



AGENDA
CITY OF MINNETONKA
ECONOMIC DEVELOPMENT ADVISORY COMMISSION
Sept. 8, 2022
6:00 p.m.

Council Chambers – Minnetonka Community Center (open to public)

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 May 19, 2022, and July 14, 2022 Minutes

BUSINESS ITEMS

4. Presentation - Annual Report from MCCD Open to Business

5. Commercial Code Compliance Loan Program

Recommendation: Review and provide a recommendation.

6. Staff Report

7. Other Business

The next regularly scheduled EDAC meeting will be held on **October 27 at 6:00 p.m.**

8. 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

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

May 19, 2022

1. Call to Order

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

2. Roll Call

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

Staff present: Community Development Director Julie Wischnack and Economic Development and Housing Manager Alisha Gray.

Councilmember Deb Calvert was present.

3. Approval of EDAC March 10, 2022 Meeting Minutes

Tyacke motioned, Jacobsohn seconded, to approve the March 10, 2022 meeting minutes as submitted. Duginske Cibulka, Jacobsohn, Tyacke, and Yunker voted yes. Falk, Hromatka, and Johnston were absent. Motion passed.

4. 2023-2027 Economic Improvement Plan (EIP)

Gray provided the staff report. Staff recommends commissioners review and provide feedback on the draft 2023-2027 EIP.

In response to Jacobsohn's question, Gray answered that Homes Within Reach purchased a property in Minnetonka in 2021, which makes a current total of 60 Homes Within Reach houses in Minnetonka. The average is to add one house per year. Finding a house in the correct price range has been difficult.

Duginske Cibulka asked where the money to fund the housing trust would come from. Gray explained that the staff does not know the order in which projects that utilize the affordable housing trust fund will occur. It currently has \$5.7 million. Redevelopment of city-owned sites are in the initial stages of completing an environmental review and appraisal. The housing trust has been used to provide rental assistance and fund a few projects in Opus. Gray will provide an update on the use of those funds. There is no required timeline for the spend-down of the housing trust funds.

Duginske Cibulka would appreciate more information on the parameters of how the trust fund may be used, its best practices, and more background. Wischnack noted that the legislation was passed last year, and Minnetonka is one of only three cities that received it. Staff will provide more background at the next meeting.

Duginske Cibulka asked if rental assistance funds could be reloaded if depleted. Gray answered that the American Rescue Plan Act (ARPA) funds are fully committed to rental assistance since it has an expiration date. The homeless initiative and Pathways program are also a priority. Money from the trust fund could be utilized if the \$50,000 would not be enough to cover the cost of rental assistance.

Duginske Cibulka asked if there is a plan on how to use the ARPA funds. Wischnack explained how the city partners with other organizations to manage rental assistance and the prevention of homelessness. The Pathways to Homeownership program may not be as complicated because the city already has a structure for a similar program. If the city took in the ARPA funds and had them designated already, then it would open up the general fund to use new dollars. It makes it easier for compliance later on if the funds are included in the city budget and not attached too much to ARPA.

Gray continued the staff report.

Calvert asked if the funds to provide technical assistance to businesses are still considered sufficient based on recent economic predictions regarding possible inflation, a recession, and another COVID wave. Gray explained that leaving the funds open to be used for whatever businesses need seems the appropriate approach. The existing funds that have been committed need to be spent. The approach is to be creative and get the funds out the door. Staff will think about how to outreach to businesses could be done to get some feedback on what things are impacting the business community. Wischnack noted that she and Gray had invited the businesses at Ridgedale Center to meet with them next week to find out what they need. Wischnack hopes to have the structure in place to deal with unpredictable events.

Tyacke asked if the Pathways program is a pilot or permanent program. Gray explained that it is a pilot program that will be brought back for additional funding if it is successful. Funds could be utilized from the affordable housing trust fund for a long-term commitment. The \$300,000 could potentially serve up to six households.

Tyacke felt that the staff recommendations were well thought out and had a lot of value. The draft EIP is a good start and has a lot of good ideas.

Jacobsohn proposed including the recommended changes to the EIP along with the suggestions for future programs. Tyacke and Duginske Cibulka agreed.

Duginske Cibulka stated that this is a more creative year. She appreciates the new programs because there are unique funds available. No one knows what is in store, but there is enough creativity, innovation, and flexibility in the programs to adjust. She would like to see housing remain a main priority. There is a variety of housing types being focused on as well as support for businesses. The staff has done a great job recognizing and responding to the uniqueness of this year.

Tyacke asked if there are any economic programs to encourage more housing for people 55 years of age and older and to make them feel more at home in Minnetonka. Tyacke was thinking of ways to provide transit to Ridgedale Center and the parks for less mobile residents. Gray stated that there is an active senior population in Minnetonka. The Minnetonka Memo and Senior Script provide information on events for seniors. There could be a proactive effort to invite residents of a new senior building to those opportunities. Wischnack described how staff holds events at new multi-family residential buildings to meet new residents. The last one was held at Avidor before COVID restrictions were in place.

Tyacke would like something done to promote the businesses in the Ridgedale Center area to help keep it a successful mall. Wischnack noted that the street and sidewalk improvements, trail connections, and the planned park would help enhance Ridgedale Center. It is important for the city to keep being engaged in Ridgedale's success even though things look good right now.

Chair Yunker likes the great ideas and well-thought-out concepts in the draft EIP. He likes the code compliance program. That is a really good idea to help businesses bring their facilities up to code and be ADA compliant. That helps the business and the city overall.

Gray explained that the draft EIP would go to the city council for review and then return to the EDAC in July.

5. Staff Report

Gray and Wischnack reported:

- The SWLRT PLACES committee will be touring the SWLRT Opus Station tomorrow. Nearly 60 percent of civil construction is complete. Most of the utility work is complete on the private side. Eleven of the 16 stations are underway or complete. The downtown Hopkins Station is complete. Twenty-six light-rail vehicles have been delivered.
- Regional Metro Transit ridership has started to recover from pandemic lows. As ridership increases, service will increase in Minnetonka.
- Development updates on The Pointe, Minnetonka Station, Doran, Shady Oak Office Center (Wellington), Abdo Market House, Minnetonka Mills Church, Lake Minnetonka Care Center, Ridgedale area park project, Buhl Investments, and Dick's House of Sport.
- King Technology is investing \$14.5 million and creating 50 jobs with their move to Minnetonka. The company received \$617,000 through the Job Creation Fund to support the move.
- Staff purchased a Community 360 metrics analysis for the city to provide insight into the people who live and work in Minnetonka.
- Staff will have a Meet Minnetonka event at Ridgedale on May 25th from 11 a.m. to 2 p.m.

- Provided a business work plan update.
- Housing update regarding utility bill grants and mortgage and rent assistance.
- CDBG Updates.
- Efforts to prevent homelessness.
- Staff created an interactive, searchable map that includes all of the 8,440 rental units currently in the city. Of those, 3,262 are affordable units. There are 24,000 households in Minnetonka.

Chair Yunker likes the dashboard and its historical data.

6. Other Business

The next EDAC meeting is scheduled to be held on June 16, 2022, at 6 p.m.

7. Adjournment

The meeting was adjourned at 7:25 p.m.

**Unapproved
Minnetonka Economic Development Advisory Commission
Minutes**

July 14, 2022

1. Call to Order

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

2. Roll Call

EDAC commissioners Ann Duginske Cibulka, Jay Hromatka, Lee Jacobsohn, Steven Tyacke and Melissa Johnston 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 Manager Rob Hanson.

Councilmember Deb Calvert was present.

3. Approval of the EDAC May 19, 2022 Meeting Minutes

There were not enough commissioners who attended the May 19, 2022 present to take action on this item.

4. 2023-2027 Economic Improvement Plan (EIP)

Acting Chair Johnston stated that she appreciates the time staff put into brainstorming to create new ways to take advantage of the funds that have become available to provide numerous housing options in Minnetonka.

Gray provided the staff report. Staff recommends commissioners review and provide a recommendation on the draft 2023-2027 EIP.

Hromatka confirmed with Gray that the \$2,500 in reference to the HWR program is a one-time set up fee. Gray stated that there will be an annual fee for each loan which has not yet been updated.

Tyacke asked how many new jobs King Technology would create. Gray answered 50.

Tyacke confirmed with Gray that the housing and road improvement projects near the SWLRT Opus Station have not suffered too many delays.

In response to Tyacke's question, Gray explained that the housing goals are set by the Metropolitan Council and adopted into the comprehensive guide plan. The housing goals are aspirational goals to, ideally, be met in ten years. Minnetonka did great the last cycle and is doing well so far in 2022.

Jacobsohn stated that the EIP is a great piece of work. Staff is doing a great job of making it more concise and easy to understand. He appreciated it.

Hromatka moved, Tyacke seconded, a motion to approve the EIP as recommended by staff. Duginske Cibulka, Hromatka, Jacobsohn, Tyacke and Johnston voted yes. Falk and Yunker were absent. Motion carried.

Hromatka agreed with Tyacke that the information was laid out so well in the EIP that he did not need to ask questions.

5. Commercial Code Compliance Loan Program

Hanson provided the staff report.

Hromatka asked if the program would be utilized for a business to fix a code violation or a business wanting to make an improvement. Hanson explained that it would be used in both scenarios.

Tyacke asked if there would be a “due on sale provision” for a business owner to pay back the loan if the business would be sold. Hanson answered that is not currently part of the guidelines, but staff appreciates the question and will look at adding that requirement.

Jacobsohn asked what funds would sustain the pilot program if it would be successful and if there would be an evaluation to determine the risk of the business not making it and the risk to the city of not being repaid. He felt it would be a great program to assist a business with unforeseen costs. He suggested changing the loan term to five years instead of 15 years to allow funds to be paid back sooner to be used to fund additional loans.

Hanson stated that there is a guarantee for repayment included in the guidelines. The CEE staff are already running a similar program and would handle the underwriting of the loans and determining the risk when approving a loan. Future funding for the programs would be looked at in the future.

Wischnack stated that she would look first at the HRA Levy.

Gray added that a previous loan was repaid and those funds could be utilized. Requiring a mortgage on the property to secure repayment is being considered, but may not be possible in situations where a business owner does not own the property.

Duginske Cibulka asked for a detail list of the programs that would utilize the funds. Wischnack will provide commissioners with the chart.

Calvert noted that recreational cannabis sales became legal since the packet was completed. She suggested commissioners discuss adding businesses that sell

recreational cannabis to the ineligible list. Acting Chair Johnston stated that CBD is an evolving part of society. CBD can be a helpful approach to deal with certain ailments that would otherwise require more dangerous medications. She would like to research the pros and cons more. If pressed right now, she would lean toward keeping a business eligible to receive a loan.

Wischnack explained that staff is waiting to gain more information from the League of Minnesota Cities. The businesses on the ineligible to receive loan list include those that sell liquor and tobacco.

Calvert stated that she sees a difference between businesses that sell cannabis for recreational uses and those that sell it for medicinal uses. There are numerous considerations that the League of Minnesota Cities is trying to create a coordinated approach and clarification. It would be helpful for councilmembers to know what the attitude of commissioners is toward recreational use of cannabis. Medicinal sale of cannabis regulations could be similar to those of a drug store.

Wischnack suggested commissioners consider including language recommending that Minnetonka adopt the League of Minnesota Cities guidelines for cannabis. For instance, if the League of Minnesota Cities creates a guideline for cities to require a license for the sale of cannabis like a license to sell tobacco, then that would make the business ineligible for the loan program.

Acting Chair Johnston felt it would make sense to require a special license for sale of a product with a certain amount of THC.

Duginske Cibulka agreed that there will be evolving societal influences and legal matters to address. She suggested being cognizant to the evolving legal matters and research. There will be community members on both sides of the issue. Wischnack's proposed language may allow Minnetonka to be more adaptive than prescriptive at this point.

Jacobsohn asked if a convenience store that sells cigarettes and a restaurant that sells alcohol would not be eligible for a loan. Wischnack and Hanson agreed to change the language to reflect that a business that sells "primarily" cigarettes or alcohol would be ineligible.

Hromatka questioned why the ineligible businesses would be excluded since they have the same code-compliance requirements. Duginske Cibulka agreed. The loans are to be used to provide safety by meeting code requirements. She questioned why the businesses would be ineligible from applying for a loan if the use is allowed in Minnetonka.

Jacobsohn said that he could go either way on the ineligibility issue.

Hromatka felt code compliance should be supported regardless of the type of business.

Hromatka moved, seconded by Duginske Cibulka, to recommend that the city council approve the commercial code compliance loan program as recommended by staff with changes to allow the terms to be set commensurate with the dollar amount borrowed and the eligibility to apply would not be restricted by the nature of the business as long as the use is allowed by city code. No vote was taken. Motion failed.

In response to Acting Chair Johnston's question, Hanson will research further into the condition that requires securing 100 percent of the loan by at least one owner who owns at least 50 percent of the business.

Wischnack and Hanson agreed to make changes and bring the commercial code compliance loan program back to the EDAC for review at the next meeting.

Hromatka moved, seconded by Tyacke, to table action on this item until the next EDAC meeting. Duginske Cibulka, Hromatka, Jacobsohn, Tyacke and Johnston voted yes. Falk and Yunker were absent. Motion carried.

6. Pathways to Homeownership Program

Gray provided the staff report.

In response to Hromatka's question, Gray explained the table with information on the assistance by purchase price and income limit for the pathways homeownership program. The area medium income limit would be up to 120 percent area-medium income (AMI). The purchase price is capped in accordance with the applicant's income. Most of the applicants for down-payment assistance usually have had 50 percent to 60 percent AMI. It will be interesting to see if this program will cast a wider net and provide an opportunity for people with higher AMIs. Wischnack noted the importance of applicants receiving down-payment assistance being able to afford the mortgage payments.

Jacobsohn suggesting requiring a buyer to have two or three months of principle, interest, taxes and insurance in reserve after closing. Without that cushion, an auto repair or appliance failure could cause significant repercussions. Gray agreed. She will look into adding that as a security requirement.

Jacobsohn struggled with the pathways program forgiving the principle and providing a zero interest rate. The HRA Levy money would be given to a few homeowners who would qualify for the program. He suggested a change to the first-generation homebuyer program to allow someone who hasn't owned a house in five to seven years to qualify. There are a lot of people who need the help who had a parent who owned or lost a house in the 2008 financial crisis who should be just as deserving and need this assistance.

Hromatka agreed with Jacobsohn. Someone who lost a house to foreclosure and did everything they could to straighten out their credit score and be a homebuyer again

could use the assistance. He favored the \$300,000 be used for a semi-sustainable program rather than 100 percent forgiven.

Wischnack stated that councilmembers appreciate commissioners' input regarding the parameters of the programs. Calvert noted that there are differing opinions among councilmembers. The intent of St. Louis Park's program is to remove barriers and provide an opportunity for systemically, economically, marginalized people to purchase a house. The programs would be limited to a certain number of people because the funds are limited. A lower amount of assistance for each buyer would provide assistance to more buyers.

In response to Hromatka's question, Calvert stated that councilmembers would consider utilizing additional funding sources if the programs are found to be successful, benefit Minnetonka residents and meet its goals.

Jacobsohn noted that the Homes Within Reach program is driven by the land trust and the property which is picked out and the pathways to homebuyer program is driven by homebuyers.

Calvert noted that the pathways program allows a buyer to fully own a house and property. It would allow the opportunity for a family to benefit from the wealth that so many other people are able to gain from the sale or equity of a house.

Tyacke asked if a buyer would have to own a house for 50 years for the loan to be forgiven. Gray answered affirmatively. She explained how two percent a year of the loan would be forgiven to provide some assistance over time. There is zero percent interest on the loan. The two percent of the loan forgiven each year would not have to be paid back.

Duginske Cibulka supports reconsidering the first generation buyer requirement and changing it to allow an applicant who did not own a house in the last five years for the pathways program. That would allow homeowners whose house was foreclosed on in 2010 or someone who married someone who owned a house and then lost it to be eligible.

Duginske Cibulka clarified with staff that an applicant does not need to be a current resident of Minnetonka. Wischnack and Gray will change the language to clarify that the applicant must be a legal U.S. resident and the house being purchased must be located in Minnetonka.

Jacobsohn agreed that a married couple would have two sets of parents who could eliminate them from qualifying due to the first-generation buyer requirement and it would be difficult to track that requirement. Duginske Cibulka agreed.

Tyacke saw people moving more often with upsizing and downsizing. Wischnack was thinking more flexible language would be beneficial. The program hopes to assist

households who have had challenges and barriers to homeownership in Minnetonka in the past.

Calvert appreciated the discussion.

Jacobsohn moved, seconded by Duginske Cibulka, to recommend that the city council:

- Approve adjusting the existing down-payment assistance program as recommended in the staff report.
- Approve the Pathways to Homeownership Program with the program keeping the interest rate at zero percent; removing the forgiveness of two percent of the loan per year; and replacing the first-generation-buyer requirement with the requirement that the applicant has not owned a home in the last seven years.

Duginske Cibulka, Hromatka, Jacobsohn, Tyacke and Johnston voted yes. Falk and Yunker were absent. Motion carried.

7. Staff Report

Hanson reported:

- The SWLRT continues construction on Red Circle Drive and Yellow Circle Drive and the Minnetonka-Hopkins LRT Bridge.
- Regional Metro Transit ridership is now 32 percent of the pre-pandemic level.
- Development updates on The Pointe, Minnetonka Station, Doran, Shady Oak Office Center (Wellington), Lake Minnetonka Care Center, Ridgedale Park project, Buhl Investments and Dick's House of Sport. Dominion is fully leased.
- The city council approved \$50,000 of the HRA Levy to be used for emergency-business assistance. Businesses may apply for a one-time forgivable loan not to exceed \$2,500.
- An issue of Thrive was released July 11, 2022.
- Provided a business work-plan update.
- Housing update regarding utility bill grants and mortgage and rent assistance.
- A posting to hire a new housing specialist position will be posted soon.

8. Other Business

The next EDAC meeting is scheduled to be held on Aug. 11, 2022 at 6 p.m.

9. Adjournment

The meeting was adjourned at 8:05 p.m.



**Economic Development Advisory Commission
Item #5
Meeting of Sept. 8, 2022**

Title: Commercial Code Compliance Loan Program
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

Summary of new financing program for businesses to address safety or other building code-related issues.

Recommended Action

Review and provide a recommendation.

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 \$100,000 in indirect ARPA funds

Background

At the March 10, 2022, EDAC Meeting, staff presented the Business Development Strategy Work Plan, which outlined programmatic ideas for consideration to address issues identified in the 2021 business survey. Businesses indicated that loans and financing support were among the most important potential future services that city staff could provide. Additionally, the 2023-2027 Economic Improvement Program identified \$100,000 in indirect American Rescue Plan Act (ARPA) funds toward the creation of a pilot Commercial Code Compliance Loan program.

In response, staff developed guidelines for implementing a Commercial Code Compliance Loan Program with an initial pool of \$100,000. With this funding, approximately four businesses could receive a loan of up to \$25,000 to address building issues such as improving safety, structural integrity, accessibility issues, or any other areas of concern as determined by the City of Minnetonka's Building Official, Fire Marshall, or Public Health Division.

EDAC Feedback from the July 14, 2022 meeting ([minutes attached](#))

- The commission generally viewed the program favorably and requested additional changes for consideration. The following feedback was provided and considered for the program guidelines.
 - Commissioner Tyacke recommended the inclusion of a "due on sale" provision in the guidelines to address the scenario if a business were to be sold with an outstanding loan.
 - Commissioner Jacobsohn suggested altering the term of the loans to five years instead of 15 years to allow for funds to be paid back sooner.
 - Multiple commissioners stated that they felt that if a business was legally licensed to operate within Minnetonka that it should be eligible to receive a loan through this program. The guidelines recommended making businesses that sell alcohol, cigarettes, CBD or THC products, etc. as, ineligible.
 - Commissioner Johnston asked for clarification in the guidelines if a 50% guarantee covers 100% of the loan.

Proposed Program Changes

Based on feedback from the July 14 EDAC meeting, the staff proposes the Commercial Code Compliance Loan Program with the following criteria. (The full guidelines with changes highlighted are attached.)

Loan Term:

- 2% interest rate
- Five-year term for loans up to \$15,000
- Ten-year term for loans between \$15,000 and \$25,000
- There is no prepayment penalty
- Repayment will be monthly

Personal Guarantee:

- Loans will be entirely guaranteed by at least 50% of the ownership of the business.

Due on Sale:

- The full balance of the loan may be called upon due to the sale or transfer of ownership of the business used to secure the note.

Eligible businesses would include the following components:

- Be located within the City of Minnetonka or in the process of securing a location within the city. The property must be a commercial address
- Borrowers may be the property owner or tenant.
- Be a locally owned and operated business (including independently owned and operated franchises)

- Be a for-profit business legally allowed or licensed to operate within the City of Minnetonka
- Be in compliance with city ordinances, codes, licensing, and must not have any delinquent taxes or other charges due to the city.
- Be a legal entity registered with the Minnesota Secretary of State, and be in good standing.

Next Steps

The Commercial Code Compliance Program Final Guidelines will be presented to the city council at an upcoming city council meeting.

Attachments

Commercial Code Compliance Loan Program Guidelines



Minnetonka Code Correction Loan Program Guidelines

Loan Amount:

Total available funding for program - \$100,000

Loans of up to \$25,000 (subject to credit requirements and program eligibility)

Loan Term:

[5 years for loans up to \\$15,000](#)

[10 years for loans between \\$15,000 to \\$25,000](#)

[There is no prepayment penalty](#)

[Payments will be made monthly](#)

[15 years – paid in monthly installments](#)

[Loan Security: No loan security for loans with a personal guarantor.](#)

Personal Guarantor: Loans will [be entirely](#) ~~be personally~~ guaranteed by at least 50% ownership of the business.

[Due on Sale: The full balance of the loan may be called upon sale or transfer of ownership of the business used to secure the note.](#)

Credit / Underwriting Requirements: All personal guarantors must have a minimum credit score of 620.

Interest Rate:

2% fixed interest rate

Match Amount:

Any business or property owner taking part in the project must match at least 10% of the [total project costs](#). ~~total loan amount.~~

Eligibility:

To be eligible to receive a loan through the Minnetonka Code Correction Loan Program, all applicants must meet the following criteria:

- Be located within the City of Minnetonka or in the process of securing a location within Minnetonka; and [have a physical commercial address that is not located in a residential neighborhood](#) ~~the property must be a commercial property~~;
- Borrowers may be the property owner or tenant of the property where the corrective action is discussed or ordered by city staff.



- Borrower must have an active property maintenance corrective order issued by the city or work with City staff to be sure they are properly correcting any code related issues on the property.
 - ~~Be a locally owned and operated business (including independently owned and operated franchises);~~
- Be a for-profit business [legally allowed or licensed to operate within the City of Minnetonka.](#)
- Be a legal entity registered with the Minnesota Secretary of State, and be in good standing;
- Be in compliance with city ordinances, codes, licensing, and must not have any delinquent taxes, bills, or other charges due to the city.
 - ~~Employ no more than 25 full-time equivalents~~

Eligible Borrowers:

All borrowers may be legal residents of the United States or a registered business in the State of Minnesota. Borrowers may be the property owner or tenant of the property where the corrective action is discussed or ordered by City staff.

Ineligible Borrowers:

Assistance will not be provided to businesses that:

- Do not have a physical commercial address located within the City of Minnetonka
- ~~Primarily generate income from gambling activities~~
- ~~Generates income from adult-oriented or tobacco/vaping-related activities [A C-Corporation](#)~~
- Are a non-profit organization

Eligible Improvements:

Repairs may improve safety, structural integrity, address accessibility issues, or address any other areas of concern as determined by the City Building Official. Examples of eligible projects include:

- Exterior painting
- Screening elements (i.e. fencing, visible mechanical screening, visible trash enclosures)
- Window and door repair or replacement
- Signage connected to the building
- Fire suppression or other related issue as requested by the City Fire Marshall
- Exterior lighting
- Building and health code related items
- ANSI/NSF approved equipment upgrades with approval from the City Building Official
- Parking lot improvements



- Improving exterior or architectural barriers that restrict the mobility and accessibility of elderly or disabled persons to a premises.
- Installation of exterior security devices
- Landscaping improvements
- Improvements not on this list but required for correction per City staff can be considered eligible for this program on a case by case basis.

Ineligible Improvements:

Any improvement not meeting the definition of an eligible improvement.

Bids/Contractors:

One contract bid required. All contractors must be properly licensed or registered with the Minnesota Department of Labor (if applicable) and the City of Minnetonka (if applicable). Permits must be obtained where required.

[The City of Minnetonka will only issue mechanical permits to contractors licensed by the City of Minnetonka. The following licenses are available for contractors:](#)

[Gas](#)
[Warm Air](#)
[Refrigeration](#)
[Steam/Hot Water](#)

[For further information and to obtain a license, contact Karen Telega at 952-939-8297 or \[ktelega@minnetonkamn.gov\]\(mailto:ktelega@minnetonkamn.gov\)](#)

If work is to be completed by the applicant, loan funds may only be used for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. All necessary city permits must be pulled prior to work beginning.

Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.

Work Schedule:

All work must be completed within 120 days of the loan closing. However [extensions may be authorized on a case by case basis.](#) ~~city staff may chose to extend the deadline in certain circumstances.~~

Disbursement of Funds:

Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be performed by CEE (if a permit is not required) to verify completion of the work.



The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:

- Final invoice from a contractor (or materials list from supplier)
- Final inspection by Minnetonka building officials (closeout of any necessary city permits)
- Completion certificate signed by borrower and contractor
- Lien waiver for entire cost of work

Borrower Fees:

- 1% Origination Fee and Document Preparation Fee
- ~~Mortgage Filing Fees~~
- ~~Title work (if applicable)~~
- Credit Report
- ~~Flood certification~~
- ~~Other applicable costs~~

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**Economic Development Advisory Commission
Item #6
Meeting of Sept. 8, 2022**

Title: Staff Report
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

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

Recommended Action

Receive the report; no formal action is required.

Strategic Profile Relatability

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

Transit Updates

*Green Line Extension (Southwest LRT)
Minnetonka Updates*

- Metropolitan Council outreach staff are offering a walking tour of the Opus Station on Sept. 17, 2022, from 1:00 pm – 3:00 pm. Sign up at this [link](#).
- Bren Road West has reopened to through traffic. The City of Minnetonka's bridge work on Bren Road West is also complete.
- Road construction on the Yellow Circle Drive extension continues through the fall. Access to local businesses is being maintained. [See Minnetonka detour maps](#).
- The Red-to-Yellow Circle connection in Opus Park has been reduced to one lane to complete construction underneath the roadway. Work is expected to last through August.
- 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 temporarily configured as a two-way road during this phase of construction to accommodate through traffic and access to local businesses. [See Minnetonka detour maps.](#)

- Feltl Road is closed at Smetana Road through the fall as workers complete the roadway bridge. [See Minnetonka detour maps.](#)
- Crews continue to work on the Minnetonka-Hopkins LRT bridge.

Development Updates

Projects	Location	Status
<i>Housing</i>		
The Pointe (Amira Minnetonka)	801 Carlson Pkwy	Under Construction
Minnetonka Station	Opus	Under Construction
Doran (Shady Oak)	5959 Shady Oak Rd	Under Construction
The Townline Apartments (Wellington)	10901 Red Circle Dr	Under Construction
Greystar Development	10701 Bren Road	Proposed Concept
Abdo Market House	14317 Excelsior Blvd	Approved, Awaiting Plan Submission
Amavida	3928 and 2930 Shady Oak Road	Introduced at the council on July 18
<i>Misc. Projects</i>		
Ridgedale Area Park Project	Ridgedale Dr	Under Construction
Goddard School	14900 Highway 7	Open
Minnetonka Vantage and Momentum Study Programs	5735 County Road 101	Under Construction
<i>Business Projects</i>		
Buhl Investments	10900 Red Circle Dr	Office Renovation and Housing Concept
First Light Donuts and Café	11014 Cedar Lake Rd.	CUP Approved
Brito's Burritos	11044 Cedar Lake Rd.	CUP Approved
Dicks Sporting Goods (Athletic Field)	12437 Wayzata Blvd.	Under Construction
Top Ten Liquor / Wineside	1641 Plymouth Rd	Approved

Business Updates

MCCD Open To Business

Staff from the Metropolitan Consortium of Community Developers Open to Business group will be presenting the Minnetonka annual report and providing an update on business issues they are observing within the community.

*Business Workplan Update – **Bold items are recent updates***

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
Commercial Code Compliance Loan Program	Underway – September CC
CPTED Certification for city staff	Complete
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 – Recently received visitor info for Ridgedale and City
Business Registration Form	Future
Emergency Assistance Fund	Underway – September CC
Review contract procurement procedures to encourage DBE contract awards	Underway – 2023 Contractor Expo planning
List culturally relevant business development centers on the website	Complete

Housing Updates

Mortgage Assistance

HomeHelpMN is accepting applications for mortgage assistance until funds are exhausted. Homeowners who have incomes at 100% AMI or under, have fallen behind on their mortgage, or have incurred other eligible housing-related expenses are eligible for the funding. Details of the program include:

- Eligible expenses include: mortgage payments, contract for deed payments, manufactured housing loans, property taxes, property insurance, homeowner or condo fees, and manufactured home lot rent.
- Homeowners may now be eligible for up to \$50,000
- There is no longer a time restriction on past-due expenses. Previously, expenses had to be incurred after January 2020.

Homes Within Reach CDBG Program

At the August 22 City Council Meeting, staff provided a report on the year 2021 CDBG activities through the annual CAPER report. This report summarizes city CDBG activities from July 1, 2021, to June 30, 2022. Minnetonka currently uses its CDBG grant balance to assist homeowners within the Homes Within Reach program to make needed home repairs. Key accomplishments of CDBG programming in 2021 are listed below.

- Nine HWR households assisted
- \$67,956.65 expended for rehab in 2021
- 44% of the assisted homeowners are people of color
- Of the families assisted, four are at or below 30% AMI in income, two are at or below 50% AMI, and the remaining three are at or below 80% AMI.

Housing Coordinator

Staff conducted interviews for the new Housing Coordinator position.