



Agenda
Minnetonka Economic Development Authority
Monday, Sep. 12, 2022
Following the 6:30 p.m. regular meeting
Council Chambers

1. Call to Order
2. Roll Call: Kirk-Schack-Wilburn-Calvert-Schaeppi-Coakley-Wiersum
3. Approval of Agenda
4. Approval of Minutes:
 - A. Aug. 22, 2022 EDA meeting minutes
5. Business Items:
 - A. 2023 Preliminary HRA Levy
Recommendation: Adopt the resolution (4 votes)
6. Adjourn

Minutes
Minnetonka Economic Development Authority
Monday, August 22, 2022

1. Call to Order

Wiersum called the meeting to order at 9:30 p.m.

2. Roll Call

Commissioners Brian Kirk, Rebecca Schack, Kimberly Wilburn, Deb Calvert, Bradley Schaeppi and President Brad Wiersum were present.

Commissioner Kissy Coakley was excused from the meeting.

3. Approval of Agenda

Calvert moved, Kirk seconded a motion to approve the agenda, as presented.

All voted "yes". Motion carried.

4. Approval of Minutes:

A. July 18, 2022 EDA meeting minutes

Calvert moved, Kirk seconded a motion to approve the minutes, as presented.

All voted "yes". Motion carried.

5. Business Items:

A. Extension of affordability at 11390 Minnetonka Mills Rd

Community Development Director Julie Wischnack gave a report on the item.

Schack asked for clarification as to whether the funds being repaid were for a grant or a loan. Wischnack indicated the city issued the developer a loan, which was funded by a grant from Metro Cities. Schack then asked whether the city could use the repaid funds in other ways. Wischnack indicated it would be acceptable to use the funds for anything related to housing or affordable housing.

Wiersum commented that he approves of the proposed repayment with interest.

Wilburn asked what happens when the affordability contract with the developer expires in 2031. Wischnack indicated the city plans to negotiate with the developer to extend the contract further, prior to its expiration.

Calvert moved, Kirk seconded a motion to adopt EDA Res. 2022-007 approving the execution and delivery of a declaration of restrictive covenants with Minnetonka Mills Holdings, LLC.

All voted "yes". Motion carried.

6. Adjournment

Kirk moved, Calvert seconded a motion to adjourn the meeting at 9:40 p.m.

All voted "yes". Motion carried.

Respectfully submitted,

Becky Koosman
City Clerk



**Economic Development Authority
Agenda Item 5A
Meeting of Sep. 12, 2022**

Title: 2023 Preliminary HRA Levy

Report From: Alisha Gray, EDFP, Economic Development and Housing Manager

Submitted through: Mike Funk, Executive Director
Julie Wischnack, AICP, Community Development Director

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

Summary Statement

This action sets the preliminary 2023 HRA levy at \$300,000.

Recommended Action

Adopt the resolution setting a preliminary 2023 HRA tax levy and budget.

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 \$300,000
Financing sources: Budgeted Budget Modification New Revenue Source
 Use of Reserves Other [Enter]

This action sets the preliminary 2023 HRA tax levy and budget.

Background

The city's first levy for housing and redevelopment began in 2009. State law limits levies, and the maximum rate is 0.0185 percent of a city's taxable market value. This equals approximately \$2.3 million in Minnetonka. At the [June 20, 2022](#), study session, the council reviewed the 2023–

2027 Economic Improvement Program (EIP), which recommends the 2023 HRA levy of \$300,000. The table below shows the history of the amounts and the uses of the HRA levy.

Year	Amount/Rate	Use
2009	\$100,000 .001171%	Homes Within Reach
2010	\$175,000 .002121%	•Village Center Master Planning (\$75,000) •Housing programs (\$100,000)
2011	\$175,000 .002233%	•Village Center Master Planning (\$85,000) •Housing programs (\$90,000)
2012	\$175,000 .002233%	•Village Center Master Planning (\$75,000) •Housing programs (\$100,000)
2013	\$175,000 .002324%	•Village Center Master Planning (\$75,000) •Housing programs (\$100,000)
2014	\$175,000 .002330%	•Marketing (\$75,000) •Livable Communities Fund (\$100,000)
2015	\$175,000 .002196%	•Marketing (\$75,000) •Village Center Master Planning (\$100,000)
2016	\$175,000 .002126%	•SWLRT (\$75,000) •Housing Programs (\$75,000) •Business Outreach (\$25,000)
2017	\$175,000 .002187%	•SWLRT (\$75,000) •Housing Programs (\$100,000)
2018	\$250,000 .00251%	•SWLRT (\$75,000) •Housing Programs (\$75,000) •Homes Within Reach (\$100,000)
2019	\$300,000 .00309%	•SWLRT (\$75,000) •Housing Programs (\$100,000) •Homes Within Reach (\$100,000) •Business Outreach (\$25,000)
2020	\$225,000 .00125%	•SWLRT (\$75,000) •Homes Within Reach (\$25,000) •Housing Loans (\$100,000) •Business Outreach (\$25,000)
2021	\$300,000 .00290%	•SWLRT (\$75,000) •Housing Loans (\$100,000) •Business Outreach (\$25,000) •Emergency Housing (\$50,000) •Emergency Business (\$25,000)
2022 proposed	\$325,000	•SWLRT (\$75,000) •Housing Loans (\$100,000) •Business Outreach (\$25,000) •Homes Within Reach (\$125,000)

HRA Levy Funded Programs

Housing Loan Programs

There continues to be interest in the city's housing loan programs. As of Aug. 15, 2022, approximately \$558,700 remained available for Minnetonka Home Enhancement and Welcome to Minnetonka loan programs out of a total of \$1,229,492 committed to the programs through the HRA levy and loan repayments since the programs began.

In 2022, staff will present updated guidelines for the Welcome to Minnetonka Program, increasing the eligible loan amount to \$50,000 (previously \$15,000) to address rising home costs and barriers to homeownership. Additionally, staff will propose a new Pathways Program to address first-time homebuyers (who have not owned a home within the past seven years). The proposed program will offer up to \$75,000 based on homebuyer income level and home purchase price. The proposed funding for the Pathways program is the Affordable Housing Trust Fund. The EDAC reviewed both programs at the [July 14, 2022, meeting](#).

Homes within Reach/West Hennepin Affordable Housing Land Trust (HWR/WHAHLT)

- The 2023-2027 EIP recommends funding \$125,000 per year in 2023-2027 for Homes Within Reach.

Business

Business Outreach

There is a fund balance of \$132,220 to assist with business outreach. Staff dedicated a portion of these funds to distribute a business newsletter to engage the business community. This effort supports business retention and expansion in the community. The inaugural edition of the Thrive Newsletter was published in July 2018. In 2021, staff added an additional newsletter, bringing the yearly publications to three. Online subscribers to business-related content through the city have grown to 1,314 as of August 2022.

Business Survey

In the fall of 2021, staff set out to understand the business climate in the city through a citywide business survey. Surveys were distributed to all of the businesses in the city, resulting in 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 feedback. Areas most strongly linked with business satisfaction and engagement were:

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

Staff developed a business development work plan out of the results of the survey. To date, staff completed several of the initiatives identified through the survey. A summary of those efforts is attached to the report.

Business Marketing /Information Efforts

Staff developed a business resource brochure to distribute when meeting with businesses and developers. The proposed EIP for 2023-2027 does not recommend additional funding through the HRA in 2023.

Southwest Light Rail Transit (SWLRT)

In July 2015, the city council committed \$2 million toward the SWLRT Green Line Extension project. Initially funded through the Special Assessment Construction Fund, partial payback will occur from the HRA levy funds over 10 years for a total of \$750,000. The proposed EIP for 2022-2026 indicated a cost of \$75,000 per year funded through the HRA levy for 2023-2027.

Recommendation

On Sept. 12, 2022, the city council will vote to adopt the 2023-2027 EIP, which recommends the 2023 HRA levy to be set at \$300,000 (down from its 2022 level of \$325,000). The indicated uses of the funds are Southwest LRT (\$75,000), Housing Loan Programs (\$100,000), and Homes Within Reach (\$125,000).

At its [July 14, 2022 meeting](#), the EDAC discussed a recommendation for a preliminary HRA levy of \$300,000, which is the same recommendation as the proposed 2023-2027 EIP. The EDAC will review the HRA levy and proposed budget at its Oct. 27, 2022, meeting. The discussion and any further input on the 2023 levy and proposed expenditures will be provided at the council study session meeting in November.

During [Aug. 15, 2022](#), city council budget study session, the city council discussed the preliminary HRA levy. Per the discussion, a 2023 preliminary HRA levy of \$300,000 and a 2023 HRA budget is illustrated below:

(\$ thousands)	EIP	EDAC	Proposed
SW Light Rail	\$75	\$75	\$75
Homes within Reach	\$125	\$125	\$125
Housing Loans	\$100	\$100	\$100
Total HRA Levy	\$300	\$300	\$300

Supplemental information:

Business Development Work Plan

[EDAC Meeting – July 14, 2022 \(2023-2027 EIP\)](#)

- [Unofficial Meeting Minutes](#)



CITY OF MINNETONKA

Business Work Plan Update 8.23.2022 (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 – October 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

EDA Resolution No. 2022-

Resolution setting a preliminary 2023 HRA tax levy and budget

Be it resolved by the Economic Development Authority of the city of Minnetonka, Minnesota, as follows:

Section 1. Background.

- 1.01. On May 2, 1988, by Resolution 88-8637 and amended on May 9, 1994, by Resolution 94-9715, the city council established the Economic Development Authority (EDA) of the City of Minnetonka, and effective June 15, 1988, transferred to the EDA the control, authority, and operation of all projects and programs of the city's Housing and Redevelopment Authority (HRA). On Mar. 8, 2010, the city council became the appointed EDA.
- 1.02. Minnesota Statutes 469.033, Subdivision 6 authorizes housing and redevelopment authorities the power to levy a tax upon all taxable property within its district to finance housing and redevelopment programs subject to the consent of the city council.
- 1.03. The law and council resolutions further require the EDA to file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city and all actions of the authority to be approved by the city council.
- 1.04. State law requires the city to certify to the county a preliminary HRA tax levy by Sept. 30, 2022, and a final HRA budget and levy to be adopted, approved, and certified to the county by Dec. 28, 2022.

Section 2. Findings.

- 2.01. The EDA finds that an annual budget and tax levy of \$300,000 for levy in 2022, collectible in 2023, will fund housing and redevelopment activities of the authority in 2023.

Section 3. Authorization.

- 3.01. The preliminary 2023 HRA budget and tax levy are hereby approved.
- 3.02. The City Clerk is hereby directed and ordered to transmit a certified copy of the resolution to the Hennepin County Director of Property Tax and Public Records.

Adopted by the Economic Development Authority of the City of Minnetonka, Minnesota, on this 12th day of Sept. 2022.

Brad Wiersum, President

Attest:

Becky Koosman, Secretary

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent: Coakley

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the EDA of the City of Minnetonka, Minnesota, at a duly authorized meeting held on Sept. 12, 2022.

Becky Koosman, Secretary