

AGENDA
CITY OF MINNETONKA
ECONOMIC DEVELOPMENT ADVISORY COMMISSION
Thursday, February 25, 2016
6:00 p.m.

Council Chambers
Minnetonka Community Center

1. Call to Order

2. Roll Call

Kathryn Aanenson
Benita Bjorgo
Michael Happe
Ken Isaacson

Jacob Johnson
Jerry Knickerbocker
Charlie Yunker

3. Approval of January 28, 2016 minutes

BUSINESS ITEMS

4. Review revised report for Shelter Corporation

Recommendation: Provide feedback to city staff

5. Staff Report

6. Other Business

•The next EDAC meeting is scheduled for **Wednesday, March 23 at 6:00 p.m.**

7. Adjourn

If you have questions about any of the agenda items, please contact:
Julie Wischnack, AICP, Community Development Director, (952) 939-8282

**Unapproved
Minnetonka Economic Development Advisory Commission
Meeting Summary**

**January 28, 2016
6 p.m.**

1. Call to Order

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

2. Roll Call

EDAC commissioners present: Benita Bjorgo, Michael Happe, Ken Isaacson, Jerry Knickerbocker, and Kathryn Aanenson were present. Jacob Johnson was absent.

Staff present: Community Development Director Julie Wischnack.

3. Approval of Minutes

Isaacson moved, Knickerbocker seconded a motion to approve the minutes as attached for the October 22, 2015 EDAC meeting. Bjorgo, Isaacson, Knickerbocker, and Aanenson voted yes. Johnson was absent. Happe abstained. Motion passed.

4. Review revised financing concept for Shelter Corporation.

Chair Aanenson called for the staff report. Wischnack reported.

Knickerbocker asked if there is a policy relating to tax-exempt bonds. Wischnack answered affirmatively. Knickerbocker asked if there would be requirements. It sounded like a lot of money. The 27 units met the “but, for test,” but adding on the 54 units no longer qualifies the proposal for the “but, for test,” but it might qualify for tax-exempt bonds. Wischnack explained that the city has done tax-exempt financing for entities that were also provided TIF pooling funds and tax-increment funds. The Ridge and The Overlook are examples. The policy provides standards.

Chair Aanenson asked if there are amount limits or a nexus between the other funding sources. Knickerbocker asked what should be taken into account when looking at the overall amount. Wischnack explained that it is hard to quantify tax-exempt financing mixed with TIF pooling. Isaacson explained that the tax-exempt bond policy allows for preserving an affordable development for the long term.

Jay Jensen, of Shelter Corporation, applicant, stated that Wischnack did a great job describing the project. He stated that:

- ElmbrookeTownhomes currently has tax-exempt financing issued by the city. The proposal would refinance the existing tax-exempt financing.
- The proposal did not get selected by the Minnesota Housing Finance Agency (MHFA). Four-percent tax credits are not nearly as valuable as nine-percent credit, but the only way to get them is with tax-exempt bonds. The interest rate between tax-exempt bonds and taxable bonds is about the same and it costs more to do tax-exempt bonds, but tax-exempt bonds have to be done to get the credits.
- There is no risk to the city and costs the city nothing.
- It would be FHA insured to get a 40-year term.
- The chart shows how the loss from the tax-credit proceeds would be made up. It is significant to go from \$9.7 million to \$5.1 million.
- An FHA, tax-exempt, 40-year mortgage is more efficient than a loan through the MHFA. An FHA, tax-exempt, 40-year mortgage saves at least 1.5 percent on the interest rate plus a longer term and lower debt-service coverage.
- The city does a study every year to determine what the rents should be for Elmbrooke Townhomes. Five years ago, the rents went backwards. Now the market is as strong as it has been for many years. A study is being done now to increase the rents to support a larger mortgage.
- The non-profit would include \$1,250,000 of its own money. That is how committed the non-profit is to the project.
- The project still ends up \$300,000 short.
- He described the CHC Boardmembers.
- The rent comparison study should be done in the next month. He expected a \$100 to \$150 per month rent increase that would support a large enough mortgage so the city's \$300,000 would not be necessary.
- The CHC does not have current ownership interest in the property.
- He was available for questions.

Isaacson confirmed with Mr. Jensen that the proposal would not be preservation eligible.

Isaacson supports the concept. Combining the projects makes sense. He asked if the applicant planned to submit a spring application to Hennepin County. Mr. Jensen explained that the limited partner in Elmbrooke wants to go to market with the property. The current owners of the music barn site have been very patient. There is a negative capital account. It is getting close to the time when the limited partner could sell or require the applicant to buy their interest.

Isaacson asked if the applicant requested financing from Golden Valley. Mr. Jensen answered in the negative. The applicant asked last time, but Golden Valley did not have the resources to do so.

Isaacson emphasized his support for the concept, but he thought the applicant should be pursuing other lenders. The city has made a significant commitment. He felt it would be appropriate for Minnetonka to be involved, but others need to come to the table. The proposal is a perfect candidate for Hennepin County. Mr. Jensen said that he would be happy to apply to Hennepin County. Part of the issue is sequencing. He was trying to keep the current owners on board. If another funding source would be secured, then the last money in, the \$300,000 from Minnetonka, would be the first returned. The trigger date is this summer.

In response to Isaacson's question, Mr. Jensen explained that first-mortgage assumptions would be a 40-year term, FHA loan with an interest rate of 3.5 percent and 40 MIP. The rents used are based on the predicted updated rent of \$115 above the current monthly rent.

Mr. Jensen explained that the rent at the music barn is \$975 and \$1,175 for a 3-bedroom. At Elmbrooke, 30 percent of the tenant's income is paid to rent. A 2-bedroom at Elmbrooke is \$1,173. Thirty percent of a tenant's income may be \$500. The tenant writes a check for \$500 and HUD makes up the difference. The residents are looking forward to rehabilitating the inside of the units.

Mr. Jensen stated that the rent study has not been completed yet.

Isaacson asked for the assumption for equity pricing. Mr. Jensen said that two bids are at \$102.

Knickerbocker asked why the MHFA did not fund the bid. Mr. Jensen answered that there was one phrase that was not caught that added 5 more years of affordability onto the project. He thought the application was a slam dunk because it had so many points for preservation, was located close to light rail, and contained new construction in addition to rehabilitation of an existing structure. A commissioner told him that the rules would be changed to prevent another applicant from having new construction and rehabilitation together in one project to get points on both sides. The preservation points are so significant and the selection process is so competitive that it knocked the application out of the running.

Wischnack stated that the phrasing used on an application for tax credits can eliminate an application.

Isaacson added that it is common to not get funded since four times the number of applications received are able to be funded.

Mr. Jensen said that there is a great need for affordable housing and not nearly enough resources. The best tool is the 9 percent credit which is why it is so competitive throughout the whole state.

Isaacson supports the concept. It is creative. It is premature in terms of the projections. He is not confident that there would be a gap. He asked if the applicant would consider a cash-flow loan. There was moderate cash flow being distributed at one time. Mr. Jensen answered that the cash flow disappeared. Mr. Jensen stated that the general partner could consider a cash-flow loan as a last resort after some reasonable return to the general partner. The projection of annual cash flow is \$60,000. That includes a rent-value increase of \$115 per month.

Knickerbocker asked why there is a need for \$2.9 million for rehab for Elmbrooke. Mr. Jensen explained that the replacement reserve goes toward replacing carpet and painting as units turn over. The rent is not high enough to set aside funds to cover maintenance or a new roof. With tax-credit projects, every 15 years a substantial rehabilitation is done. There needs to be a replacement reserve large enough to cover maintenance costs for 15 years. The project is worth a lot more than \$2.9 million rehab. The rents are kept artificially low. HUD inspects the properties each year. Elmbrooke scored unsatisfactory on the exterior.

Knickerbocker thought 11 percent of the project as a developer's fee is high. Mr. Jensen explained that in 4 percent tax-credit projects, the key is to get the basis as high as possible to get the most credits possible. There is also \$757,000 of deferred developer fee. That goes to the non-profit organization. That comes out of cash flow over a fifteen-year period. The amount is higher than it was last time to boost the base, but it is included in the deferred developer fee to get the tax credits bigger. The deferred part of the cash flow goes to the non-profit organization.

Chair Aanenson summarized that additional information would be needed including the amount of rent compensation and the results of fund requests to Hennepin County and Golden Valley.

Isaacson did not have enough information to recommend new additional financing. The city has made a significant commitment of \$500,000 early. Other opportunities need to be exhausted.

Mr. Jensen said that he could share the summary page of the rent-compensation study. Wischnack agreed. She will have Ehlers redo the "but, for" analysis for next month and have legal counsel weigh-in on the disbursement agreement that allocates Minnetonka's money to be the last used. She will have Ehlers address

the issues related to rent, financial gap, developer fee, and county and Golden Valley applications.

Isaacson supports the project. This is the best way to expand potential resources. He was not convinced there would be a gap.

Wischnack requested the EDAC provide direction at the next meeting. She assumed the applicant could depend on the \$500,000 provided in the original contract with the city. Isaacson noted that the city's \$500,000 would be reduced if equity would come in significantly higher than originally projected or the debt financing would be more attractive than it is today.

Isaacson and Knickerbocker felt that the current deal is different than the previous one.

Wischnack will return with an analysis from Ehlers and the city attorney at the next meeting. The applicant may get information from Golden Valley and Hennepin County.

Chair Aanenson confirmed with Wischnack that the contract has to be revised if changed. The contract is good until July 1, 2016 for construction to begin.

Knickerbocker asked if TIF pooling is the only source of funds that can be used for the proposal. Wischnack said that it is the most appropriate source. The money in the development fund could also be used. The money in the Livable Communities Fund is committed. This proposal is one of the lowest amount-per-unit projects the city has funded. Isaacson said that the proposal would preserve an existing asset and create a new one. The city's goal is to produce and maintain affordable housing in the city. The proposal makes great strides in helping the city reach that goal. He was not sure that there would be a gap.

5. Staff Report

Wischnack provided the staff report:

- The city has 90 percent of the SWLRT plans submitted for review.
- A link was provided to the completed housing gap analysis, inventory, and draft of the housing strategy. There will be a presentation to the EDAC.
- The zoning of the Shady Oak SWLRT station was completed.
- A link was provided to the housing policy results.
- The Open to Business program report results were given. There was one direct loan of \$12,000. They provided 125 hours of service for Minnetonka.
- The city has been working with Nature Works, a company that makes a corn-based product used for clothing and containers, to

expand its facility by the city applying for funds from the Minnesota Investment Fund. The average job pays \$30 to \$80 an hour.

- Kona Grill and Redstone are under construction at Ridgedale Center.
- Applewood Pointe's foundation is done.
- The Overlook has received its certificate of occupancy.
- The Island Apartments are occupied.
- The Home2 Hotel on Whitewater was approved by the city council.
- The foundation is being done for the Highland Bank project.
- At Home Apartments on Rowland Road are framing the third and fourth floors.
- Williston Woods and Highview Place are being reviewed.
- TCF has submitted a redevelopment concept plan that was reviewed by the planning commission and city council.

6. Other Business

The State of the City will be presented February 10, 2016.

The SLUC is hosting a presentation on market trends February 24, 2016.

The next EDAC meeting is scheduled for February 25, 2016 at 6 p.m.

The annual boards and commissions training will be April 27, 2016.

7. Adjournment

Knickerbocker moved, Isaacson seconded a motion to adjourn the meeting at 7:07 p.m. Motion passed unanimously.

EDAC Agenda Item #4
Meeting of February 25, 2016

| | |
|--------------------------|---|
| Brief Description | Music Barn Apartments TIF Pooling Request |
| Recommendation | Discuss the revised request |

Background

Last month the EDAC requested follow up from the developer and staff about a number of items. The following is a list of discussion points:

- Developer fee
- Rehab of Elmbrooke and the financials surrounding that project
- Verification of the need for additional funding
- Exhausting all other funding resources – and review of the current order of funding disbursements (under the existing contract).

Staff requested the city's financial consultant and the city's legal counsel provide follow up review for the additional \$300,000 in TIF pooling funding. Both consultants will be attending the EDAC.

Update

The attached letter, from Ehlers, analyzes the need for assistance and provides some options for the EDAC to consider (see pages A1-A3). The memo from Julie Eddington describes the way in which funds would be provided to Shelter Corporation (see pages A4-A5).

The developer has informed the city, and staff has verified, that they have applied for additional funds from Hennepin County. The developer has also made an inquiry to the city of Golden Valley. Golden Valley is reviewing the information.

Recommendation

Staff recommends the EDAC finalize discussion of the additional \$300,000 request for TIF pooling funds, for a total of \$800,000. If the EDAC wishes to proceed with the transaction, the city would prepare a revised contract.

Resources

Below are links to the project page for this development as well as the last few EDAC reviews of the proposal.

<http://eminnetonka.com/current-projects/planning-projects/1279-music-barn-apt>

http://eminnetonka.com/images/meetings/edac/edac_packet_20150430.pdf (page 7)
<http://eminnetonka.com/images/meetings/edac/EDAC%20Agenda%20Packet%201-28-16.pdf> (page 11).

Originated by:

Julie Wischnack, AICP, Community Development Director



Memo

To: Julie Wischnack, City of Minnetonka
From: Mark Ruff, Ehlers
Date: February 17, 2016
Subject: Financial and “But For” Analysis for Music Barn/Elmbrooke

The City has received a request for \$800,000 of assistance for the preservation and rehabilitation of 54 affordable rental townhomes known as Elmbrooke and the new construction of 27 units of affordable units on the Music Barn site. All of the units are or would be affordable to people earning 50% or less than median income. Therefore, the City could utilize pooled tax increment dollars from eligible housing or redevelopment districts.

The annual increase in taxes from the construction of the new units is likely under \$20,000 to \$25,000 per year. It is our understanding that the City is not contemplating a new TIF district. We have not confirmed these estimates with the assessor, but we can if requested.

This memo is intended to discuss the following:

- Our review of the underlying economics of the development and its “need” for assistance
- Options for the EDAC and Council to consider if it moves forward

Economics of the Request

The developer has indicated that it plans to utilize tax-exempt conduit/private activity bonds and the associated 4% low income housing tax credits as the primary sources of funding. Several smaller sources of funding are also contemplated as described below. Private activity bonds require an application to the State of Minnesota and the 4% tax credits require approval from the Minnesota Housing Finance Agency (MHFA). We have reviewed the developer’s application to MHFA and the developer’s submissions to the City as the basis of this report. The EDAC has previously seen the details of the sources and uses as well as the general financing structure, so I will not review these items in this memo.

It is becoming more and more common for developers to utilize 4% credits for these types of projects. There are several factors in this structure that create incentives for developers to do the following:

1. Stretch out the term of the mortgage. The proposed first mortgage is a 40 year bond issue insured by FHA. This is a very long amortization for the existing property. However, to use tax credits with the tax-exempt bond allocation, the debt must be at least 50% of

basis. This threshold encourages developers to maximize the principal amount of debt. While the debt level is manageable, there is concern about the term of the debt.

2. Charge a higher developer's fee. The fee can be used to get more in tax credits. While I understand that the majority of the fee is coming back to the
3. Pay more for acquisition cost. Most of the acquisition is also eligible basis for the tax credits, which creates an incentive to maximize the price.

Analysis of Economics

We typically recreate the developer's pro forma to check their math and analyze the following to determine if they are within industry standards:

1. Acquisition costs
2. Lease rates
3. Construction costs
4. Developer fee/ Return on equity
5. Financing assumptions

Acquisition Costs

The acquisition costs are supported by appraisals. Based upon the assessor's market value and similar projects, the acquisition prices are on the higher end of what we typically see. This is not surprising given the rationale above. It does mean that the existing owners of the Elmbrooke units benefit from the sale. The developer has indicated that \$5,250,000 sale proceeds for the existing units are split 50/50 between Sheltercorp as general partner and the limited partner. I am not aware of existing debt on the Elmbrooke units that is not being rolled over to the new financing, but the developer has not confirmed this with me to date.

Lease Rates

The developer has worked with the appropriate agencies to increase rents as high as possible to support the mortgage costs. Therefore, there is not a concern that the rents are lower than what is possible in this market. The two bedrooms will be as high as \$1,100 plus \$100 utility cost per month and the three bedrooms will be \$1,285 plus \$118 per month utility costs. For the tenants with Section 8 assistance, the higher rents are not a factor.

Construction Costs

The construction costs are broken into three categories. \$500,000 for the music barn remodeling; \$4,720,000 for the new construction of the apartment building (\$175,000 per unit); and \$2,922,000 for rehabilitation of existing units (\$54,100 per unit). These costs do not include a \$525,000 construction contingency nor do they include architectural fees but are inclusive other typical construction costs. The only portion of the construction cost that is a concern is the budget for rehabilitation. It is our experience that rehabilitation projects often require more budget than is initially funded. This is compounded by the longer term on the mortgage. The City may want to consider hiring its own inspecting architect to review the condition of the existing units and to monitor the rehabilitation as it progresses.

Developer Fee and Rate of Return

The developer has indicated that the \$1,925,000 developer fee will be utilized through \$1,250,000 cash back to the project and a \$790,000 deferred fee to be paid from cash flow in the

first decade of the project. This approach is typical for these types of projects. Given the lack of real cash flow and any true “equity” in a development like this, a rate of return analysis is not appropriate.

Financing Assumptions

The expected rate of less than 4% for 40 years and the proposed fees are within industry standards with the caveat above about the term of the loan.

Options for the EDAC

In summary, this project does demonstrate a financial need and would be an improvement in the affordable housing stock of the City. The amount of total financial assistance of \$800,000 is not a large amount given these benefits. The City will likely need to provide a “42M” letter when the bonds are issued that does also attest to MHFA that the amount of tax credits for the project are necessary in the City’s opinion. Therefore a broader view of the project is appropriate.

The two areas the EDAC may want to explore further include the acquisition price of the existing units and the budget for the rehabilitation. Of a greater concern is the rehabilitation. The EDAC could require higher reserves to offset risks of unknown costs in the rehabilitation and the longer mortgage term. The reserves could be a contribution from the existing owners of Elmbrooke. We do not have independent expertise in this area, so the EDAC could informally or formally retain its own appraiser or architect to further alleviate any concerns.

Kennedy

&

Graven

CHARTERED

470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis MN 55402

(612) 337-9300 telephone
(612) 337-9310 fax
<http://www.kennedy-graven.com>

MEMORANDUM

TO: Julie Wischnack

FROM: Julie Eddington

DATE: February 19, 2016

RE: Contract for Private Development for Community Housing Corporation of America

Julie,

You've asked for a memorandum regarding the operation of Section 3.3 of the proposed Contract for Private Development (the "Contract"), between the Economic Development Authority in and for the City of Minnetonka, Minnesota (the "EDA") and the Community Housing Corporation of America, Inc. and a limited partnership to be created (collectively, "Shelter").

It is proposed that the EDA provide Shelter with a grant of pooled tax increment of up to \$500,000 (the "TIF Grant") to assist with (i) the construction of a three-story rental housing facility containing 27 rental housing units, subject to certain affordability requirements and bedroom configurations described in Section 4.5 of the Contract, and underground parking; and the (ii) rehabilitation of an existing apartment building in the City of Minnetonka known as "the Elmbrooke."

The Contract provides that the TIF Grant will be reduced if the total costs of development are reduced below the estimates in the Contract but only to the extent that the reduction would not reduce Shelter's ability to obtain the full amount of tax credits it is seeking for the new development. In order for the EDA to determine the proper amount of the TIF Grant, Shelter is required to submit to the EDA a list of all sources of funding to be used for the new development and the rehabilitation expenses and evidence of the total costs of the new development and the rehabilitation expenses in a form reasonably satisfactory to the EDA. Once the sources and uses is provided to the EDA, the EDA's financial

advisor, Ehlers and Associates, will make a determination regarding whether a reduction is necessary prior to the EDA's funding of the TIF Grant.

Please contact me at your convenience with any questions regarding the foregoing.

KENNEDY & GRAVEN, CHARTERED

Julie Eddington

EDAC Agenda Item #5
Meeting of February 25, 2016

Brief Description

Staff Report

Green Line Extension (Southwest LRT)

This month, city staff provided input on 90% design plans for light rail. The comments provided will be reviewed by the project office and helps prepare for final design work. The city has also been attending meetings discussing potential public art along the light rail line.

Development Updates

The Community Development Department year-end report is attached. It has been a very successful year for construction in the city of Minnetonka. Staff will review the report in detail at the meeting. (See pages A1-A32).

Shady Oak Road Redevelopment

The city has been going through a process of reviewing potential for redevelopment of a city owned parcel near Shady Oak Road and Main Street (near Hopkins). The meetings have been well attended. The materials relating to the last few meetings are posted here: <http://eminnetonka.com/current-projects/planning-projects/1490-shady-oak-rd-redevelopment>. The last neighborhood meeting is scheduled for early April. The final product will then be reviewed at the EDAC, planning commission and city council.

Freundenberg Medical

Recently, the city was contacted by DEED (Minnesota Department of Employment and Economic Development) and Greater MSP about a company expanding at a site in Minnetonka. The company is Freundenberg Medical located at 111 Cheshire Lane.

Freundenberg Medical is a leading global manufacturer of components for medical devices used in the biotech, healthcare and pharmaceutical industries. The company has more than ten medical manufacturing operations located within the USA, Europe, South America and Asia. The company conducts custom manufacturing services for medical devices and components.

The company is expanding their Minnetonka location. The expansion will provide for 15 new jobs over three years. The project will also include capital investment into the building which will be approximately \$500-\$600,000. The project is expected to begin this spring. The city assisted the company with their application to the state for Job Creation Funds.

Upcoming Events

| | |
|------------------------|---|
| Wednesday, February 24 | Market Trends Sensible Land Use Coalition program 11:30 a.m. to 1:30 p.m. DoubleTree Park Place (St. Louis Park) |
| Wednesday, March 23 | EDAC Meeting Council Chambers 6:00 p.m. |
| Wednesday, April 27 | Annual Boards and Commissions TBD |

Originated by:
Julie Wischnack, AICP, Community Development Director



**Community
Development
Department**

2015 Activity Report

January 28, 2016

2015 COMMUNITY DEVELOPMENT REPORT

The Community Development department is comprised of 24 employees who staff four divisions: planning, administrative, environmental health and inspections.

The following report summarizes activities for the following Community Development services during 2015 including:

- ◆ Permits and Inspections
- ◆ Housing, Redevelopment, and Economic Development
- ◆ Environmental Health
- ◆ Planning
- ◆ Licensing



Permits and Inspections

**Community
Development
Department**

During 2015, there were 2,445 building permits issued for construction valued at \$263,726,367. The number of building permits issued is higher than the 2014 amount of 1,748 permits, and the 2015 value of construction represents an increase of 59 percent over 2014.

| Construction Value | | |
|--|----------------------|----------------------|
| | 2014 | 2015 |
| New Single-Family | \$26,123,686 | \$17,918,338 |
| New Townhomes/Multi-family | \$15,000,000 | \$16,201,000 |
| Residential Addition/Remodel | \$17,319,768 | \$20,400,941 |
| Residential Maintenance/Repair/Replace | \$7,556,832 | \$16,814,083 |
| New Commercial/Industrial/Institution | \$39,000,000 | \$80,415,916 |
| Commercial Addition/Remodel | \$50,676,401 | \$71,077,650 |
| Commercial Tenant Finish | \$6,935,243 | \$34,006,878 |
| Commercial Maintenance/Repair/Replace | \$2,866,060 | \$6,844,945 |
| Other (Garages, Sheds, etc.) | \$27,680 | \$46,616 |
| TOTAL | \$165,505,670 | \$263,726,367 |

Commercial/Institutional Construction

Commercial/institutional construction activity increased in 2015. There were several new projects as well as large additions and remodels.

| Project/Contractor | Location | Value |
|-----------------------------------|-------------------------|--------------|
| Cargill (Remodel & Tenant Finish) | 15407 McGinty Road W | \$37,250,000 |
| Highland Bank (New) | 1700 Plymouth Road | \$23,603,916 |
| Ridgedale Mall (Remodel) | 12401 Ridgedale Drive | \$20,000,000 |
| Eagle Ridge Academy (Remodel) | 11111 Bren Road | \$9,777,499 |
| St. David's Center (Addition) | 3395 Plymouth Road | \$5,000,000 |
| Marriott (Remodel) | 5801 Opus Parkway | \$3,500,000 |
| Target (Remodel) | 4848 County Road 101 | \$3,500,000 |
| Hopkins High School (Remodel) | 2400 Lindbergh Drive | \$2,800,000 |
| Carlson Center (Remodel) | 601 Carlson Parkway | \$2,245,600 |
| Morrie's Subaru (Remodel) | 12520 Wayzata Boulevard | \$1,653,000 |
| Glen Lake Elementary (Remodel) | 4801 Woodridge Road | \$1,500,000 |
| Circle K (New) | 3864 Hopkins Crossroad | \$1,100,000 |

New Single-Family Home Construction

A total of 40 permits were issued for new single family homes, for a total value of \$17,918,338. The average value fell slightly in 2015 to \$447,958, and is still down from the high in 2010; while the average square footage of the home (excluding the garage, porch and/or deck) also decreased slightly. In 2015, there were 9 permits issued for homes valued at \$500,000 which is the same number issued in 2014. No permits were issued for homes over \$1 million in 2015.

| NEW SINGLE-FAMILY HOME CONSTRUCTION | | | | |
|--|-------------|----------------------|----------------|----------------------------|
| | Year | Average Value | Permits | Average Sq. Footage |
| Average New Single-Family Home Construction Value * | 2015 | \$447,958 | 40 | 4,284 |
| | 2014 | \$492,899 | 53 | 4,620 |
| | 2013 | \$413,218 | 60 | 3,912 |
| | 2012 | \$496,797 | 42 | 4,067 |
| | 2011 | \$410,814 | 41 | 3,408 |

* (does not include lot cost)

Multi-Family Residential New Construction

There has been increasing interest in larger multi-family residential projects over the past few years, as is noted in the planning section of this report. Multi-family residential projects underway in 2015 included the Music Barn Apartments, Rowland Apartments, Cherrywood Pointe, the Overlook, Applewood Pointe, and the mixed use Highland Bank redevelopment.

Residential Additions, Remodels, and Maintenance/Repair

The total number of permits and value of residential additions, remodeling, and maintenance projects (including garages, sheds and pools) rose in 2015 as compared to 2014. The average value of the work also rose slightly in 2015.

| RESIDENTIAL ADDITIONS, REMODELS, MAINTENANCE | | | |
|---|----------------|---------------------|----------------------|
| Year | Permits | Value | Average Value |
| 2015 | 1,918 | \$35,473,754 | \$18,495 |
| 2014 | 1,430 | \$24,904,280 | \$17,415 |
| 2013 | 1,440 | \$25,217,648 | \$17,512 |
| 2012 | 1,290 | \$19,451,030 | \$15,078 |
| 2011 | 1,647 | \$22,278,641 | \$13,526 |

Although residential additions and remodeling projects represent a smaller part of the total 2015 construction activity (value-wise), a large part of inspection time is devoted to working with homeowners and contractors on residential improvement projects.

E-Permits

In April 2003, Minnetonka began its initial ePermits system where contractors and residents are able to apply for some permits on-line, and in 2009 and again in 2013 new types of permits were added allowing customers more choices in how they access this city service. The number of ePermits processed in 2015 was 22 percent higher than in 2014 and 58 percent higher in valuation compared to 2014. The most significant increases were seen in building ePermits for single-family homes.

| Year | ePermits | ePermit Valuation |
|-------------|-----------------|--------------------------|
| 2015 | 2,154 | \$12,081,498 |
| 2014 | 1,763 | \$7,646,334 |
| 2013 | 1,061 | \$4,326,132 |
| 2012 | 689 | \$2,975,376 |
| 2011 | 1,077 | \$3,700,207 |

In 2013 a revamp to the system has allowed the public to view permits issued and inspection results for property back to 1988. This customer service enhancement continues to ease the number of requests that come into staff for this information.

Comparison to Other Cities

Minnetonka's construction value was similar to other cities, similar in population to Minnetonka. The following are the amounts for building permits and construction values for 2014 and 2015:

| City | 2014 | | 2015 | | Change in value from 2014 |
|-------------------|-------------------------|----------------------------|-------------------------|----------------------------|----------------------------------|
| | Building Permits | Construction Value* | Building Permits | Construction Value* | |
| Apple Valley | 5,450 | \$90.4 | 1,785 | \$99.9 | +10% |
| Burnsville | 1,717 | \$56.1 | 2,115 | \$61.2 | +9% |
| Eagan | 5,044 | \$158.9 | 5,849 | \$139.8 | -12% |
| Eden Prairie | 3,574 | \$195.0 | 2,541 | \$115.2 | -40% |
| Maple Grove | 1,153 | \$185.8 | 2,579 | \$182.8 | -1% |
| Minnetonka | 1,748 | \$165.5 | 2,473 | \$263.7 | 59% |
| Plymouth | 2,538 | \$249.6 | 5,160 | \$235.8 | -5% |

*in millions

Other Permits Issued

The number of permits issued in Minnetonka for plumbing, electrical, HVAC and fire systems was higher than 2014 with all permit types, except for plumbing which was slightly lower.

| Permit Type | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------|--------------|--------------|--------------|--------------|--------------|
| Plumbing | 1,423 | 1,510 | 1,730 | 1,877 | 1,867 |
| Electrical | 1,884 | 1,733 | 1,775 | 1,985 | 2,030 |
| Mechanical | 1,273 | 1,233 | 1,367 | 1,511 | 1,551 |
| Fire | 210 | 235 | 201 | 167 | 254 |
| TOTAL | 4,790 | 4,711 | 5,073 | 5,540 | 5,702 |

Inspections

The Permits and Inspections Division of the Community Development Department is responsible for inspections of building, electrical, plumbing and mechanical projects for all buildings in the city. The total number of inspections in 2015 was higher compared to all previous years since 2010.

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------------|-------------|-------------|-------------|-------------|---------------|
| Building inspections | 4,162 | 3,436 | 3,947 | 4,312 | 5,137 |
| Electrical inspections | 2,815 | 2,882 | 2,886 | 3,227 | 3,296 |
| Mechanical inspections | 1,641 | 1,557 | 1,807 | 2,463 | 2,359 |
| Plumbing inspections | 1,963 | 1,943 | 2,171 | 2,370 | 2,504 |
| Total inspections | 10,581 | 9,818 | 10,811 | 12,372 | 13,296 |

In 2014, the plumbing inspector began a trial run at doing virtual inspections. In 2015, approximately 25 virtual inspections were performed which is up from the 8 performed in 2014. These inspections were for emergency sewer and water repairs and usually completed after work hours or on the weekend when an inspector traditionally is not available. The contractor would video the permit, the house address, and then the work. This trial run worked out very well for both the inspector and contractor by saving time and money. Staff will be continuing to look into how virtual inspections can be utilized in 2016.

Inspection Services for Other Communities

In 1998 the city began inspection and plan review services for the cities of Deephaven, Woodland, and Greenwood through a contract between the communities. These inspection services—including building, electrical, plumbing, and mechanical inspections continued in 2015. The following table shows the number of hours spent by the Minnetonka Inspections staff performing inspections in other cities over the past five years:

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|-------------|-------------|-------------|-------------|-------------|
| Inspection Hours for Deephaven, Woodland, and Greenwood | 874 | 953 | 1231 | 1353 | 1623 |

Plan Review

One component of the permits and inspections division that is often overlooked is plan review associated with permit applications. Plan review is conducted by Minnetonka inspectors on most building permit applications (exceptions include re-siding and re-roofing) and also plumbing permit applications where there are commercial additions, remodels, or new construction.

Below is a historical look at residential and commercial plan review.

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Residential Building Plans reviewed* | 539 | 598 | 605 | 620 | 764 |
| Commercial Building Plans reviewed* | 204 | 220 | 215 | 201 | 264 |

*Does not include plan reviews completed for other communities

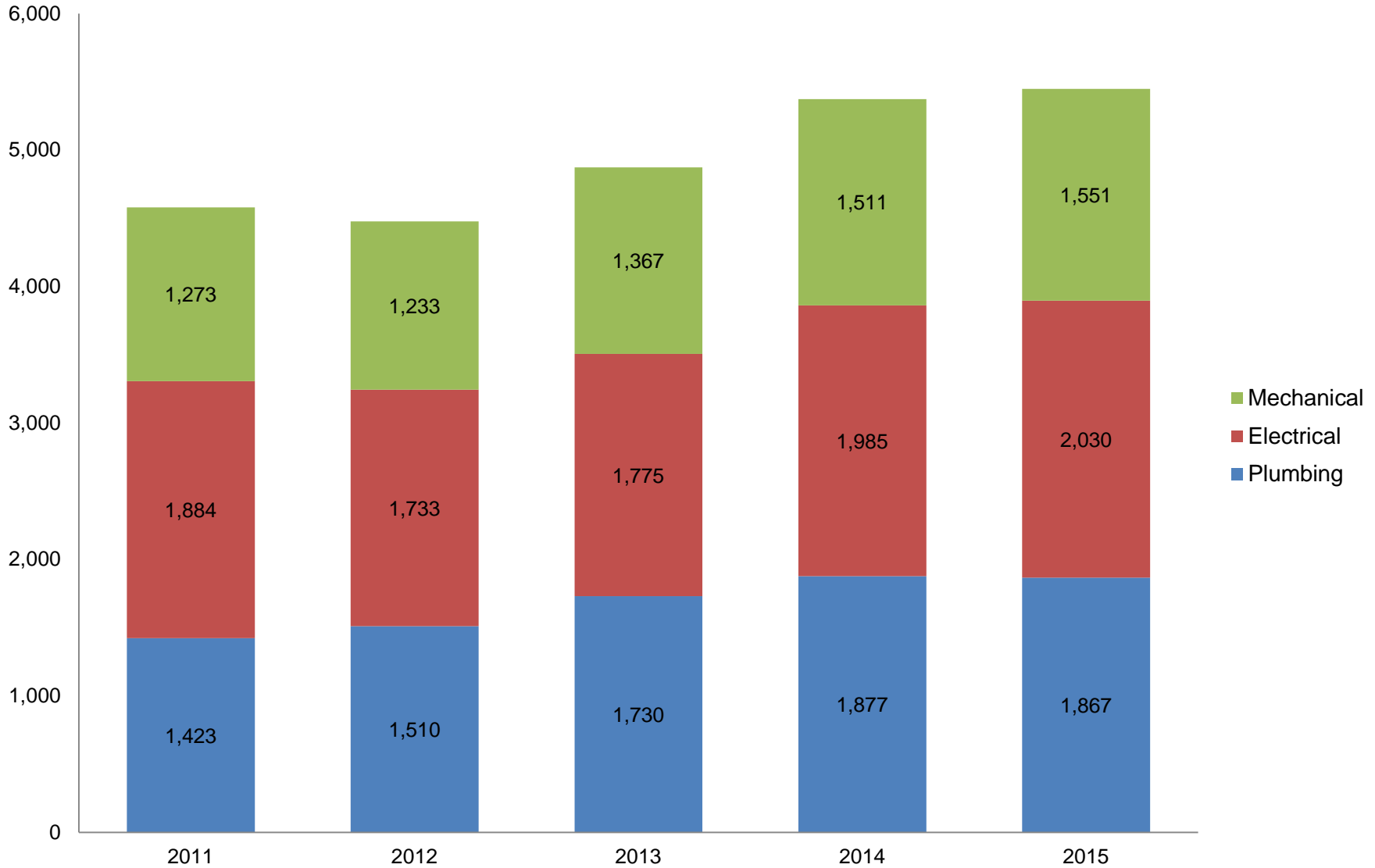
| PERMITS ISSUED | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| BUILDING PERMITS | | | | | |
| RESIDENTIAL | | | | | |
| New Single-Family | 41 | 42 | 60 | 53 | 40 |
| New Two-Family | 0 | 6 | 1 | 0 | 0 |
| New Multi-Family | 0 | 1 | 0 | 1 | 1 |
| Additions- Remodels | 1,647 | 1,290 | 1,433 | 1,420 | 1926 |
| Other | 44 | 9 | 7 | 10 | 3 |
| | | | | | |
| COMMERCIAL, INDUSTRIAL, INSTITUTION | | | | | |
| New Buildings | 2 | 1 | 5 | 1 | 8 |
| Additions-Remodels | 214 | 232 | 210 | 250 | 261 |
| Tenant Finishes | 19 | 9 | 10 | 13 | 20 |
| | | | | | |
| TOTAL BUILDING PERMITS | 1,967 | 1,590 | 1,726 | 1,748 | 2,473 |

| TYPE OF PERMITS | | | | | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Building | 1,967 | 1,590 | 1,688 | 1,748 | 2,473 |
| Plumbing | 1,423 | 1,510 | 1,730 | 1,877 | 1,867 |
| Electrical | 1,884 | 1,733 | 1,775 | 1,985 | 2,030 |
| Mechanical | 1,273 | 1,233 | 1,367 | 1,511 | 1,554 |
| | | | | | |
| TOTAL PERMITS ISSUED | 6,276 | 6,066 | 6,560 | 7,121 | 7,924 |

| PERMIT VALUES | | | | | |
|--|----------------------|---------------------|----------------------|----------------------|----------------------|
| BUILDING PERMITS | 2011 | 2012 | 2013 | 2014 | 2015 |
| RESIDENTIAL | | | | | |
| Single-Family | \$16,843,382 | \$20,865,496 | \$24,793,053 | \$26,123,686 | \$17,918,338 |
| Doubles-Townhouses | 0 | \$1,920,000 | \$320,000 | 0 | \$3,950,000 |
| Multi-Family | 0 | \$7,500,000 | 0 | \$15,000,000 | \$12,251,000 |
| Additions-Remodels-Maintenance | \$22,278,641 | \$19,434,639 | \$25,188,469 | \$24,876,600 | \$37,215,024 |
| Other | \$544,436 | \$34,941 | \$29,179 | \$27,680 | \$46,616 |
| | | | | | |
| COMMERCIAL, INDUSTRIAL, INSTITUTION | | | | | |
| New Buildings | \$78,475,000 | \$1,100,000 | \$20,858,000 | \$39,000,000 | \$80,415,916 |
| Additions-Remodels-Maintenance | \$42,708,752 | \$36,928,923 | \$40,402,453 | \$53,542,461 | \$77,922,595 |
| Tenant Finishes | \$3,415,209 | \$1,211,508 | \$785,017 | \$6,935,243 | \$34,006,878 |
| | | | | | |
| TOTAL BUILDING VALUES | \$164,265,420 | \$88,995,507 | \$112,376,171 | \$165,505,670 | \$263,726,367 |

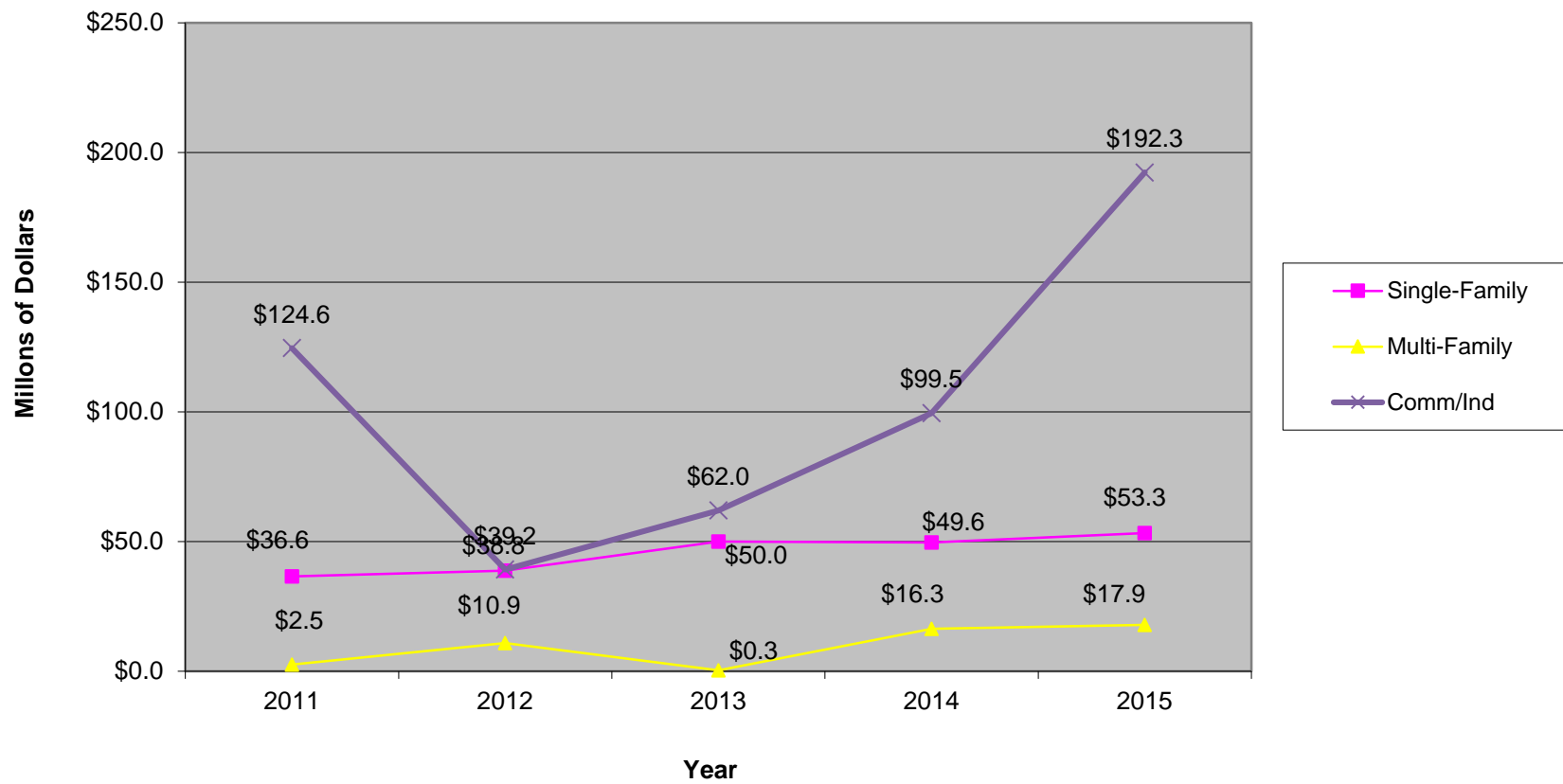
| TYPE OF PERMITS | | | | | |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Building | \$164,265,420 | \$88,995,507 | \$112,376,171 | \$165,505,670 | \$263,564,339 |
| Plumbing | \$6,107,698 | \$5,087,679 | \$7,460,257 | \$7,951,916 | \$10,143,350 |
| Electrical | \$15,012,297 | \$8,054,929 | \$10,080,634 | \$16,133,658 | \$20,992,937 |
| Mechanical | \$19,850,934 | \$11,022,653 | \$11,043,252 | \$16,787,966 | \$26,069,320 |
| | | | | | |
| TOTAL VALUATION | \$205,236,349 | \$113,160,368 | \$140,960,314 | \$206,378,910 | \$320,769,946 |

Other Permit Types Issued



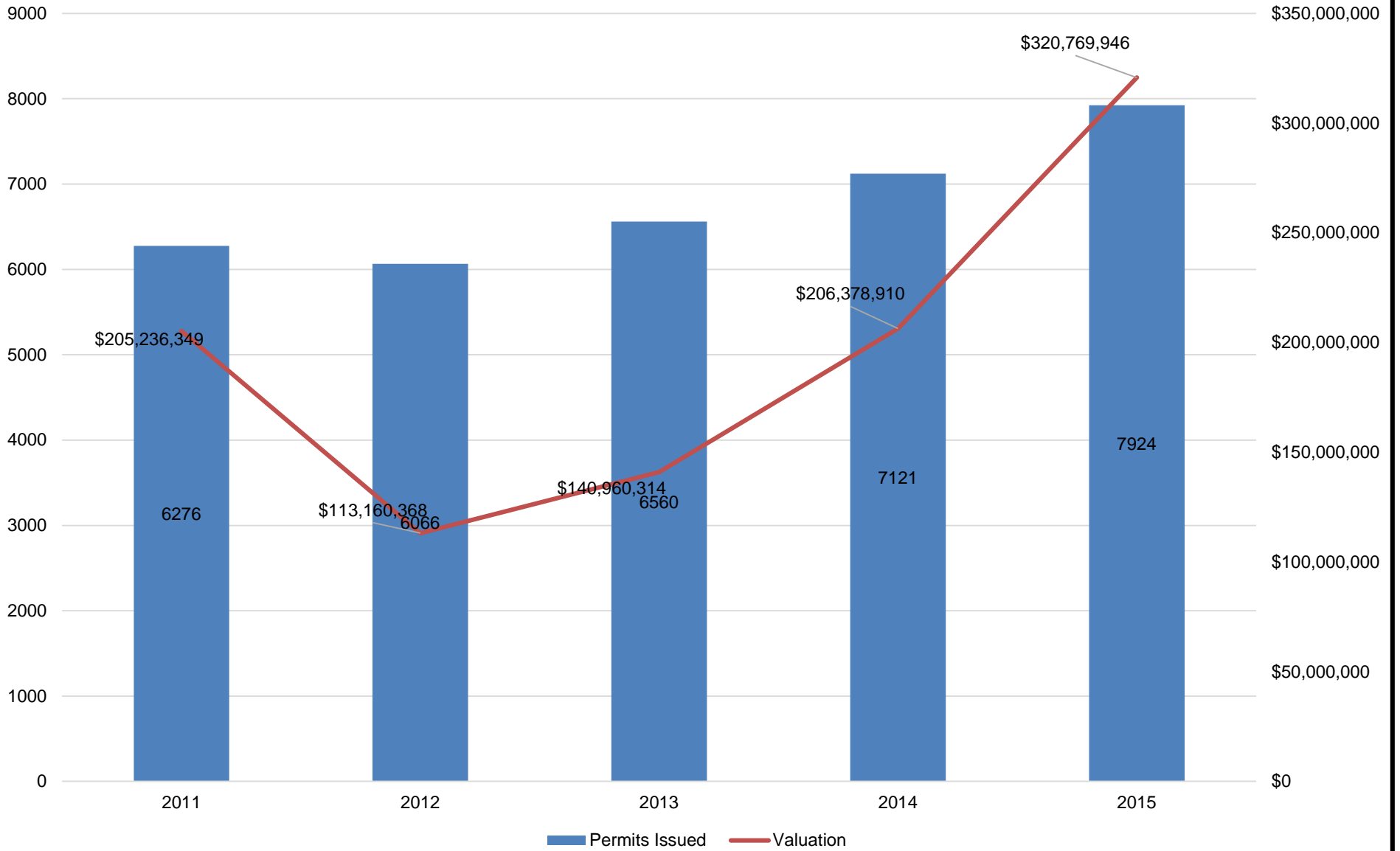
Building Permit Values

By Building Type



Permits Issued and Valuation

All Permit Types





Housing, Redevelopment, and Economic Development

**Community
Development
Department**

Housing

The Owner-Occupied Housing Rehabilitation Deferred Loan Program and the Small Projects Program (previously called the Emergency Rehabilitation Deferred Loan Program), both paid for through federal Community Development Block Grant (CDBG) funds, continued in 2015. The Small Projects Program was opened up for pre-applications in the summer of 2015. A total of 58 pre-applications were received and most of the approved projects have been completed. A comparative summary of the programs is as follows:

| | Small Projects | | Emergency Repair | |
|-------------------------------|-----------------|------------------|------------------|-----------------|
| | 2014 | 2015 | 2014 | 2015 |
| Maximum deferred loan allowed | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| Average deferred loan amount | \$4,912 | \$4,344 | \$4,934 | \$4,100 |
| Total applicants | 49 | 58 | 3 | 24 |
| Qualifying applicants | 45 | 47 | 3 | 21 |
| Projects completed | 24 | 44 | 4 | 21 |
| Projects still in progress | 24 | 0 | 0 | 0 |
| Total Expenditures | \$99,438 | \$191,136 | \$16,006 | \$86,108 |

In June 2011, two new housing programs, funded through the HRA levy were launched—the Minnetonka Home Enhancement program and the Welcome to Minnetonka program. The Minnetonka Home Enhancement program offers low interest loans for housing maintenance, green investments, and some additions/modernizations. The Welcome to Minnetonka program is a low interest loan for first time homebuyers to use for down payment and/or closing cost assistance.

| | 2014 | 2015 |
|--|------|------|
| Minnetonka Home Enhancement pre-applications | 62 | 15 |
| Minnetonka Home Enhancement applications | 55 | 8 |
| Minnetonka Home Enhancement loans | 10 | 5 |
| Welcome to Minnetonka pre-applications | 4 | 2 |
| Welcome to Minnetonka applications | 1 | 2 |
| Welcome to Minnetonka loans | 1 | 1 |

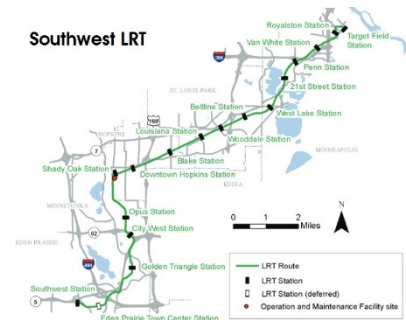
Since 2002 Homes Within Reach has acquired properties in order to permanently preserve affordable housing. Through 2015 they have acquired 54 properties in Minnetonka and over 125 properties throughout Hennepin County. The chart below shows the number of properties acquired for the past five years in Minnetonka:



| | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|------|------|------|------|------|
| Homes Within Reach properties acquired | 3 | 3 | 2 | 2 | 2 |

LRT Transit

After additional design work and environmental review in the spring of 2015, the Green Line Extension was found to be over budget which resulted in a reduction to the project scope and budget. While design and environmental issues continue to be addressed, the 90% plans were completed by the end of 2015.



The cities of Minnetonka and Hopkins are working together to create a joint vision for the Shady Oak LRT station area (the area roughly bound by Excelsior Boulevard on the north, Shady Oak Road on the west, the regional trail on the south, and 11th Avenue on the east). The strategy builds upon previous planning work and will formulate an articulated area for vision, zoning, and implementation strategy that will be reviewed and implemented by both cities.

Bus Transit

Metro Transit and Community Development staffs continued to meet on a quarterly basis. Most of the time has been devoted to new development connections and preparing for the LRT opening. The contract with Metro Transit will be re-negotiated in 2016.

Economic Development Advisory Commission Support

The Economic Development Advisory Commission, which advises the EDA/City Council on matters related to housing, economic development, redevelopment, and transit, receives staff support by the Community Development Department. Projects reviewed by the EDAC in 2015 included:

- ◆ 2016 HRA Levy. The 2016 HRA Levy will be \$175,000 with \$75,000 towards housing rehab, \$75,000 to begin a 10 year payback to the LRT Special Assessment Fund, and \$25,000 towards business outreach.
- ◆ 2016-2020 Economic Improvement Program (EIP). The city's EIP plans housing, redevelopment, and economic development programs for the next five years.
- ◆ Approved Tax Exempt Financing for At Home Apartments and the Music Barn apartments.
- ◆ Approved updates to the city's Tax Exempt Financing Policy. The updates provide framework to ensure that projects are compatible with the city's Comprehensive Plan and zoning ordinances as well as being financially feasible.
- ◆ Open For Business. The Open to Business program continued in 2015, by providing free technical assistance to small businesses.



2016-2020
ECONOMIC IMPROVEMENT
PROGRAM



Environmental Health

**Community
Development
Department**

Licensed Facilities

The following table shows the health licenses issued for the various license categories during each of the past 5 years, which have held fairly steady.

| LICENSE CATEGORY | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|-------------|-------------|-------------|-------------|-------------|
| Food facilities • Includes licensing classes A - G, day care centers, institutions and food vehicles | 400 | 397 | 409 | 405 | 415 |
| Special event food vendors | 45 | 44 | 44 | 45 | 49 |
| Public pools/beaches | 77 | 75 | 80 | 80 | 80 |
| Lodging facilities | 21 | 23 | 29 | 31 | 30 |
| Other health licenses • Includes massage operations, bowling alleys, refuse haulers, theaters, pet shops, and body art | 43 | 42 | 41 | 36 | 36 |
| TOTAL | 586 | 581 | 603 | 597 | 610 |

Health Inspections

The following table shows regular health inspections and follow-up investigations. Health inspections target critical issues such as food temperatures, food storage, chemical control and worker hygiene. Inspections related to facility construction or remodeling, and complaints are not included.

| Inspections | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| Routine food inspections | 443 | 457 | 454 | 427 | 448 |
| Re-inspections | 38 | 66 | 62 | 138 | 120 |

The Environmental Health complaints history for health-related items is shown below:

| Complaints | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Food-related | 19 | 14 | 39 | 36 | 49 |
| Suspected food borne illness | 9 | 21 | 16 | 12 | 7 |
| Pools and beaches | 0 | 1 | 0 | 0 | 0 |
| Clean Indoor Air Act | 1 | 1 | 0 | 0 | 0 |
| Totals | 29 | 37 | 55 | 48 | 56 |

Also in 2015, health code enforcement actions taken during the year included twenty-three city-court citations, which was a slight increase over the twenty-one citations issued in 2014.

City of Wayzata Environmental Health Services

Since 2007, the Environmental Health division has conducted services for the City of Wayzata. This work requires the annual inspection of approximately 100(+) facilities, including food, beverage, swimming pools and lodging. The table below illustrates the breakdown of food inspections completed in Wayzata—the increase in facility numbers in the past two years is mainly attributed to the Wayzata Bay Redevelopment and many special events:

| Inspections | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| Routine food inspections | 91 | 92 | 96 | 134 | 124 |
| Re-inspections | 28 | 43 | 49 | 43 | 42 |

Nuisance Abatement

The Environmental Health Division continues to be the clearing house for nuisance complaints. In 2015, Community Development and others responded to 545 nuisance complaints. Many nuisance situations have required major commitment of staff time, and sometimes city council action, to obtain compliance. These situations range from incomplete construction or hazardous conditions, to "garbage" houses and foreclosure issues.

| NUISANCE COMPLAINTS | | | | |
|----------------------------|-------------|-------------|-------------|-------------|
| 2011 | 2012 | 2013 | 2014 | 2015 |
| 462 | 648 | 517 | 555 | 545 |

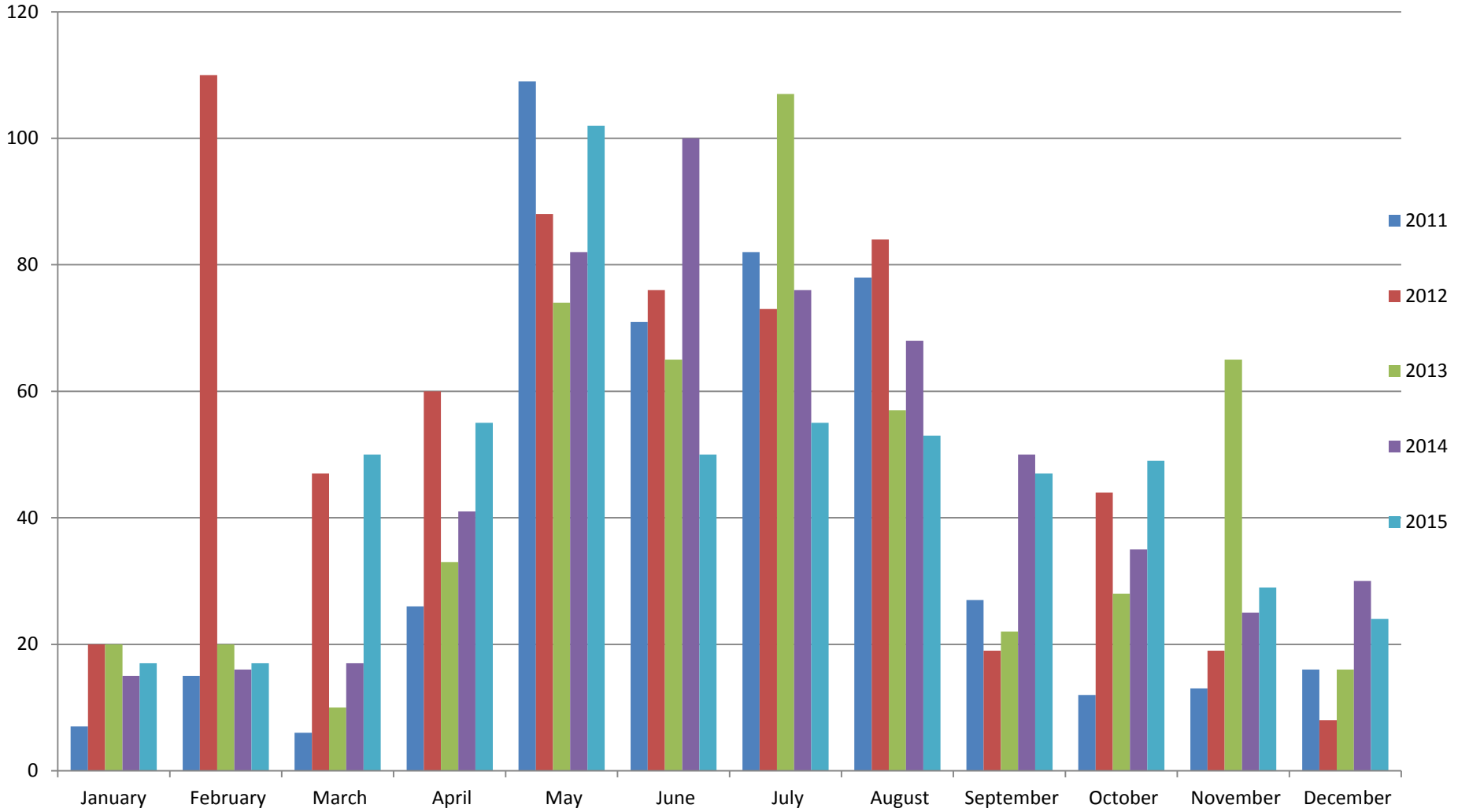
| CITATIONS ISSUED FOR NUISANCES | | | | |
|---------------------------------------|-------------|-------------|-------------|-------------|
| 2011 | 2012 | 2013 | 2014 | 2015 |
| 1 | 7 | 1 | 4 | 7 |

In 2009, the city ordinance was changed to require council action on abatements over \$5000. In 2015, no nuisance properties required an abatement resolution to be adopted by the city council to achieve compliance, compared to one in 2014, zero in 2013, one in 2012, and one in 2011.

| NUISANCE ABATEMENTS COMPLETED | | | | |
|--------------------------------------|-------------|-------------|-------------|-------------|
| 2011 | 2012 | 2013 | 2014 | 2015 |
| 92 | 97 | 44 | 105 | 85 |

The city's response to complaints about nuisance conditions is carefully coordinated between the Community Development, Police, Public Works, and Legal departments. The Environmental Health Division has responsibility for responding to nuisance complaints, complaint tracking, and coordination procedures by utilizing the city's complaint software, which publically is known as "Minnetonka Mike".

Nuisance Complaints 2011-2015





Planning

**Community
Development
Department**

The Planning Division received 116 applications during 2015. This number represents a decrease from the number of applications received in 2014, as well as a slight decrease over the 5-year average of 129.

Though the overall number of applications decreased, the number of applications for concept plan reviews, conditional use permits, and single-family residential subdivisions increased this year. The most complex applications reviewed in 2015 included:

- Shelter Corporation’s Music Barn Apartments – a 27-affordable unit apartment building;
- Saville – a 12-lot R-1A development;
- Rowland Apartments – a 106-unit apartment building; and
- Cherrywood Pointe – a 99-unit senior rental building.

In addition to planning applications, staff conducted a variety of public engagement meetings regarding both the Ridgedale and Glen Lake Village Centers, and continued to manage projects currently under construction, including: The Overlook (aka Tonka on the Creek), Legacy Oaks, Applewood Pointe, and the redevelopment of the Highland Bank site.

| TYPES OF APPLICATIONS | 2011 | 2012 | 2013 | 2014 | 2015 | 5-YEAR AVERAGE |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-----------------------|
| Amendments to Previous Projects | 12 | 9 | 1 | 4 | 2 | 5 |
| Concept Review | 7 | 4 | 8 | 7 | 8 | 6 |
| Conditional Use Permit | 21 | 15 | 19 | 21 | 24 | 20 |
| Environmental Assessment Worksheet | 0 | 0 | 0 | 0 | 0 | 0 |
| Expansion Permit | 9 | 11 | 4 | 11 | 4 | 7 |
| Guide Plan Amendment | 2 | 0 | 2 | 1 | 0 | 1 |
| Rezoning & Master Development Plan | 7 | 9 | 10 | 11 | 8 | 9 |
| Sign Plan | 3 | 7 | 6 | 3 | 3 | 4 |
| Site and Building Plan | 6 | 8 | 11 | 9 | 7 | 8 |
| Subdivision | 10 | 24 | 25 | 17 | 22 | 22 |
| Variance | 14 | 25 | 27 | 18 | 16 | 19 |
| Telecommunications Facility (admin) | 4 | 2 | 0 | 9 | 3 | 3 |
| Wetland/Floodplain Alteration | 4 | 7 | 3 | 8 | 3 | 5 |
| Zoning Text Amendment | 8 | 5 | 8 | 2 | 1 | 4 |
| Other | 18 | 25 | 11 | 10 | 15 | 15 |
| TOTALS | 125 | 148 | 135 | 131 | 116 | 129 |

Planning Projects

- **Music Barn.** In 2015, Community Housing Corporation of America/Shelter Corporation submitted a proposal for redevelopment of the iconic Music Barn and adjacent property to the north. As proposed and ultimately approved, the existing barn building will remain on the property and be integrated into a new, three-story, 27-unit apartment building. All of the building's units will meet the Metropolitan Council's affordable housing guidelines. Construction has not started pending State financing.



- **Saville.** The Saville project represented the first development project reviewed under the new R-1A ordinance. As approved, the development will include seven R-1A lots accessed via a new cul-de-sac and five R-1 lots accessed via Spring Lane. The R-1 lots are between 22,000 to 36,000 square feet in size, while the R-1A lots range in size from 15,000 to 27,000 square feet. Construction has not started.



- **One Two One Development or Zvago.** The project received approval last year to construct a 54 unit senior cooperative at 14217 Stewart Lane in the Glen Lake neighborhood. The project is expected to begin construction in early 2016.



- **At Home Apartments.** At Home Apartments, LLC presented a proposal to construct a four-story apartment at 5709 Rowland Road. Twenty percent of the approved 106 units will be income and rent restricted. Construction is well underway.



- **Cherrywood Pointe.** United Properties presented a proposal to redevelop the existing three-acre residential property at 2004 Plymouth Road. As proposed and ultimately approved, a 99-unit Cherrywood Pointe senior rental building will be constructed on the site. Ten percent of the units will be rent and income restricted. Construction has not started.



On-Going Project Highlights

- **The Overlook.** In 2014, the city approved construction of a 100-unit apartment building at the intersection of Minnetonka Boulevard and Highway 169. Ten percent of the units will be rent and income restricted. Construction is nearing completion and full occupancy is expected in spring 2016.



- **Legacy Oaks.** In 2014, the city council approved development of 125 dwellings on the former Jondahl farm site. To date, 18 building permits have been issued, including a permit for the first of three condominium buildings.



- **Applewood Pointe.** In 2014, the city council approved construction of an 87-unit senior cooperative building south of Big Willow Park and west of Guilliam. Ten percent of the units will be price and income restricted. Construction is well underway.



- **Highland Bank Redevelopment.** In 2014, the city approved redevelopment of the property at 1700 Plymouth Road. As approved, a six story commercial and 115-unit apartment building is currently under construction.



- **Nordstrom and Ridgedale Mall expansion.** In 2014, the city approved both a 138,000 square foot two-level addition to the Nordstrom department store on the east wing of Ridgedale Mall as well as a 60,000 square feet of mall expansion. Construction on these renovations continued throughout 2015.



- **Carlson Island Apartments.** In 2014, the city approved The Island - a 5 story, 174-unit, market rate rental housing project that included underground parking. Construction was completed in 2015.





Licensing

**Community
Development
Department**

Each year contractors who complete certain requirements are issued a license allowing them to complete work in the city. The following table shows the number of licenses issued for the various license categories during each of the past five years.

| LICENSE CATEGORY | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------------------------|------------|------------|------------|------------|------------|
| HVAC/Warm Air | 208 | 197 | 200 | 201 | 205 |
| Refrigeration | 94 | 97 | 98 | 100 | 102 |
| Steam/Hot Water | 96 | 98 | 99 | 90 | 94 |
| Gas | 230 | 217 | 213 | 237 | 244 |
| TOTAL INDIVIDUAL LICENSES | 634 | 613 | 615 | 633 | 645 |

In addition to contractor licensing and licenses issued by the Environmental Health division, the city is also responsible for licensing several other types of facilities and businesses.

| LICENSE CATEGORY | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------------------|------------|------------|------------|------------|------------|
| Automobile Fuel Stations | 16 | 16 | 16 | 16 | 17 |
| Dumpsters/Portable Storage Containers | 4 | 5 | 3 | 3 | 3 |
| Pawn/Precious Metal/Secondhand | 4 | 6 | 7 | 5 | 5 |
| Peddler-Solicitor | 11 | 16 | 23 | 59 | 66 |
| Tobacco | 31 | 25 | 30 | 33 | 33 |
| On-Sale Intoxicating Liquor | 21 | 19 | 21 | 22 | 22 |
| Off-Sale Intoxicating Liquor | 12 | 12 | 12 | 12 | 12 |
| On-Sale Wine | 8 | 9 | 12 | 11 | 11 |
| On-Sale 3.2 Percent Malt Liquor | 12 | 12 | 15 | 13 | 13 |
| Off-Sale 3.2 Percent Malt Liquor | 2 | 2 | 2 | 2 | 2 |
| Temporary Liquor | 9 | 6 | 5 | 7 | 2 |
| TOTAL LICENSES | 130 | 128 | 146 | 183 | 186 |



Other Department-Wide Information

**Community
Development
Department**

Staffing and Support Services

Community Development relies extensively on support staff to process licenses, permits, and planning applications; schedule inspections; and respond to resident/contractor calls. Use of the LOGIS system to track permits and inspections continues to be very successful. In 2016, it is anticipated that work on online inspection scheduling will be explored in conjunction with LOGIS.

Additionally, the Community Development staff is responsible for writing reports, compiling information and producing agenda packets for the Planning Commission and Economic Development Advisory Commission as well as the City Council and Economic Development Authority.

| AGENDA PACKETS PRODUCED | | |
|--------------------------------|-------------|-------------|
| | 2014 | 2015 |
| Planning Commission | 21 | 19 |
| EDAC | 9 | 6 |
| City Council | 20 | 22 |
| EDA | 8 | 10 |
| Total | 58 | 57 |

| AGENDA ITEMS PRODUCED | |
|------------------------------|-------------|
| 2014 | 2015 |
| 292 | 247 |

In addition to staffing city council, planning commission, economic development advisory commission and economic development authority meetings, there are many other neighborhood meetings and planning studies that also occur outside of the normal work day.

| NEIGHBORHOOD AND PLANNING STUDY MEETINGS | |
|---|--|
| 2015 | |
| 17 | |

Please let staff know if any further information is desired regarding 2015 Community Development activities.