

## ***Agenda***

### **Minnetonka Economic Development Authority**

**Monday, Sept. 16, 2019**

**Following the Regular Meeting**

#### **Council Chambers**

1. Call to Order
2. Roll Call: Bergstedt-Ellingson-Calvert-Schack-Carter-Happe-Wiersum
3. Approval of Agenda
4. Approval of Minutes:
  - A. November 26, 2018 EDA minutes
  - B. December 3, 2018 EDA minutes
  - C. December 17, 2018 EDA minutes
  - D. February 25, 2019 EDA minutes
  - E. March 18, 2019 EDA minutes
5. Business Items:
  - A. 2020 Preliminary HRA Levy  
Recommendation: Adopt the resolution setting a preliminary HRA levy (4 votes)
6. Adjourn

**Minutes**  
**Minnetonka Economic Development Authority**  
**Monday, Nov. 26, 2018**

**1. Call to Order**

Wiersum called the meeting to order at 8:20 p.m.

**2. Roll Call**

Commissioners Tim Bergstedt, Bob Ellingson, Patty Acomb, Mike Happe, Rebecca Schack, Deb Calvert, and President Brad Wiersum were present.

**3. Approval of Agenda**

**4. Approval of Minutes: July 23, Aug. 27 and Sept. 17, 2018 EDA minutes**

Acomb moved, Ellingson seconded a motion to approve the July 23, 2018 minutes. All voted "yes." Motion carried.

Acomb moved, Ellingson seconded a motion to approve the Aug. 27, 2018 minutes. All voted "yes." Motion carried.

Acomb moved, Ellingson seconded a motion to approve the Sept. 17, 2018 minutes. All voted "yes." Motion carried.

**5. Business Items:**

**A. Resolution approving a contract for private development with the City of Minnetonka and Mariner Affordable Apartments Limited Partnership**

Bergstedt moved, Schack seconded a motion to adopt Resolution 2018-007 approving the contract for private development with the City of Minnetonka and Mariner Affordable Apartments Limited Partnership and authorize non-substantive changes to the contract for private development. voted "yes." Motion carried.

**6. Adjournment**

Acomb moved, Calvert seconded a motion to adjourn the meeting at 8:24 p.m. All voted "yes." Motion carried.

Respectfully submitted,

David E. Maeda  
City Clerk

**Minutes**  
**Minnetonka Economic Development Authority**  
**Monday, Dec. 3, 2018**

**1. Call to Order**

Wiersum called the meeting to order at 8:35 p.m.

**2. Roll Call**

Commissioners Bob Ellingson, Patty Acomb, Mike Happe, Rebecca Schack, Deb Calvert, Tim Bergstedt, and President Brad Wiersum were present.

**3. Approval of Agenda**

**4. Approval of Minutes: None**

**5. Business Items:**

**A. 2019 Preliminary HRA Levy**

Schack moved, Calvert seconded a motion to adopt Resolution 2018-008 setting the 2019 HRA levy at \$300,000. All voted "yes." Motion carried.

**6. Adjournment**

Acomb moved, Happe seconded a motion to adjourn the meeting at 8:38 p.m. All voted "yes." Motion carried.

Respectfully submitted,

David E. Maeda  
City Clerk

**Minutes**  
**Minnetonka Economic Development Authority**  
**Monday, Dec. 17, 2018**

**1. Call to Order**

Wiersum called the meeting to order at 12:17 a.m.

**2. Roll Call**

Commissioners Patty Acomb, Mike Happe, Rebecca Schack, Deb Calvert, Tim Bergstedt, Bob Ellingson, and President Brad Wiersum were present.

**3. Approval of Agenda**

Calvert moved, Bergstedt seconded a motion to accept the agenda, as presented. All voted "yes." Motion carried.

**4. Approval of Minutes: None**

**5. Business Items:**

- A.** Resolution approving contract for private development with the City of Minnetonka and Marsh Development, LLC and the issuance of a tax increment revenue note

Bergstedt moved, Acomb seconded a motion to adopt Resolution 2018-009 approving the contract for private development with the City of Minnetonka and Marsh Development, LLC and the issuance of a tax increment revenue note; and authorize EDA officials to approve non-substantive changes to the contract for private development. All voted "yes." Motion carried.

**6. Adjournment**

Acomb moved, Calvert seconded a motion to adjourn the meeting at 12:19 a.m. All voted "yes." Motion carried.

Respectfully submitted,

David E. Maeda  
City Clerk

**Minutes**  
**Minnetonka Economic Development Authority**  
**Monday, Feb. 25, 2019**

**1. Call to Order**

Wiersum called the meeting to order at 8:37 p.m.

**2. Roll Call**

Commissioners Bob Ellingson, Mike Happe, Deb Calvert, Tim Bergstedt, and President Brad Wiersum were present. Rebecca Schack was excused.

**3. Approval of Agenda**

Happe moved, Bergstedt seconded a motion to accept the agenda, as presented. All voted "yes." Motion carried.

**4. Approval of Minutes: None**

**5. Business Items:**

**A. Item related to tax increment financing for Marsh Run and update on development**

Calvert moved, Bergstedt seconded a motion to adopt direct staff to continue negotiations with the Developer to determine if a mutually acceptable agreement can be negotiated. voted "yes." Motion carried.

**6. Adjournment**

Happe moved, Calvert seconded a motion to adjourn the meeting at 8:40 p.m. All voted "yes." Motion carried.

Respectfully submitted,

Moranda Dammann  
Deputy City Clerk

**Minutes**  
**Minnetonka Economic Development Authority**  
**Monday, March 18, 2019**

**1. Call to Order**

Wiersum called the meeting to order at 10:39 p.m.

**2. Roll Call**

Council Members Bob Ellingson, Deb Calvert, Rebecca Schack, Susan Carter, Tim Bergstedt and Brad Wiersum were present. Mike Happe was excused.

**3. Approval of Agenda**

Bergstedt moved, Calvert seconded a motion to accept the agenda, as presented. All voted "yes." Motion carried.

**4. Approval of Minutes: None**

**5. Business Items:**

**A. Marsh Run (Doran Apartments)**

Calvert moved, to adopt Res. 2019-001- TIF, Res. 2019-002- Removing PIDS, Res. 2019-003- Interfund Loans, and 2019-004- Contract Carter seconded the motion. All voted "yes." Motion carried.

**6. Adjournment**

Calvert moved, Carter seconded a motion to adjourn the meeting at 10:41 p.m. All voted "yes." Motion carried.

Respectfully submitted,



Becky Koosman  
Acting City Clerk

**EDA Agenda Item #5A  
Meeting of Sept. 16, 2019**

**Brief Description**                      2020 Preliminary HRA Levy

**Recommendation**                      Adopt the resolution setting a preliminary HRA levy

**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 \$1.7 million in Minnetonka. For 2019, the annual Housing and Redevelopment Authority (HRA) levy increased to \$300,000 (.00309) to accommodate housing programs, business outreach, and more recently, Southwest Light Rail Transit (SWLRT). For 2020, the proposed HRA levy is reduced to \$225,000 and again includes housing programs, SWLRT and business outreach.

The table below shows the history of the amounts and the uses of the HRA levy.

<b>Year</b>	<b>Amount/Rate</b>	<b>Use</b>
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)

## **HRA Levy Funded Programs**

### **Housing Loan Programs**

There continues to be a steady amount of interest in the city's housing loan programs over the past year. As of August 1, approximately \$441,000 remained available for Minnetonka Home Enhancement and Welcome to Minnetonka loan programs out of a total of \$970,065 committed to the programs through the HRA levy and loan repayments. With the balance that was available on August 1, 2019, there is enough funding for approximately 29 new loans. Based upon current interest in the two programs, staff anticipates that the funds will be exhausted by 2025. Staff is recommending adding additional funding for the program in 2020.

Annually, loan repayments based upon the current outstanding loans will total approximately \$45,000, which is enough for an additional two to three loans per year. In a self-sustaining analysis, if \$100,000 is loaned annually, it will take approximately five more years before programs are self-sustaining. Staff conducts this self-sustaining analysis on an annual basis during the budget review. The adopted Economic Improvement Program (EIP) for 2020- 2029 recommends \$100,000 annually for these programs in 2020.

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

In 2012-2013, an Economic Development Advisory Commission (EDAC) subcommittee met and recommended that council consider phasing out funding for HWR. For 2020, the EIP recommended that HWR receive \$25,000 for annual maintenance through the HRA levy. Additionally, The EIP recommends reallocating \$125,000 of the existing fund balance previously committed to the Welcome to Minnetonka and Minnetonka Home Enhancement Program to HWR for 2020. With this recommendation, the total allotment for HWR would be \$150,000 in 2020.

### **Business**

There is a fund balance of \$43,000 to assist with business outreach. Staff dedicates a portion of these funds to develop a bi-annual business newsletter with the goal of engaging the business community. The cost to produce, print, and distribute each issue is approximately \$3,000 per edition. Additionally, funds were utilized to purchase an advertisement in *Site Selector* magazine that was published in 2019 and staff is currently working on putting together a business resource brochure to be used when meeting with businesses and developers that will be professionally designed and printed. These efforts support business retention and expansion in the community. The adopted EIP for 2020-2024 recommends funding of \$25,000 annually to continue expanding business outreach efforts.

### **Southwest Light Rail Transit (SWLRT)**

In July 2015, the city council committed \$2 million towards the SWLRT Green Line Extension project. Initially funded through the Special Assessment Construction Fund, partial payback will occur from the HRA levy funds over a 10-year period for a total of \$750,000. The adopted EIP for 2019-2028 indicated a cost of \$75,000 per year funded through the HRA levy for 2020-2024.



**Recommendation**

On June 3, the city council adopted the 2020-2024 EIP, which recommended the 2020 HRA levy to be set at \$225,000 (down from its 2019 level of \$300,000). The indicated uses of the funds are Homes within Reach (\$25,000); Light Rail (\$75,000); Housing Loan Programs (\$100,000) and Business Outreach (\$25,000).

The EDAC will review the HRA budget at its Sept. 12 meeting. The discussion and any further input on the 2020 budget will be provided at the council meeting on Sept. 16. The initial discussion with the EDAC on March 14, 2019 resulted in the recommendation of a preliminary HRA levy of \$225,000, which is the same recommendation as the adopted 2020-2024 EIP.

At the city council’s Aug. 19 budget study session, the city council discussed the preliminary HRA levy consistent with the 2020-2024 EIP recommendation. Per the discussion, staff recommends a 2020 preliminary HRA levy of \$225,000 and a 2020 HRA budget as illustrated below:

(\$ thousands)	EIP	EDAC	Proposed
SW Light Rail	\$75	\$75	\$75
Homes within Reach	25	25	25*
Housing Loans	100	100	100
Business Outreach	25	25	25
<b>Total HRA Levy</b>	<b>\$225</b>	<b>\$225</b>	<b>\$225</b>

\*The EIP also recommends the one-time reallocation of \$125,000 of the existing fund balance previously committed to the Welcome to Minnetonka and Minnetonka Home Enhancement Program to Homes Within Reach for 2020.

The next steps for the 2019 budget review process for the 2020 budget are as follows:

- Nov. 25 — City Council study session on the final budget
- Dec. 2 — Public hearing and adopt final 2019 budget and tax levy
- Dec. 27 — Final 2019 levies certified to Hennepin County

Submitted through:

- Geralyn Barone, City Manager
- Joel Merry, Interim Finance Director

Originated by:

- Julie Wischnack, AICP, Community Development Director
- Alisha Gray, EDFP, Economic Development and Housing Manager

Supplemental information

[EDAC Meeting – March 14, 2019](#)

[City Council Meeting – June 3, 2019 – 2020-2029 EIP](#)

## EDA Resolution No. 2019-

### Resolution setting a preliminary 2020 H.R.A. tax levy and budget

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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 March 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, 2019, and a final HRA budget and levy to be adopted, approved and certified to the county by Dec. 27, 2019.

Section 2. Findings.

- 2.01. The EDA finds that an annual budget and tax levy of \$225,000 for levy in 2019, collectible in 2020, will fund housing and redevelopment activities of the authority in 2020.

Section 3. Authorization.

- 3.01. The preliminary 2020 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 16th day of Sept. 2019.

\_\_\_\_\_  
Brad Wiersum, President

Attest:

\_\_\_\_\_  
Becky Koosman, Secretary

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

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. 16, 2019.

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Becky Koosman, Secretary