,000 |
| Conceptual Programs | | | | | | |
| Special Service Districts | | | | | | \$0 |

Programs in green=funding/program is expected to continue

Programs in yellow=funding/program is uncertain for a number of reasons

Programs in red=funding/program is ending

- Several programs, such as the Pass-Through Grants, Common Bond fund, and Minnesota Investment Fund are inter-agency/consortium efforts that have funding sources that originate from other agencies, flow through the city, and then go to the business.
- The city's role in business development in the past was more reactive, typically responding only when requested to do so. In more recent years, the city has been slowly investing in more programs for businesses, such as the Open to Business programs, business retention visits, and the production of the Thrive newsletter, and a business survey in 2021.

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Opportunities for 2023

HRA Levy

- Explore utilizing \$50,000 in emergency assistance (HRA levy 2022) for technical assistance to businesses.

ARPA

- Explore use of \$100,000 in ARPA funding for commercial business code compliance improvement grant (ADA improvements, building/health code deficiencies)
- Connections to business districts through redevelopment

Other

- Implementation of business work plan

Strategic Priorities

- Examine business survey results and identify amendments to existing programs or establish new programs. This would include identifying any financial gaps for businesses, specifically for those impacted by COVID-19
- Identify opportunities to connect business to public trail system during development review applications utilizing a new community development compliance document.

Staff Recommended Changes/Additions

Business Chapter

- Update all business program pages with new projections
- Add King Technology JCF Award
- Update Emergency Business Assistance page
- Add conceptual business page
 - \$50,000 for technical assistance program
 - \$100,000 code compliance program

General Updates

- Update pages with strategic priorities and comprehensive plan strategies

Transit Chapter 2022-2026 EIP

Review 2022-2026 EIP then discuss changes/additions for 2022-2026

Projects which enhance resident mobility by pursuing opportunities and solutions to improve transit service.

The city's role in transit in the past has been minimal as Metro Transit has been the provider of the city's and the region's transit system. In 2002, Minnetonka exercised its opt-out authority. It was determined at the time to be in the best interest of the city to have Metro Transit continue providing transit service for the community. In mid-2013, the city and Metro Transit renegotiated a contract in place providing more detail and clarity on the roles and responsibilities for both the city and Metro Transit. In 2020, the city extended the contract until July 31, 2022 to coincide with the Metro Transit's Network Next initiative to expand transit services.

In recent years the city's role in transit has expanded as a more active participant in the city's opt-out status as well as preparing for the Southwest LRT (Green Line Extension) line.

- The total five-year estimated cost of the programs is \$154,000.

| Program | 2022 | 2023 | 2024 | 2025 | 2026 | 5-Year Total |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Commuter Services (494) | 28,000 | 30,000 | 30,000 | 32,000 | 34,000 | \$154,000 |
| | \$28,000 | \$30,000 | \$30,000 | \$32,000 | \$34,000 | \$154,000 |
| Conceptual Programs | | | | | | |

Programs in green=funding/program is expected to continue
 Programs in yellow=funding/program is uncertain for a number of reasons
 Programs in red=funding/program is ending

- All facets of transit, such as commuting and rideshare services, bus/dial-a-ride, and Light Rail Transit (LRT) are included.
- In 2020, the contract with Metro Transit for service was extended until July 31, 2022.

Opportunities 2023

Transit Improvements

- Metro Transit Contract Extension

General Updates

- Update all transit program pages with new projections

Strategic Priorities

- Work with Metropolitan Transit on contract extension and new route connections related to SWLRT prior to August 1, 2022 and plan to integrate as updated to increase connectivity within the city.
- Identify opportunities to connect business to public trail system during development review applications utilizing a new community development compliance document.

Development/Redevelopment Chapter 2022-2026 EIP

Review 2022-2026 EIP then discuss changes/additions for 2023-2027

DEVELOPMENT/REDEVELOPMENT CHAPTER SUMMARY

Activities that promote the vitality of the city through development and redevelopment.

For the 2022-2026 Economic Improvement Program, there are four development/redevelopment programs underway.

- The total five-year estimated cost of the programs is \$1,125,000.

| Program | 2022 | 2023 | 2024 | 2025 | 2026 | 5-Year Total |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| Predevelopment | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | \$375,000 |
| LRT & Station Areas | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | \$375,000 |
| Village Center Studies | 0 | 0 | 0 | 75,000 | 75,000 | \$150,000 |
| | \$150,000 | \$150,000 | \$150,000 | \$225,000 | \$225,000 | \$1,125,000 |
| Conceptual Programs | | | | | | |

Programs in green=funding/program is expected to continue
 Programs in yellow=funding/program is uncertain for a number of reasons
 Programs in red=funding/program is ending

- Some of the pass-through grants identified in the business chapter may be for development/redevelopment activities.
- Costs may increase if the city wishes to take a more proactive role in development/redevelopment.
- The LRT page reflects the commitment by the city towards the LRT project. Additional programs may be needed to help implement station area plans in the Shady Oak and Opus station areas.

Opportunities 2023

Conceptual – Development and Redevelopment

- Housing study update – renewing information about market and projections
- Housing dashboard

General Updates

- Update all development and redevelopment program pages with new projections
- Update pages with strategic priorities and comprehensive plan strategies

Additional Edits

Review 2022-2026 EIP then discuss changes/additions for 2023-2027

TIF

- Update document with 2022 TIF Management Report (September 2022)
- Remove pages:
 - Beacon and Boulevard Gardens (decertify districts)

General Updates

- Update pages with strategic priorities and comprehensive plan strategies

2023 Proposed Funding Summary

HRA LEVY

Housing

- \$100,000 Housing Programs
- \$125,000 Homes Within Reach
- \$75,000 Southwest LRT Commitment

Total \$300,000

ARPA

Housing

- \$300,000 for Pathways to Homeownership program
- \$200,000 for Homelessness prevention pilot program (2-year)
- \$50,000 for rental assistance (multi-year commitment)

Business

- \$100,000 code compliance program

Other

- \$100,000 pedestrian improvements at Ridgedale

Total \$750,000

Affordable Housing Trust Fund

- Noah Preservation Opportunities
- Scattered site acquisition/affordable housing production
- Redevelopment of city owned sites/affordable housing production

Available balance will be used – project dependent

Staff Recommended Changes/Additions

Discussion Questions:

- **Does the EDAC propose including the staff recommended conceptual program ideas for the draft 2023-2027 EIP?**
- **Does the EDAC propose including the staff recommended changes to the draft 2023-2027 EIP?**
- **Does the EDAC have other conceptual program ideas or suggested changes for the draft 2023-2027 EIP?**

Staff Report



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Southwest LRT

A comprehensive update on LRT progress can be viewed at the April 11th, 2022 meeting.

Highlights from the presentation include:

- Civil construction is 60% complete
- 95% of the private utility work is complete
- 75% of the public utility work is complete
- 26 or 27 LRT vehicles have been delivered
- 11 of 16 stations are underway or complete



Above: Smetana Road Bridge, Below: Shady Oak Station



Transit Updates – Metro Transit

- Staff continues to meet with Metro Transit quarterly
- Transit ridership is improving from the pandemic low
- Annual Minnetonka ridership numbers:
 - 2021 – 72,731
 - 2020 - 69,676
 - 2019 – 98,218
- Service levels will continue to be monitored as demand patterns change.



Development Updates

| Projects | Location | Status |
|------------------------------------------------------|----------------------|--------------------------------------------|
| <i>Housing</i> | | |
| The Pointe (Amira Minnetonka) | 801 Carlson Pkwy | Under Construction |
| Minnetonka Station | Opus | Groundbreaking construction beginning soon |
| Doran (Shady Oak) | 5959 Shady Oak Rd | Under Construction |
| Shady Oak Office Center (Wellington) | 10901 Red Circle Dr | Under Construction |
| Abdo Market House (Glen Lake Apts) | 14317 Excelsior Blvd | City Council Approved |
| Minnetonka Mills Church | 13215 Minnetonka Dr | Townhome / Single Family Concept |
| Lake Minnetonka Care Center | 16913 Highway 7 | Under Construction |
| <i>Misc. Projects</i> | | |
| Ridgedale Area Park Project | Ridgedale Dr | Under Construction |
| <i>Business Projects</i> | | |
| Buhl Investments | 10900 Red Circle Dr | Office Renovation and Housing Concept |
| Dicks House of Sport | 12437 Wayzata Blvd | Grand Opening pending 6/3 |

Business Development Updates

Minnesota Job Creation Fund

- Moving to Minnetonka from Hopkins
- Investing \$14.5 million and will create 50 jobs
- The company received an award of \$617,000 through the JCF to support the move.

Community 360 Analytics

Staff purchased a metrics analysis for the city. The report provides insight into the general population, consumer spending patterns, transportation patterns, and identifies retail opportunities within the city.

Meet Minnetonka – Ridgedale

- City staff hosting engagement event on May 25, 11am-2pm
- Exchange resources, ideas, economic and demographic data, and provide opportunities to connect with different city departments.



Minnetonka Economic
Development Advisory
Commission

Business Workplan Update

| Activity / Topic | Status |
|-----------------------------------------------------------------------|----------|
| Employer Benefit: Down Payment Assistance/Rent | Future |
| Encourage Business Education Network Partnerships | Underway |
| Encourage Business Participation in Local High School Career Programs | Future |
| Technical Assistance for Creation of Career Pathway Programs | Underway |
| Police/Community Development Quarterly Business Meetings | Underway |
| Building Safety and Security Grants | |
| CPTED Certification for city staff | Underway |
| Construction Technical Assistance Marketing Program | Research |
| Recurring meeting with Xcel Intragovernmental Liaison Staff | Future |
| Neighborhood Meetings for County/DOT Road Projects | Future |
| Partner with MPLS Chamber to host business mixers/hiring fairs | Future |

Business Workplan Update

| Activity/Topic | Status |
|-------------------------------------------------------------------------|----------|
| Mayor's Outstanding Business Award | Future |
| Update of city business development webpages | Complete |
| Obtaining and maintaining up-to-date local economic data | Complete |
| Business Registration Form | Future |
| COVID-19 Emergency Relief | Future |
| Small Business Improvement Revolving Loan Fund | Underway |
| Emerging Business Lease Emergency Fund | Future |
| Review contract procurement procedures to encourage DBE contract awards | Underway |
| List culturally relevant business development centers on the website | Complete |

Housing Updates

Energy Assistance

- Up to \$2,000 for utility assistance. Heat, electric, and water. Open to renters and homeowners.

Mortgage Assistance

- HomeHelpMN – Accepting applications for mortgage assistance through June 17
- 100% AMI or lower are eligible
- Up to \$35,000 for housing related expenses.

Rent Assistance

- Assistance still available to renters through partnership with ICA

CDBG

- \$159,921 recommended for Minnetonka public service providers.

Upcoming Events

May 25, 2022

SLUC: Planned Unit Developments: Industry Perspectives

June 16, 2022

EDAC Meeting



Minnnetonka Economic
Development Advisory
Commission



CITY OF
MINNETONKA



**Economic Development Advisory Commission
Item #5
Meeting of May 19, 2022**

Title: Staff Report
Report From: Rob Hanson, EDPF, 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)

Staff from the LRT project office presented a comprehensive update on the project's progress at the [April 11, 2022](#) meeting. Highlights from that presentation include:

- Civil construction is 60% complete
- 95% of the private utility work is complete
- 75% of the public utility work is complete
- 26 of 27 Light Rail vehicles have been delivered
- 11 of 16 stations are underway or complete.

At the SWLRT Corridor Management Committee meeting on [May 4](#), Minnetonka presented information about development investment in and around the Opus area.

Construction continues in 2022. Within Minnetonka, Opus Station construction will finish. Retaining walls are expected to be substantially completed this year, and many Opus streets will reach their final condition later this year.

The Metropolitan Council continues to host walking tours of the station areas. For more information and to sign up for a tour, visit <http://www.metrotransit.org>.

Minnetonka Updates

- The Opus area is experiencing various closures and detours due to LRT construction and bridge replacements. LRT-related closures are expected to last until mid-June.
- Staff is working with Metro Transit to realign the bus routes in Opus during the heavy construction period over the next year.
- Construction is ongoing with the Minnetonka-Hopkins LRT bridge.

Metro Transit:

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

- Transit ridership is slowly improving from pandemic lows; however, remote working and driver shortages have hampered recovery.
- In 2021, Minnetonka saw its ridership increase to 72,731 trips.
- In 2020 annual ridership was 69,676, and in 2019 annual ridership increased to 98,218.
- Service levels will continue to be monitored as demand patterns change.

Development Updates

| Projects | Location | Status |
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| <i>Housing</i> | | |
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Business Updates

Minnesota Job Creation Fund

King Technology, a company specializing in chemical release systems for residential pools and spas, is investing \$14.5 million and creating 50 jobs with their move to Minnetonka from Hopkins. The company received an award of \$617,000 through the Job Creation Fund to support the move.

Community 360

Staff purchased a Community 360 metrics analysis for the city. This report provides insight into the people who live and work in Minnetonka. It also provides insight into consumer spending patterns and identifies retail demand/surplus and an estimate of household expenditures on goods. The report details important information, including:

- Current population demographics with five-year projections
- Provides business and labor data such as retail demand, employment by industry, household expenditures, etc.
- Characteristics of residents who have moved into the community over the last three years
- It provides insight into transportation patterns

This information can help identify who lives in the community and where they live, industry opportunities, and where the city may have surplus goods or services to inform business recruitment.

Meet Minnetonka – Ridgedale

To further engage with Minnetonka businesses, the City of Minnetonka staff is hosting Meet Minnetonka at Ridgedale Center on Wed, May 25, from 11 am-2 pm. Staff from Community Development, Engineering (Public Works), Police, Fire, and Recreation Departments will be on hand to share resources for businesses, provide updated demographic and economic data, exchange information on local projects, discuss business safety ideas, offer suggestions and provide opportunities for follow-up.

Business Workplan Update

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|-----------------------------------------------------------------------|---------------|
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| Encourage Business Participation in Local High School Career Programs | Future |
| Technical Assistance for Creation of Career Pathway Programs | Underway |
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| | |
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| Construction Technical Assistance Marketing Program | Research |
| Recurring meeting with Xcel Intragovernmental Liaison Staff | Future |
| Neighborhood Meetings for County/DOT Road Projects | Future |
| Partner with MPLS Chamber to host business mixers/hiring fairs | Future |
| Mayor's Outstanding Business Award | Future |
| Update of city business development webpages | Complete |
| Obtaining and maintaining up-to-date local economic data | Complete |
| Business Registration Form | Future |
| COVID-19 Emergency Relief | Future |
| Small Business Improvement Revolving Loan Fund | Underway |
| Emerging Business Lease Emergency Fund | Future |
| Review contract procurement procedures to encourage DBE contract awards | Underway |
| List culturally relevant business development centers on the website | Complete |

Housing Update

Utility bill grants

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.

Mortgage Assistance

HomeHelpMN is accepting applications for mortgage assistance through June 17. Homeowners at 100% AMI or under have fallen behind on their mortgage or other eligible housing-related expenses. Details of the program include:

- Eligible expenses include: mortgage payments, contract for deed payments, manufactured housing loan, property taxes, property insurance, homeowner or condo fees, and manufactured home lot rent.
- Homeowners may be eligible for up to \$35,000.
- Have past-due expenses in one of the eligible categories.

Rent Assistance

Minnetonka and ICA continue to offer emergency rental assistance to Minnetonka renters who have been financially impacted by COVID.

CDBG Updates

The following public service providers, who work with Minnetonka residents, were awarded funding for 2022-2023.

- ICA: \$30,000 for Rent Assistance – Estimate serving 20 families.
- HomeLine: \$76,121 for the legal aid hotline – 2,000 tenants served
- Senior Community Services: \$43,800 for the HOME maintenance program – 465 low-income seniors
- Sojourner Project: \$10,000 – legal advocacy and support for domestic violence victims – 960 low-income individuals

Homelessness

Staff continues to meet with the nonprofit, His House, to discuss ways in which to address homelessness in Minnetonka. The discussion involves future funding requests and county policy change recommendations.