

**Minnetonka Economic Development Advisory Commission
Meeting Summary**

**March 23, 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, Ken Isaacson, Jacob Johnson, Jerry Knickerbocker, Charlie Yunker, and Kathryn Aanenson were present. Michael Happe was absent.

Staff present: Community Development Director Julie Wischnack and Economic Development Housing Manager Alisha Gray and financial consultants Julie Eddington of Kennedy and Graven and Mark Ruff of Ehler and Associates.

Councilmember Brad Wiersum was present.

3. Approval of Minutes

Knickerbocker moved, Isaacson seconded a motion to approve the October 22, 2015 meeting minutes as attached with a change to include Treehouse in the recommendation to receive \$3,666 of CDBG funds. Bjorgo, Isaacson, Johnson, Knickerbocker, and Aanenson voted yes. Yunker abstained. Happe was absent. Motion passed.

Knickerbocker moved, Isaacson seconded a motion to approve the February 25 2016 meeting minutes as attached. Isaacson, Knickerbocker, Yunker, and Aanenson voted yes. Bjorgo and Johnson abstained. Happe was absent. Motion passed.

Wischnack introduced Minnetonka Economic Development and Housing Manager Alisha Gray.

4. Economic Improvement Plan

Chair Aanenson called for the staff report. Wischnack reported.

In response to Isaacson's question, Wischnack stated that the \$2 million would be funded by a revenue bond. The collateral would be the revenue stream. There is no cost to the taxpayer. An administrative fee covers the cost of the assessment.

Knickerbocker asked how many properties in Minnetonka would be subject to this type of program. Wischnack estimated two thirds of the 22,000 households and 4,400 condo and townhouses would meet the 30 years and older age category which would equal approximately 3,000 units. Research could be done for next year to identify the seniors' needs.

Wischnack continued the report.

Johnson asked for the difference between the Minnetonka Home Enhancement and Small Project loans. Wischnack explained that the borrower of a Small Project loan may earn up to 80 percent of the median income and the loan is forgiven if the homeowner stays in the house for a designated period of time. The borrower of a home enhancement loan may have an income of up to 120 percent of median income.

Johnson asked if there is an overlap in the applications of the two loan programs. Wischnack stated that there has not been a lot of overlap. The average small project borrower has an income at 35 or 40 percent of median income. She will research that information for the next meeting.

Wischnack continued the report.

Isaacson asked how a \$10,000 loan would be funded. Wischnack said it would be funded by the HRA Levy set aside for that amount. There is a pool of money available for use. In 2016, \$75,000 was added. Chair Aanenson noted that preapplications have been received. Wischnack agreed. She explained that the applicant sometimes ends up buying a house in another city or the house is valued higher than \$300,000. Chair Aanenson liked the flexibility of the funds being able to be rolled into other programs.

Wischnack continued the report.

Johnson asked what similar programs other cities are using. Gray described a program used by Brooklyn Park that provides interim loans to developers to rehabilitate foreclosed properties with TIF and federal grant dollars. That could be adapted for seniors.

Yunker thought the next generation program is an interesting idea. It was the first time he had seen it. He felt it is worth pursuing.

Wischnack stated that the EIP will be reviewed by the city council next month and adopted in June. The EDAC will see it again before its adoption.

Wischnack continued the report.

Wischnack explained that the Greater MSP tracks anytime a business in Minnetonka is mentioned in the media and helps attract businesses to Minnetonka. Johnson asked if the city receives \$25,000 worth of services. Wiersum noted that adding jobs is a significant benefit and makes the investment of \$25,000 seem small. Wischnack noted that Greater MSP helped create 10 additional high-value jobs at Nature Works and 10 high-value jobs at Freudenberg this year.

Knickerbocker said that the Greater MSP meets a need. The city is also a member of the Twinwest Chamber of Commerce. He asked if there is an annual fee to belong to the chamber of commerce and if a page about the chamber should be included in the EIP. Wischnack will check into the fee amount and noted that adding a page for the chamber of commerce is an option. Minnetonka businesses that belong or are a member of the chamber can be tracked. Wiersum noted that the chamber of commerce pays for the State of the City address every year and has a political lobbying arm. He and Geralyn Barone go to the legislative breakfast every month. The benefit of having a page in the EIP would be to provide a reminder to ask more of the Twinwest Chamber of Commerce. It is a very good networking organization, but visibility of the expenditures may serve as a reminder of what could be gained by the membership.

Knickerbocker noted that the freeway and SWLRT transportation issues may provide more of a relationship with the chamber of commerce than what was had in the past. Marketing could be done in conjunction with the chamber. Wiersum agreed that there may be opportunities. He thought it was a good idea. Wischnack said that it would be added for next time.

Wischnack continued the report.

Johnson would like to see a list of all of the agencies and groups with which the city is involved and what services each provides to the city.

Wischnack continued the report.

Knickerbocker asked if the city-owned properties could be purchased by WHAHLT. Wischnack said that one of them may be suitable for WHAHLT. The houses are old and the properties are large and could be subdivided. There has to be a buy in before the property is put on the market. It is preferable to complete the neighborhood work beforehand.

Knickerbocker asked how residents are notified in regard to the Shady Oak redevelopment. Wischnack explained that Minnetonka and Hopkins residents are notified at the same time.

Wischnack continued the report.

Johnson noted that the expenditure portion of the uses of funds did not include the allocated amount each year. Wischnack will make the correction.

Johnson suggested separating the programs into three sections according to their purpose of attraction, retention, or expansion of development.

Isaacson asked if the unused TIF-pooling funds could be repurposed to an HIA instead of returning to the taxing districts. Wischnack explained that the funds would have to be returned first and could then be recycled for that purpose. The county's portion could not be used, because it would be returned to the county. She could provide the amount that would be returned to the county.

Chair Aanenson is impressed with the document. It keeps getting better.

The city council will provide feedback on the EIP at its study session on April 18, 2016. It will be returned to the EDAC in April or May for review. In June, the city council will review and adopt the EIP with the capital improvement plan.

5. Staff Report

Wischnack provided the staff report:

- Work continues on the SWLRT. Fencing was selected.
- The Shady Oak Road redevelopment project is hoping to include two oak trees.
- Williston Woods, a five-lot subdivision, was approved on Williston Road.
- TCF provided a new concept plan. The EDAC will look at a TIF request next month for the proposal.
- An application for a proposed physical therapy use at the Bunker Golf site is being reviewed.
- The planning commission is tentatively scheduled to review an application for Prestige School April 14, 2016. Knickerbocker noted the cut-through to the post office. Wischnack will work on that.
- Williston Ridge, a two-lot subdivision, is being reviewed.
- Lecess Apartments, a 350-unit apartment building, will begin construction.
- Cherrywood Pointe, on Plymouth Road south of Ridgedale, is under construction.
- Highland Bank is under construction.
- Applewood Pointe is under construction.
- At-Home Apartments in under construction.
- Construction at the Pagel Activity Center will be starting soon.
- The Glen Lake and Shady Oak Road studies are being worked on.

6. Other Business

The Sensible Land Use Coalition lunch is next week.

The next EDAC meeting is scheduled for April 21 23, 2016 at 6 p.m.

7. Adjournment

Isaacson moved, Yunker seconded a motion to adjourn the meeting at 7:30 p.m.
Motion passed unanimously.