

## ***Agenda***

### **Minnetonka Economic Development Authority**

**Monday, December 4, 2017**

**Following the Regular Meeting**

**Council Chambers**

1. Call to Order
2. Roll Call: Wiersum-Bergstedt-Wagner-Ellingson-Allendorf-Acomb-Schneider
3. Approval of Agenda
4. Approval of Minutes: September 25 and November 13, 2017 EDA meetings
5. Business Items:
  - A. 2018 Preliminary HRA Levy  
Recommendation: Adopt the resolution (4 votes)
6. Adjourn

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Sundays at 9 p.m., Wednesdays at 12 p.m. and Fridays at 9 a.m.  
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**Minutes**  
**Minnetonka Economic Development Authority**  
**Monday, September 25, 2017**

**1. Call to Order**

President Terry Schneider called the meeting to order at 9:20 p.m.

**2. Roll Call**

Commissioners Tony Wagner, Bob Ellingson, Dick Allendorf, Patty Acomb, Brad Wiersum, Tim Bergstedt and President Terry Schneider were present.

**3. Approval of Agenda**

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

**4. Approval of Minutes: July 24, 2017 EDA minutes**

Wiersum moved, Acomb seconded a motion to approve the July 24, 2017 minutes. All voted "yes." Motion carried.

**5. Business Items:**

**A. Shady Oak Redevelopment Contract for Private Development**

Community Development Director Julie Wischnack gave the staff report.

Wagner moved, Allendorf seconded a motion to adopt resolution 2017-005 approving the Contract for Private Development. voted "yes." Motion carried.

**B. 2018 Preliminary HRA Levy**

City Manager Geralyn Barone gave the staff report.

Wiersum moved, Bergstedt seconded a motion to adopt resolution 2017-006 setting a 2018 preliminary HRA levy. voted "yes." Motion carried.

**6. Adjournment**

Wagner moved, Wiersum seconded a motion to adjourn the meeting at 9:23 p.m.  
All voted "yes." Motion carried.

Respectfully submitted,

David E. Maeda  
City Clerk

**Minutes**  
**Minnetonka Economic Development Authority**  
**Monday, November 13, 2017**

**1. Call to Order**

President Terry Schneider called the meeting to order at 6:30 p.m.

**2. Roll Call**

Commissioners Patty Acomb, Tim Bergstedt, Tony Wagner, Bob Ellingson, Dick Allendorf, and President Terry Schneider were present. Brad Wiersum was excused.

**3. Approval of Agenda**

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

**4. Approval of Minutes: None**

**5. Business Items:**

**A. Resolution authorizing the issuance and sale of Tax Increment Revenue Refunding Bonds (Glen Lake Project), Series 2017, and approving the execution of documents**

Community Development Director Julie Wischnack gave the staff report.

Wagner asked if the potential excess increment would be tied to the TIF district. Julie Eddington from Kennedy and Graven said part of the TIF could be used for affordable housing outside of the larger district. For anything else the city wanted to pool, up to 10 percent could be used for redevelopment purposes inside the project area.

Wagner moved, Bergstedt seconded a motion to adopt Resolution 2017-007 authorizing the issuance and sale of Tax Increment Revenue Refunding Bonds (Glen Lake Project), Series 2017, and approving the execution of documents; and authorizing City officials to approve non-substantive changes to the related documents.. voted "yes." Motion carried.

**6. Adjournment**

Bergstedt moved, Wagner seconded a motion to adjourn the meeting at 6:38 p.m. All voted "yes." Motion carried.

Respectfully submitted,

David E. Maeda  
City Clerk

**EDA Agenda Item #5A  
Meeting of December 4, 2017**

**Brief Description**                    2018 Preliminary HRA Levy

**Recommendation**                Adopt the Resolution

**Background**

On September 25, 2017, the council, acting as the Economic Development Authority (EDA), preliminarily adopted \$250,000 in the Housing and Redevelopment Authority (HRA) levy for 2018. This continues funding of \$75,000 for a third year the 10-year payback to the Special Assessment Construction Fund (SACF) for the city's commitment to the Southwest Light Rail Transit Project. In addition, \$75,000 supports the city's Welcome to Minnetonka and Minnetonka Home Enhancement Programs loan programs. The remaining amount of \$100,000 is designated for WHAHLT "Homes Within Reach" for the scattered site acquisition and rehabilitation program.

**Housing Loan Programs**

There has been a steady amount of interest in the city's housing loan programs. As of December 1, approximately \$125,000 remained available for Minnetonka Home Enhancement and Welcome to Minnetonka loan programs out of the original \$565,000 committed to the programs. Approximately eight new loans can be made with the existing balance. Based upon the continued interest in the two programs, it is anticipated that the funds will be exhausted in 2018. The recommended levy amount of \$75,000 supports the city's intent to make the program self-sustaining.

**Homes Within Reach**

Homes within Reach (WHAHLT) is currently rehabilitating two homes in the community. It is anticipated that the remaining Minnetonka 2017 grant of \$100,000 will be expended in 2018. The 2018-2020 EIP anticipated that the funding for Homes Within Reach will be reduced to \$25,000 beginning in 2020 to assist with ongoing maintenance of properties. The recommended levy amount of \$100,000 would support the acquisition and rehabilitation of at least two more homes depending on funds leveraged from other grant programs.

**Southwest Light Rail Transit (SWLRT)**

Green Line Extension. In July 2015 the city council committed \$2 million towards the SWLRT 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 city's Economic Improvement Program (EIP) indicated a cost of \$75,000 per year to be funded through the HRA levy for 2018-2022.

## EDAC Recommendation

The Economic Development Advisory Commission (EDAC) reviewed the HRA budget at its July 27 meeting and recommended adopting a preliminary HRA levy of \$175,000 (no levy increase). The EDAC's recommended budget included funding for Homes within Reach or WHAHLT (\$75,000), Housing Loan Programs (\$25,000) and for the Southwest Light Rail Transit (\$75,000).

At the city council's August 21 budget study session and September 25 city council meeting, the council discussed a preliminary HRA levy below the EIP-adopted plan recommendation of \$300,000, which removed funding for Business Outreach in 2018 (\$25,000). The city council recommended a 2018 preliminary HRA levy of \$250,000 as illustrated below:

(\$ thousands)	EIP	EDAC	2018 HRA Levy
SW Light Rail	\$75	\$75	\$75
WHAHLT	100	75	100
Housing Loans	100	25	75
Business Outreach	25	0	0
<b>Total HRA Levy</b>	<b>\$300</b>	<b>\$175</b>	<b>\$250</b>

## Recommendation

Staff recommends approval of the resolution setting the 2018 HRA levy at \$250,000.

Submitted through:

Geralyn Barone, City Manager  
Merrill King, Finance Director

Originated by:

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

Supplemental Information:

[September 25, 2017 City Council Meeting](#)

[August 21, 2017 City Council Study Session Packet](#)

[July 27, 2017 EDAC Minutes](#)

[June 12, 2017 City Council Minutes](#)

## EDA Resolution No. 2017-

### Resolution setting a 2018 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 September 29, 2017, and a final HRA budget and levy to be adopted, approved and certified to the county by December 28, 2017.
- 1.05. On September 25, 2017 the EDA approved a preliminary 2018 HRA tax levy of \$250,000.

#### Section 2. Findings.

- 2.01. The EDA finds that an annual budget and tax levy of \$250,000 for levy in 2017, collectible in 2018, will fund housing and redevelopment activities of the authority in 2018.

#### Section 3. Authorization.

- 3.01. The 2018 HRA budget and tax levy is hereby approved.
- 3.02. The city council is requested to consent and approve by resolution the 2018 HRA budget and tax levy and to direct the City Clerk 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 4th day of December, 2017.

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Terry Schneider, President

Attest:

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Secretary

Action on this resolution:  
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  
December 4, 2017.

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Secretary