

AGENDA
CITY OF MINNETONKA
ECONOMIC DEVELOPMENT ADVISORY COMMISSION
Thursday, May 26, 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 March 23, 2016 minutes

BUSINESS ITEMS

4. Review Economic Improvement Program

Recommendation: Provide final feedback to city staff and recommend approval

5. Staff Report

6. Other Business

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

7. Adjourn

If you have questions about any of the agenda items, please contact:

Alisha Gray, Economic Development and Housing Manager (952) 939-8285
Julie Wischnack, AICP, Community Development Director, (952) 939-8282

**Unapproved
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.
- Lecesse 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.

EDAC Agenda Item #4 Meeting of May 26, 2016

Brief Description 2017 – 2021 Economic Improvement Program (EIP)

Background

The city's first Economic Improvement Program (EIP) was developed in 2012, making this the fourth iteration of the document. The purpose of the EIP is to provide a detailed five-year plan of the city's economic development activities. The document is updated annually, and the schedule for the 2017-2021 EIP adoption is as follows:

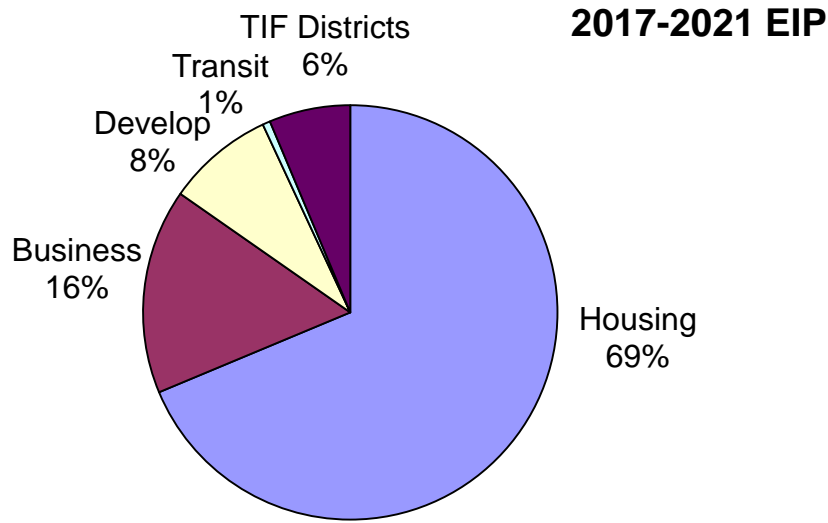
Economic Improvement Program

The draft EIP (pages A1 to A77) has been prepared based upon the comments by the city council received during previous EIP reviews, as well as the EDAC commissioners' comments from the March 2016 EDAC meeting.

- **Chapter 1 Policy** — defines what funding categories programs will fall under, and also details the funding principles (see page A5).
- **Chapters 2 through 7** — provides program pages for each of the city's existing and potential future economic development efforts. The program page details the description, purpose, goals, budget impacts, schedule, and key measures. Additionally, it outlines the funds needed to develop or sustain the program over a period of years (see pages A6-A57).
- **Chapter 8 Funding Sources and Expenditure Projections** — provides summary tables including the first table which is a one-year (2017) summary of total expenditures by category and by fund. The second set of tables presents 10-year funding sources and expenditure projections. The final table summarizes the 10-year projection of all funds (see pages A58-A72).
- **Chapter 9 Affordable Housing Goals** — itemizes how the city has and will meet its 1995-2010 and 2011-2020 affordable housing goals, including any EIP programs used to assist the project (see pages A73-A77).

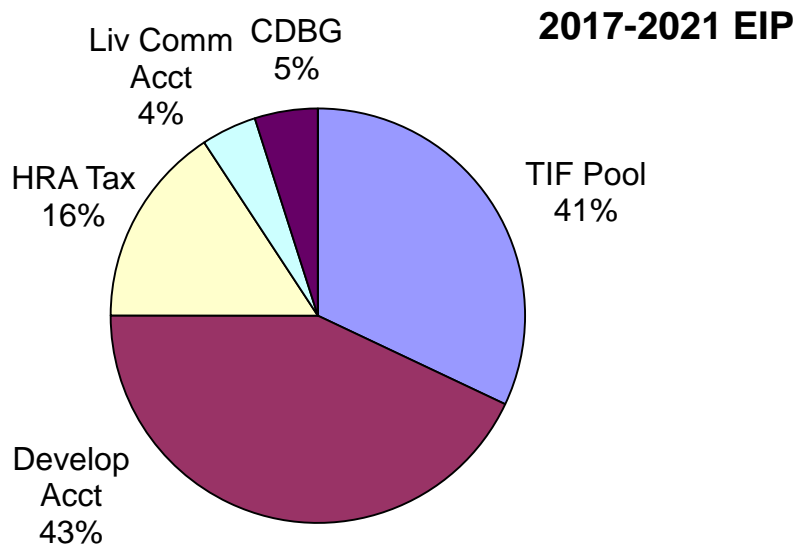
Use of EIP Funds

As has been the case for many years, the city's highest priority in the recommended EIP continues to be housing. Approximately \$6.4 million is projected to be spent on housing programs. This single category represents 69 percent of the entire portfolio.



The second highest category is business retention/expansion and attracting new business. It should be noted that a majority of those funds are not city dollars, but rather pass-through grants or other loan programs. The lowest categories of investment are development/redevelopment and transit program areas. However, the development category is expected to increase as more definitive plans for station area improvements for Southwest Light Rail Transit (LRT) come into place, and as more detailed work on the strategic marketing plan is completed later this year.

Accounting for the largest single resource for EIP implementation at 10 percent of all funding, approximately \$1.1 million is available in pooled TIF funding. However, these funds are limited to specific types of housing projects. Monies from the Development Account, which are more flexible in their use and include outside flow-through grants, are projected to contribute to over one-quarter of the funding for the recommended EIP. The HRA levy would generate the next largest source of funding.



Owner Occupied/Small Projects Rehabilitation Programs

- The EDAC recommended continuing to have the Small Projects Program loans at \$5,000.
- Staff reopened the program application process in April and received 75 pre-applications from home owners.

Crown Ridge/Minnetonka Heights

- The Crown Ridge and Minnetonka Heights pages of the EIP should be removed in 2017 as it will no longer be funded.

Housing Improvement Areas

- Staff has been contacted by an association to conduct a large rehab of Cloud 9 condominiums.
- Staff has identified some dollars on the HIA project page for new proposals.

TIF Pooling

- Staff added the Shelter Corporation commitment of \$500,000 on the TIF pooling project page.

EDAC Review

At the March 23, EDAC meeting and April 18 City Council Study Session the commissioners and council members undertook a review of programs in the EIP. Below are the combined comments and findings from these reviews

Housing Chapter Summary

Housing Improvement Areas

- The EDAC inquired as to how the Housing Improvement Area Program is funded. Staff stated that that program may be funded through a revenue bond. The assessments on property would be the revenue stream and there is no cost to the taxpayer. An administrative fee covers the cost of monitoring the assessment.
- The EDAC requested information on how many properties in Minnetonka would be subject to a Housing Improvement Area Program. There are approximately 3,000 housing units that would meet the threshold for eligibility. Staff will conduct further research this year to assess the interest in the program.

Owner Occupied/Small Projects Rehabilitation Programs

- The EDAC asked for clarification on the difference between the Minnetonka Home Enhancement and Small Projects Loan. The basic eligibility of the programs is outlined below:
 - Minnetonka Home Enhancement Program
 - Provides up to \$15,000 for home repair, green improvements and some additions
 - Loan Term – 1% interest, 10 year term
 - Household income cannot exceed 120% AMI
 - Small Projects Program
 - Provides up to \$5,000 for eligible deferred maintenance repairs
 - Loan Term – 0% interest, payments deferred for 10 years and forgiven if same homeowner
 - Household income cannot exceed 80% AMI

Welcome to Minnetonka Loan Program

- The EDAC asked for clarification on how loans would be funded. Staff informed that there is HRA Levy set aside. In 2016, \$75,000 was added to the funding. Staff explained that utilization of the program is low and that may be a result of the maximum purchase price limit of \$300,000. The average sale price in 2015 was approximately \$360,000. The EDAC suggested rolling the funds into other programs if low utilization continues.

Next Generation Program

- EDAC requested information on what other cities are doing to address aging housing stock. Staff mentioned one other program in Brooklyn Park and will research other single family rehabilitation programs.

Public Services

- Treehouse was added to the list of 2016 programs that are being assisted.

Future HRA Levy Funded Projects

- On the 10-year sources and uses page for the HRA levy, a line item has been added for future HRA levy funded projects. The purpose of this line item is to budget for conceptual projects that still need more refinement before they are individually budgeted in the EIP. An example of this is the project for implementation of the marketing.

Business Chapter Summary

Greater MSP

- EDAC asked how the \$25,000 supports the city's business development efforts. Staff explained that the \$25,000 is an investment rather than a program fee for service. GreaterMSP tracks media mentions and helps attract businesses and high-paying jobs to Minnetonka.

Twin West Chamber of Commerce

- The EDAC requested a page to recognize Twin West Chamber of Commerce. Staff added a page to the EIP.
- Funds are budgeted for a business survey or marketing to businesses.

Transit Summary

- The EDAC noted that SWLRT transportation concerns may spur additional marketing efforts in partnership with the chamber.

Additional Recommendations:

- EDAC suggested compiling a list of city partners and separating the services offered into three categories according to the purpose of attraction, retention or expansion.
- Staff compiled a list of city partners separating the services into the three categories of attraction, retention or expansion. The list will be added as an addition to the glossary in the EIP. If the commission would like to add more organizations we can work on improving the list.

Staff Recommendation:

Staff recommends the EDAC recommend approval to the city council at the June 6 meeting.

Originated by:

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

	Name of Organization	Business Retention	Business Expansion	Business Attraction	Financing	Key Services Notes:
1	Department of Employment and Economic Development (DEED) (State of MN Economic Development Agency)	X	X	X	X	DEED programing includes: Workforce Development, Financing (Minnesota Investment Fund, Job Creation Fund, Business Development Public Infrastructure Fund, Angel Loan Fund, Redevelopment and Cleaup Grants), Environmental Cleanup Support, Technical Support, Labor Market Data, Rapid Response Team, and Business Service Representatives. - A full list of resources is available at https://mn.gov/deed/assets/econ-dev-resource-guide_tcm1045-133717.pdf
2	DEED - Hennepin County Workforce Centers	X	X	X	X	The workforce centers provide assistance for job seekers through career fairs, career counseling, and industry specific workshops. The workforce centers also provide assistance to businesses looking for workers, assistance through layoff's, and training grants.
3	Hennepin County	X	X	X	X	Hennepin County provides financial and techincal assistance to businesses and municipalities through program designed to assist businesses, promote economic development, create and retain jobs, and cultivate entrepreneurs. Programs include: Economic Gardening, Economic Development Infrastructure Fund, Common Bond Fund, 2015 Business District Initiative, and Open To Business.
4	Metropolitan Council	X	X	X	X	The Metropolitan Council is a regional policy-making body, planning agency, and provider of services to guide growth in the Twin Cities metropolitan area. Assist with comprehensive land use planning, provide planning and technical assistance, offer cities assistance for imprmenting local plans and programs, provide liveable communities grants (cleanining up polluted land fpre redevelopment and new jobs, create affordable housing opportunities, assist with development and redevelopment projects).
5	Metro Transit	N/A	N/A	N/A	N/A	The transit arm of the Metropolitan Council responsible for running the metropolitan area's bus and train systems
6	Greater MSP (private non-profit)	X	X	X	N/A	Coordinated effort to grow the economy of the 16-county Minneapolis Saint Paul Region. Specializes in coordinating regional business retention and expansion efforts, business recruitment, and talent attraction. Coo
7	Metropolitan Consortium of Community Developers (MCCD)	X	X	N/A	X	MCCD's provides technical business advice and financial assistance to entrepreneurs and business owners through the Open to Business Program on behalf of the City of Minnetonka.
8	SCORE	X	X	N/A	N/A	Free advice for new and exisiting businesses. In addition, SCORE also provides mentoring connections and additional resources.
9	Twin West Chamber of Commerce (Chamber of Commerce representing 10 communities in the North and Western Suburbs)	X	X	X	N/A	Twin West is a participant in Grow Minnesota (a private- sector business retention effort), advocates on behalf of the business community through events such as the Business Day at the Capitol, legislative breakfast events, and the State of the Cities events. Provides scholarships for workforce development.
10	Itasca Project (Employer-led civic alliance focused in building a thriving economy in the Minneapolis- St. Paul region)	X	N/A	X	N/A	Itasca Project initiatives include: MSP Regional Indicators Dashboard, Workforce Development, Transit Analysis. Spearheaded by local business leaders to ensure a sustainable economic future for Minnesota.
11	Community Banks	X	X	N/A	X	Community banks often partner with local communities to coordinate financing for growing companies. Tend to focus on the needs of the businesses and families of the communities they serve.
12	MN State Colleges and Universities (MnSCU)	X	X	X	N/A	MnSCU serves on the WIOA Board to ensure college programing is representing the needs of Minnesota employers, identifying emerging industries, and projecting future workforce needs.



2017-2021 ECONOMIC IMPROVEMENT PROGRAM

**ECONOMIC IMPROVEMENT PROGRAM
2017-2021**

CITY OF MINNETONKA

Adopted XXXX, 2016

**2017-2021
ECONOMIC IMPROVEMENT PROGRAM**

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Economic Improvement Program Policy

The Economic Improvement Program (EIP) is the city's long-term plan for housing, economic development, redevelopment, and transit programs that promote economic viability for the citizens and businesses of Minnetonka.

Funding Categories

The EIP covers a broad range of community development activities. Funding categories include:

1. Projects and programs which encourage diversity and broaden choices in types, sizes, and prices of the city's housing stock to meet the needs of the aging population and to attract younger residents.
2. Projects that support existing business retention and expansion, attract new businesses, and allow the city to remain economically competitive.
3. Projects which enhance resident mobility by pursuing opportunities and solutions to improve transit service.
4. Activities that promote the vitality of the city through development and redevelopment.

Planning Principles

- The EIP will support achievement of the city's Comprehensive Plan and long-term Strategic Goals.
- The EIP will be updated annually to reflect changes in programs, demographics, private housing stock, business needs, and the overall economic climate.
- The EIP allows flexibility, and may be amended during the year if necessary, in order to act upon unforeseen opportunities that may arise which enhance economic viability.
- Development of the EIP will be consistent with the annual operating budget. Future staffing and other budgetary impacts are projected and will be included in operating budget forecasts.



HOUSING



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

HOUSING CHAPTER SUMMARY

Projects and programs which encourage diversity and broaden choices in types, sizes, and prices of the city's housing stock to meet the needs of the aging population and to attract younger residents.

The city currently has 13 programs in place to assist in the construction, maintenance, and renewal of housing in the city. An additional two programs are in the conceptual phase and will be explored for further consideration.

- The total five-year estimated cost of the programs is \$7,061,802.

Program	2017	2018	2019	2020	2021	5-Year Total
CDBG Administration	\$8,000	\$6,000	\$4,000	\$2,000	\$0	\$20,000
Crown Ridge	0	0	0	0	0	0
Small Projects	100,000	80,000	40,000	20,000	0	\$240,000
Fair Housing	1,200	900	600	300	0	\$3,000
Homes Within Reach	100,000	100,000	100,000	25,000	25,000	\$350,000
Housing Improvement Areas	0	250,000	0	0	250,000	\$500,000
Minnetonka Heights	0	0	0	0	0	0
Minnetonka Home Enhancement	0	0	0	0	0	0
Owner Occupied Rehab	0	0	0	0	0	0
Public Services	15,000	12,000	10,000	8,000	0	\$45,000
Tax Exempt Conduit Debt	0	0	0	0	0	0
Affordable housing via TIF Pooling	2,000,000	0	1,500,000	1,103,802	1,300,000	\$5,903,802
Welcome to Minnetonka	0	0	0	0	0	0
	\$2,224,200	\$448,900	\$1,654,600	\$1,159,102	\$1,575,000	\$7,061,802

Conceptual Programs

Employer Assisted Hsg	\$0
Next Generation Program	\$0

Programs in green=funding/program is expected to continue

Programs in yellow=funding/program is uncertain for a number of reasons

Programs in red=funding/program is ending

- Programs funded by Community Development Block Grant (CDBG) program are expected to be eliminated or restructured in the near future due to decreases and potential elimination of the CDBG program at the federal level.
- Programs funded by the Livable Communities Account will either be eliminated or need a new funding source, as that source is expected to no longer be available after 2017.

City of Minnetonka, Minnesota

Project # Housing-01
Project Name CDBG Administration



Type Program **Department** 1-Housing
Useful Life N/A **Contact** Community Development
Category Housing **Priority** Yellow
Key Measures Program Administration Hours **Key Measures**
Key Measures **Key Measures**

Description

The Community Development Block Grant program is a federally-funded program, administered at the local level. Federal regulations allow up to 20 percent of the city's allocation for administrative responsibilities.

SCHEDULING AND PROJECT STATUS:
 This is an on-going program. The CDBG program year runs July 1 to June 30, which is different than the city's fiscal year.

Justification

Based upon the needs, priorities, and benefits to the community, CDBG activities are developed and the division of funding is determined at a local level. All funded activities must meet at least one of the three national objectives:

- Benefit low and moderate income persons
- Help prevent and/or eliminate slums and/or blight
- Meet other community development needs of particular urgency

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS:
 Comprehensive Plan - Provide city services and collaborate with outside agencies and the private sector to leverage additional services that reinforce the city's values.

Strategic Plan - Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Program Admin Hours	127	105	109	118	221	150	100	70	50	25	0

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	8,000	6,000	4,000	2,000	0	20,000
Total	8,000	6,000	4,000	2,000	0	20,000

Funding Sources	2017	2018	2019	2020	2021	Total
CDBG	8,000	6,000	4,000	2,000	0	20,000
Total	8,000	6,000	4,000	2,000	0	20,000

Budget Impact/Other

This funding is to repay the staff time involved for the overall administration of the CDBG program and the administration of the owner-occupied housing rehabilitation program. The increase in hours in 2015 is associated with taking back implementation of the Small Projects Program in house and working on the spend down of funds.

It is expected that CDBG funds will be eliminated or restructured at some time in the near future by the federal government. For purposes of this report, we assume phaseout of the program by 2021.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	Housing-03
Project Name	Small Projects Program



Type	Program	Department	1-Housing
Useful Life	N/A	Contact	Community Development
Category	Housing	Priority	Yellow
Key Measures	Households Assisted	Key Measures	
Key Measures		Key Measures	

Description

The Small Projects loan program (previously called the Emergency Repair Program) offers ten-year, no interest deferred loans up to \$5000. The program focuses on smaller projects that can quickly be completed without regulatory lead based paint issues.

SCHEDULING AND PROJECT STATUS:
 This is an ongoing program. New applications are only accepted during certain periods of time. A new round of applications will be opened in April 2016. Typical projects include furnaces, some windows, and roofs.

The CDBG program year is July 1 to June 30, which is different than the city's fiscal year.

Justification

Households up to 80% of area median income qualify for the \$5000 small projects program, which allows for housing repairs and maintenance. Additions and aesthetic improvements are not allowed under the program.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS:
 Comprehensive Plan-Promote housing maintenance programs that improve the livability of existing residential dwelling units in a cost effective manner.

Strategic Plan-Initiate programs and policies to broaden housing choices to meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Households Assisted	16	6	10	24	52	20	20	10	7	5	N/A

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	100,000	80,000	40,000	20,000	0	240,000
Total	100,000	80,000	40,000	20,000	0	240,000

Funding Sources	2017	2018	2019	2020	2021	Total
CDBG	100,000	80,000	40,000	20,000	0	240,000
Total	100,000	80,000	40,000	20,000	0	240,000

Budget Impact/Other

Minnetonka staff oversee the entire program from application, to project management to signing of the loan documents. The administrative costs associated with the program as covered under the CDBG administration.

With the declining CDBG funds, more emphasis will be placed on this program, which will allow for assistance to more households.

It is expected that CDBG funds will be eliminated or restructured in the near future by the federal government. The program would be expected to end at about that time unless new funding is identified. For purposes of this report, we assume phaseout of the program by 2021.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	Housing-04
Project Name	Fair Housing



Type	Program	Department	1-Housing
Useful Life	N/A	Contact	Community Development
Category	Housing	Priority	Yellow
Key Measures	Education/Information Sessions	Key Measures	
Key Measures		Key Measures	

Description

As part of the city’s CDBG allocation, the city must participate in and further fair housing activities. This is accomplished by participating in the Hennepin County Consortium and Fair Housing Implementation Council. The city has been directly providing funds for fair housing since it became an entitlement community in 2005. Both programs are working to coordinate efforts with the Metropolitan Council to avoid duplication of services.

SCHEDULING AND PROJECT STATUS

This is an ongoing program. The CDBG program year runs July 1 to June 30, which is different than the city’s fiscal year.

Justification

To further fair housing and remove impediments to fair housing within the city.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS:

Comprehensive Plan-Provide city services and collaborate with outside agencies and the private sector to leverage additional services that reinforce the city's values.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

KEY MEASURES (Program year is July 1 to June 30)

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Education/Info Sessions	14	7	10	10	10	10	10	10	10	10	N/A

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	1,200	900	600	300	0	3,000
Total	1,200	900	600	300	0	3,000

Funding Sources	2017	2018	2019	2020	2021	Total
CDBG	1,200	900	600	300	0	3,000
Total	1,200	900	600	300	0	3,000

Budget Impact/Other

Typically, one percent of the city’s CDBG annual allocation is contributed to the Hennepin County Consortium. There is no staff time provided for this program, with the exception of review and feedback on information provided by the consortium and the Fair Housing Implementation Council.

It is expected that CDBG funds will be eliminated or restructured in the near future by the federal government. The program would be expected to end at about that time unless new funding is identified. For purposes of this report, it is assumed that the program will phase out by 2021.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project # Housing-05
Project Name Homes Within Reach



Type Program
Useful Life
Category Housing
Key Measures HWR units in Minnetonka
Key Measures

Department 1-Housing
Contact Community Development
Priority Yellow
Key Measures
Key Measures

Description

Homes Within Reach (also known as the West Hennepin Affordable Housing Land Trust) is a non-profit community land trust that creates and preserves affordable homeownership opportunities in suburban Hennepin County.

SCHEDULING AND PROJECT STATUS

This program is ongoing. Depending on the level of commitment by the city and other matching funds, Homes Within Reach anticipates adding one to two new permanently affordable owner-occupied units to the city each year.

Justification

In an effort to promote long-term affordable, scattered-site housing, while maximizing the cost-effectiveness of public investment, the community land trust model was presented as a tool in 2000 to help the city increase its amount of long-term affordable housing.

The Homes Within Reach program provides single-family, permanently affordable, homeownership opportunities to those at 80% AMI or less. Minnetonka's funds will be used to leverage and match other county, regional, and state funds.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Creating partnerships with other agencies to ensure the longevity of affordable housing.

Strategic Plan-Initiate programs and policies to broaden housing choices to meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Total HWR units in Mtka	46	48	51	53	54	56	57	58	59	59	59

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	100,000	100,000	100,000	25,000	25,000	350,000
Total	100,000	100,000	100,000	25,000	25,000	350,000

Funding Sources	2017	2018	2019	2020	2021	Total
HRA Levy		100,000	100,000	25,000	25,000	250,000
Livable Communities Fund	100,000					100,000
Total	100,000	100,000	100,000	25,000	25,000	350,000

Budget Impact/Other

Homes Within Reach requests funding through the non-profit funding process each year. Growth in long term affordable units is important, but there should be some adjustment to the city's commitment to ensure it is sustainable. The 2016 funding amount is \$225,000. After 2017 the livable communities account is no longer available.

An EDAC subcommittee met in 2014 and recommended that HWR funding be decreased starting in 2017, until just an annual maintenance fee is collected beginning in 2020 to assist with ongoing maintenance and operations.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project # Housing-07
Project Name Minnetonka Heights



Type Program
Useful Life N/A
Category Housing
Key Measures Individuals Assisted
Key Measures

Department 1-Housing
Contact Community Development
Priority Red
Key Measures
Key Measures

Description

Minnetonka Heights is a 172 affordable unit apartment building, owned and operated by Legacy Management. The program assists in funding on-site programming to youth and adult residents, which is currently run by the Ridgedale YMCA.

SCHEDULING AND PROJECT STATUS

This is an ongoing program; however, city funds for this program are scheduled to end in 2017

Justification

Minnetonka Heights provides housing for those at 30% to 50% AMI.

In 2000, after realizing many of the low-income and immigrant families at Minnetonka Heights were not economically thriving, the city worked with the Ridgedale YMCA to connect residents to community resources and provide other on-site programming. The city's funds are used to support programming for both youth and adults. Minnetonka's funds are also used to leverage other private/foundation/in-kind funds.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Promote new affordable rental housing and encourage diversity in the types, sizes and prices of housing units.
 Strategic Plan-Initiate programs and policies to broaden housing choices to meet the needs of our aging population and attract young residents.

KEY MEASURES

	2010	2011	2012	2013	2014	2015 (est)	2016	2017	2018	2019	2020
Individuals Assisted	525	500	303	315	320	325	325	N/A	N/A	N/A	N/A
Total Population	600	600	600	600	600	600	600	N/A	N/A	N/A	N/A

Additional program benefits can be found in the organization's submission for non-profit funding.

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2017	2018	2019	2020	2021	Total
Unfunded	0	0	0	0	0	0
Total	0	0	0	0	0	0

Budget Impact/Other

Minnetonka Heights requests funding through the non-profit funding process each year. The funding for 2016 is \$5,000.

After 2016, the Livable Communities Account is no longer available for funding this program. The staff running the Minnetonka Heights program have been informed of this.

City of Minnetonka, Minnesota

Project #	Housing-08
Project Name	Minnetonka Home Enhancement



Type	Program	Department	1-Housing
Useful Life	N/A	Contact	Community Development
Category	Housing	Priority	Yellow
Key Measures	Loans Made	Key Measures	
Key Measures	Loans Defaulted	Key Measures	

Description

The Minnetonka Home Enhancement program (MHEP) offers up to \$15,000 through a low-interest loan for housing maintenance, repair, green investments, and some additions.

SCHEDULING AND PROJECT STATUS
The program began June 2011. This is an ongoing program.

Justification

Minnetonka’s housing stock is aging. Nearly two-thirds of the city’s homes were built between 1950 and 1970, and over 75% of the housing stock is 30 years or older. Many of these homes now need repairs for windows, roofs, and heating systems. The MHEP targets households up to 120% area median income with loans for rehabilitation and other housing maintenance activities. A marketing plan was developed in 2013.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Promote housing maintenance programs to improve the livability of residential dwelling units in a cost effective manner.
Strategic Plan-Initiate programs/policies to broaden housing choices to meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Pre-Apps Received	16	6	39	62	15	30	50	60	60	60	60
Pre-Apps Qualified	12	2	36	55	7	20	30	55	55	55	55
Loans Made	0	0	4	8	5	10	10	10	10	10	10
Loans Defaulted	0	0	0	0	0	0	0	0	0	0	0

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2017	2018	2019	2020	2021	Total
HRA Levy	0	0	0	0	0	0
Total	0	0	0	0	0	0

Budget Impact/Other

The city contracts with the Greater Metropolitan Housing Corporation (GMHC) to administer the Minnetonka Home Enhancement Program for a 10% administrative fee. There is staff time associated with an initial pre-application, program marketing and answering questions.

Due to the slow uptake and lowering the interest rate to 1%, it's unlikely that this program will become self-sustaining. While there were loan paybacks put back into the program, another \$75,000 was added in 2016 (split with the Welcome to Minnetonka program) to continue to make new loans. Project funding amounts may change as a sliding scale approach is used with this and the Welcome to Minnetonka program to allow flexibility to meet demands of the programs. Since there is a fund balance in the program from previous years allocations, the expenditures and sources are shown as zero above until the funds are used. Staff will be reviewing the program guidelines over the next year to determine if any changes need to be made.

Economic Improvement Program

2017 thru 2021

City of Minnetonka, Minnesota

Project #	Housing-09
Project Name	Owner-Occupied Rehabilitation Program



Type	Program	Department	1-Housing
Useful Life	N/A	Contact	Community Development
Category	Housing	Priority	Red
Key Measures	Households Assisted	Key Measures	
Key Measures		Key Measures	

Description

The Owner-Occupied Housing Rehab Program provides no-interest, deferred loans up to \$20,000. The loans are available to homeowners that wish to make major repairs. The loan is forgiven if the owner remains in their home for ten years after improvements are made.

SCHEDULING AND PROJECT STATUS
 This is an ongoing program. New applications are not solicited and instead used for emergencies and nuisance issues. The CDBG program year runs July 1 to June 30, which is different than the city's fiscal year.

Justification

Households up to 80% area median income qualify for the owner-occupied housing rehab program, which allows for housing repairs, maintenance, and accessibility. Lead-based paint removal must be addressed under this program if project costs exceed \$5000.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Promote housing maintenance programs that improve the livability of existing residential dwelling units in a cost effective manner.

Strategic Plan-Initiate programs and policies to broaden housing choices to meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016(est)	2017	2018	2019	2020
Households Assisted	6	2	4	4	1	1	1	N/A	N/A	N/A

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2017	2018	2019	2020	2021	Total
CDBG	0	0	0	0	0	0
Total	0	0	0	0	0	0

Budget Impact/Other

Staff oversees the entire program from application to the rehabilitation to the loan document signing once the project is complete. Hours spent per client is dependent upon the project complexity. Administrative funds are taken from the overall CDBG program administration.

With the decline in CDBG funds, minimal loan paybacks and requirements for lead based paint removal, more focus has been placed on the Small Projects Program. A small amount of funds were allocated in the 2014 CDBG budget, otherwise all projects assisted through this program are using previously allocated funds, hence the program cost of \$0. The fund balance is less than \$20,000

It is expected that CDBG funds will be eliminated or restructured in the near future by the federal government.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	Housing-10
Project Name	Public Services



Type	Program	Department	1-Housing
Useful Life	N/A	Contact	Community Development
Category	Housing	Priority	Yellow
Key Measures	Individuals Assisted	Key Measures	
Key Measures		Key Measures	

Description

Up to 15 percent of the city’s Community Development Block Grant funds can be used to fund public services (non-profits). The public service agencies programs’ must meet one of the three CDBG national objectives.

SCHEDULING AND PROJECT STATUS

Public services funded by CDBG funds are selected during the non-profit funding review completed by the EDAC each October. Projects then commence in July the following year. The CDBG program year runs July 1 to June 30, which is different than the city’s fiscal year.

Justification

Public Service agencies provide a number of services, such as foreclosure prevention, information and referral, and senior homemaking services. Clients must be Minnetonka residents at 80% of area median income or less.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Provide city services and collaborate with outside agencies and the private sector to leverage additional services that reinforce the city's values.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Individuals Assisted	1228	1168	1089	609	696	501	550	550	550	550	N/A

*Due to changes in programs funded (as determined by the recipients), there is a drop in the individuals assisted.

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	15,000	12,000	10,000	8,000	0	45,000
Total	15,000	12,000	10,000	8,000	0	45,000

Funding Sources	2017	2018	2019	2020	2021	Total
CDBG	15,000	12,000	10,000	8,000	0	45,000
Total	15,000	12,000	10,000	8,000	0	45,000

Budget Impact/Other

The funding is provided to the public service agencies to carry out the programs. Staff time is involved in payment requests and requesting reimbursement. Periodically, monitoring is completed on these agencies to make sure that they are meeting all CDBG criteria. City staff time to administer this program is taken out of the overall CDBG program administration.

In 2016 the following programs are being assisted: Community Action Partnership of Suburban Hennepin, ICA Housing & More program, ResourceWest, TreeHouse and Senior Community Services H.O.M.E. program.

It is expected that CDBG funds will be eliminated or restructured in the near future by the federal government. For purposes of this report, we assume phaseout of the program by 2021.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project # Housing-11
Project Name Tax-Exempt Financing/Conduit Debt Projects



Type Program	Department 1-Housing
Useful Life N/A	Contact Community Development
Category Housing	Priority Green
Key Measures Projects Assisted	Key Measures Housing Projects Assisted
Key Measures Businesses Assisted	Key Measures Projects Considered

Description

Cities, under State Statute Sections 469.152 to 469.165 and Chapter 462C, have the authority to issue tax exempt financing for industrial development, health care facilities and multi-family housing. In 1984 the city council adopted a council policy to guide the city in requests. A revised council policy was adopted in 2015. Examples of projects include St. Davids Center building updates and acquisition for a new charter school. Host approval can also be given for projects where financing is issued by another city (example: Hammer Residences).

SCHEDULING AND PROJECT STATUS

Projects are reviewed to determine if they meeting council policy guidelines and if the city has enough annual financing available. Projects are then brought forward after this review.

Justification

To attract/promote economically sound industry, commerce, and health care, as well as for housing projects for low/moderate income and elderly persons. Tax exempt financing is used on a selective basis to encourage development offering a benefit to the city as a whole.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-

- Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.
- Facilitate connections between local businesses and programs that provide incentives and assistance for business retention and recruitment.

Strategic Plan-

- Initiating programs and policies that broaden housing choices to meet both the needs of our aging population and attract young residents.
- Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Projects Considered	2	1	0	2	2	2	2	2	2	1	2
Projects Implemented	1	1	0	2	2	2	1	1	1	1	2
Business projects	1	1	0	1	2	0	1	0	0	1	0
Housing projects	0	0	0	1	0	2	1	1	1	0	0

Expenditures	2017	2018	2019	2020	2021	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2017	2018	2019	2020	2021	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Budget Impact/Other

Work on Tax Exempt Financing projects is completed by the city's legal counsel and financial consultants. Application (\$3500) and administrative fees (1/8 of 1% of financing amount) cover the city's expenses, and most often, ending in positive income for the city.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project # Housing-12
Project Name Affordable Housing via TIF Pooling



Type Construction **Department** 1-Housing
Useful Life N/A **Contact** Community Development
Category Housing **Priority** Green
Key Measures Affordable Units Created **Key Measures** Projects Considered
Key Measures Projects Assisted **Key Measures**

Description

TIF pooling is a way, under state statute, to use excess tax increment dollars from a district to invest in affordable housing projects in other areas of the city.

SCHEDULING AND PROJECT STATUS

The dollars must be expended by 2021. It is expected that a majority of the funds will be used in 2016-2019 in connection to LRT related projects.

The Ridge was the first project funded (2012) with \$1,025,000 in funds. Another \$500,000 is proposed to be used in the Music Barn project on Shady Oak Road.

Justification

Pooling allows a percentage (35%) of the total increment generated by the district over its entire life to be used for tax credit eligible housing projects anywhere in the city. Depending on property values over the remaining 12 years of the district, the pooling dollars available during this time frame are estimated to be \$8.025 million. These funds are required to be spent according to an amended TIF plan, which can take place as projects are proposed.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Continue working with developers to include affordable housing in their developments, where appropriate.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

KEY MEASURES

	2010	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Projects Considered	N/A	1	1	0	1	0	1	2	1	1	1	1
Projects Assisted	N/A	0	1	0	0	0	1	2	0	1	1	1
Affordable Units	N/A	0	52	0	0	0	27	64	0	45	40	30

Expenditures	2017	2018	2019	2020	2021	Total
Other	2,000,000		1,500,000	1,103,802	1,300,000	5,903,802
Total	2,000,000		1,500,000	1,103,802	1,300,000	5,903,802

Funding Sources	2017	2018	2019	2020	2021	Total
TIF Pooling	2,000,000		1,500,000	1,103,802	1,300,000	5,903,802
Total	2,000,000		1,500,000	1,103,802	1,300,000	5,903,802

Budget Impact/Other

The use of pooling dollars does not affect staffing. If pooling dollars are not used, the dollars return to the appropriate taxing jurisdictions.

The funds are coming from the Boulevard Gardens TIF district.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	Housing-13
Project Name	Welcome to Minnetonka Loan Program



Type	Program	Department	1-Housing
Useful Life	N/A	Contact	Community Development
Category	Housing	Priority	Yellow
Key Measures	Loans Made	Key Measures	
Key Measures	Loans Defaulted	Key Measures	

Description

The Welcome to Minnetonka program provides up to \$10,000 through a low-interest loan for downpayment and closing cost assistance. The Greater Metropolitan Housing Corporation administers the program.

SCHEDULING AND PROJECT STATUS

The program began June 2011. This is an ongoing program.

Justification

The Welcome to Minnetonka program targets first time homebuyer households up to 120% area median income with downpayment and closing cost assistance. Those participating in the program provide at least 25% of the total costs. A marketing plan was developed in 2013.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Provide services that support residents to maintain attractiveness as a balanced community that is economically diverse. Strategic Plan-Initiate programs/policies to broaden housing choices to meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Pre-Apps Received	12	9	7	4	2	5	5	5	5	5	5
Pre-Apps Moved Forward	2	1	1	1	2	1	1	1	1	1	1
Loans Made	1	1	1	1	1	1	1	1	1	1	1
Loans Defaulted	0	0	0	0	0	0	0	0	0	0	0

*While pre-applications can be received at any time, a full application cannot be sent until a purchase agreement is signed.

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2017	2018	2019	2020	2021	Total
HRA Levy	0	0	0	0	0	0
Total	0	0	0	0	0	0

Budget Impact/Other

The city contracts with the Greater Metropolitan Housing Corporation (GMHC) to administer the Welcome to Minnetonka program on behalf of the city for a 10% administrative fee. There is staff time associated with an initial pre-application, program marketing, and questions.

Due to the slow uptake and lowering the interest rate to 1%, it's unlikely that this program will become self-sustaining. While there were loan paybacks put back into the program, another \$75,000 was added in 2016 (split with the Minnetonka Home Enhancement Program) to continue to make new loans. Funding amounts may change as a sliding scale approach is used with this program and the Minnetonka Home Enhancement program to allow flexibility to meet demands. Since there is a fund balance in the program from previous years allocations, the expenditures and sources are shown as zero above until the funds are used. Staff will be reviewing the program guidelines over the next year to determine if any changes need to be made.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	Housing-14
Project Name	Employer-Assisted Housing

Type	Conceptual	Department	1-Housing
Useful Life	N/A	Contact	Community Development
Category	Housing	Priority	n/a
Key Measures	Households Assisted	Key Measures	
Key Measures		Key Measures	

Description

Employer assisted housing programs can take many different forms; however, generally it focuses on local businesses and how to create housing opportunities within the city for their employees. The program requires business support.

SCHEDULING AND PROJECT STATUS

This is a new concept that has not yet been explored or developed by city staff; however, the SWLRT Community Works project, as part of their housing strategy has recommended collaboration with local employers on new housing opportunities.

Justification

The Opportunity City Pilot Program and a University of Minnesota Resilient Communities Program student project recommended exploring opportunities to collaborate with businesses to better understand housing needs and evaluate links between employment wages and housing values.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Support existing businesses and collaborate with businesses to determine services, employee housing and transportation needs.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Households Assisted	N/A	N/A	N/A	N/A	N/A	N/A	N/A				

Expenditures	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Funding Sources	2017	2018	2019	2020	2021	Total
Unfunded	0					0
Total	0					0

Budget Impact/Other

There will need to be staff time committed to learning more about different aspects of a program such as this. There is no funding source at this time to fund the program.

The SWLRT Community Works Housing Strategy developed objectives with one being developing new housing opportunities. One of the ways identified was working with employers along the line to help fund new housing.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project # Housing-15
Project Name Next Generation Program



Type Conceptual
Useful Life N/A
Category Housing
Key Measures Households Assisted
Key Measures

Department 1-Housing
Contact Community Development
Priority n/a
Key Measures
Key Measures

Description

A next generation program would purchase homes from seniors, perform rehabilitation as necessary, and sell on the market as affordable units.

SCHEDULING AND PROJECT STATUS

This is a new concept that has not yet been explored or developed. Initial council feedback has suggested that this program target a different audience such as those at 80 to 110% AML.

Justification

As the city's population ages, more seniors will be looking for alternative housing options to the single-family home. This program would assist seniors in the sale of their home, perform any deferred rehabilitation, and then assist young families by selling them at an affordable price.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Support existing businesses and collaborate with businesses to determine services, employee housing and transportation needs.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

KEY MEASURES

	2010	2011	2012	2013	2014	2015 (est)	2016	2017	2018	2019	2020
Households Assisted	N/A	N/A	N/A	N/A	N/A	N/A					

Expenditures	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Funding Sources	2017	2018	2019	2020	2021	Total
Unfunded	0					0
Total	0					0

Budget Impact/Other

There will need to be staff time committed to learning more about different aspects of a program such as this. There is no funding source at this time to fund the program.



BUSINESS



MINNETONKA ECONOMIC IMPROVEMENT PROGRAM

BUSINESS CHAPTER SUMMARY

Projects that support existing business retention and expansion, attract new businesses, and allow the city to remain economically competitive.

For the 2017-2021 Economic Improvement Program, there are nine business programs, and another two under conceptual review.

- The total five-year estimated cost of the programs is \$1,600,000.

Program	2017	2018	2019	2020	2021	5-Year Total
Fire Sprinkler Retrofit	\$0	\$0	\$50,000	\$0	\$0	\$50,000
Pass-Through Grants	200,000	200,000	200,000	0	200,000	\$800,000
CommonBond/Ind Rev	0	0	0	0	0	\$0
GreaterMSP	25,000	25,000	25,000	25,000	25,000	\$125,000
MIF/JCF	0	500,000	0	0	0	\$500,000
Open to Business	15,000	15,000	15,000	15,000	15,000	\$75,000
Outreach	0	25,000	0	25,000	0	\$50,000
PACE	0	0	0	0	0	\$0
EDIF	0	0	0	0	0	\$0
TwinWest	3,000	3,000	3,000	3,000	3,000	\$15,000
	\$243,000	\$768,000	\$293,000	\$68,000	\$243,000	\$1,615,000

Conceptual Programs

Economic Gardening	\$0
Special Service Districts	\$0

Programs in green=funding/program is expected to continue

Programs in yellow=funding/program is uncertain for a number of reasons

Programs in red=funding/program is ending

- Several programs, such as the Grants, Common Bond fund, and Minnesota Investment Fund are inter-agency/consortium efforts that have funding sources that originate from other agencies, flow through the city, and then go to the business.
- The city's role in business development in the past was more reactive, typically responding only when requested to do so. In more recent years, the city has been slowly investing in more programs for businesses, such as the Minnesota Community Capital Fund (which is no longer operating) and the Open to Business programs.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project # Business-01
Project Name Fire Sprinkler Retrofit



Type Construction **Department** 2-Business
Useful Life N/A **Contact** Community Development
Category Business **Priority** Yellow
Key Measures Buildings Assisted **Key Measures**
Key Measures **Key Measures**

Description

Minnesota law (State Statute 429) gives cities the authority to specially assess the cost of installing fire sprinkler systems for existing buildings. The City Council adopted Council Policy 5.2 in 1986 setting criteria for the use of this authority.

SCHEDULING AND PROJECT STATUS
 This program is ongoing, and use of this program is made by property owner petition. It was last used in 2006; however, there are a few inquiries every year.

Justification

The fire sprinkler retrofit program is intended to assist in the public safety and protection of commercial buildings.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Enhance personal and business safety.
 Strategic Plan-Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Businesses Assisted	0	0	0	0	0	1	0	0	1	0	0

Expenditures	2017	2018	2019	2020	2021	Total
Construction/Maintenance	0	0	50,000	0	0	50,000
Total	0	0	50,000	0	0	50,000

Funding Sources	2017	2018	2019	2020	2021	Total
Special Assessment Construction Fund	0	0	50,000	0	0	50,000
Total	0	0	50,000	0	0	50,000

Budget Impact/Other

Special assessments cannot last more than 10 years. The risk with this program is for the assessment to be paid back on the intended schedule. These dollars are financed through the special assessment fund.

There is some limited staff time involved once the petition is received and for the assessment.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	Business-02
Project Name	Grants



Type Program	Department 2-Business
Useful Life	Contact Community Development
Category Business	Priority Green
Key Measures Projects Assisted	Key Measures Housing Projects Assisted
Key Measures Businesses Assisted	Key Measures Housing Units Assisted

Description

Grants are available from county and regional agencies to facilitate development, redevelopment, housing, and environmental cleanup.

SCHEDULING AND PROJECT STATUS
 Grants are dependent upon the types of projects occurring. Most grants require the funds to be spent within three years of award.

Justification

Grant opportunities assist in filling gaps in the financing of complex development, redevelopment, housing, and environmental cleanup projects. Most programs require the city to serve as the grant applicant, meaning that even if the developer/others apply for the grant, that it is to be awarded to the city, which then passes on the funds to the project.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-
 -Ensure the longevity of affordable housing through city programs and partnerships with other public, non-profit, and private entities.
 -Facilitate connections between local businesses and programs that provide incentives/assistance for business retention and recruitment.

Strategic Plan-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment, and public activities.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Projects Assisted	2	3	1	0	1	1	1	1	1	0	1
Business projects	2	2	1	0	0	1	0	0	1	0	0
Housing projects	0	1	0	0	1	0	1	1	0	0	1
Housing units	0	64	0	0	30	0	45	60	0	0	60

*Note: some of the projects are counted in more than one year.

Expenditures	2017	2018	2019	2020	2021	Total
Other	200,000	200,000	200,000	0	200,000	800,000
Total	200,000	200,000	200,000	0	200,000	800,000

Funding Sources	2017	2018	2019	2020	2021	Total
Development Fund	200,000	200,000	200,000	0	200,000	800,000
Total	200,000	200,000	200,000	0	200,000	800,000

Budget Impact/Other

If the city is the applicant, there is staff time to prepare the grant application, administer the grant and grant-funded activities, as well as any follow-up audits and paperwork generally required by most programs.

For pass-through grants, the staff is the facilitator in requesting the funds. The funds indicated are potential sources depending upon requests.

Economic Improvement Program

2017 thru 2021

City of Minnetonka, Minnesota

Project #	Business-03
Project Name	Common Bond/Industrial Revenue Bond

Type	Program	Department	2-Business
Useful Life	N/A	Contact	Community Development
Category	Business	Priority	Yellow
Key Measures	Businesses Assisted	Key Measures	
Key Measures	Business Contacts	Key Measures	

Description

The Common Bond fund and Industrial Revenue Bonds are sources of funding for industrial/manufacturing businesses that are expanding or relocating.

SCHEDULING AND PROJECT STATUS
 There have been no previous projects, nor are any contemplated at this time. The city has previously used Industrial Revenue Bonds by giving host approval to another city to issue the bonds. The Common Bond fund, which is applied for and administered through the City of Minneapolis/Hennepin County has been explored by several Minnetonka businesses, but none have moved forward.

Justification

This program is to assist those manufacturing/industrial businesses with funding support for land acquisition, new facility construction, additions, renovations, and purchase of production equipment.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.

Strategic Plan-Support business retention and expansion and attract new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Business Contacts	0	0	0	0	0	0	0	1	0	0	0
Businesses Assisted	0	0	0	0	0	0	0	0	0	0	0

Expenditures	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Funding Sources	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Budget Impact/Other

There is minimal staff work involved with either of these programs. The Common Bond fund is administered through a Hennepin County/City of Minneapolis partnership, but requires city council approval. All Industrial Revenue Bonds require city council approval.

No funds flow through the city for the Common Bond fund.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project # Business-04
Project Name GreaterMSP



Type Program
Useful Life N/A
Category Business
Key Measures Business Contacts
Key Measures

Department 2-Business
Contact Community Development
Priority Green
Key Measures
Key Measures

Description

GreaterMSP is the regional economic development organization for the Twin Cities metropolitan area. They partner to help provide a vision and agenda for regional economic development as well as to brand and market the region. GreaterMSP offers services in business retention and expansion, data tools and research, manufacturing assistance, small business assistance, and technology assistance.

SCHEDULING AND PROJECT STATUS

This is an on-going program. The city became a member in 2013.

Justification

Greater MSP is an economic development tool for Minnetonka's current and future businesses, and provides resources and connections that have not been previously available.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.

Strategic Plan-Support business retention and expansion and attracting new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Business Projects	0	1	1	0	4	2	2	2	2	1	1
Media Headlines	N/A	N/A	N/A	32	25	35	35	40	40	40	40

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	25,000	25,000	25,000	25,000	25,000	125,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Funding Sources	2017	2018	2019	2020	2021	Total
Development Fund	25,000	25,000	25,000	25,000	25,000	125,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Budget Impact/Other

Public Sector memberships are for a three year, \$25,000 per year commitment, which would be reviewed annually with the city budget for renewal. At the end of 2015, the city will need to review its membership and determine whether to continue.

The city became a member in 2013 for an initial three-year period.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	Business-06
Project Name	MIF/JCF Projects



Type	Program	Department	2-Business
Useful Life	N/A	Contact	Community Development
Category	Business	Priority	Yellow
Key Measures	Businesses Assisted	Key Measures	
Key Measures	Applications Submitted	Key Measures	

Description

The Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) are Department of Employment and Economic Development programs that provides funds to cities, who then loan the funds to businesses, to assist in expansion. The business is then required to create a minimum number of jobs at a certain wage level.

SCHEDULING AND PROJECT STATUS
 The city has received three MIF awards, one each for Cargill, Nestle and IMRIS. Two additional applications were submitted to DEED in late 2015 and early 2016. Those awards is expected to be made in 2016.

Justification

MIF is a business and economic development program, focusing on industrial, manufacturing, and technology related industries.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.

Strategic Plan-Support business retention and expansion and attract new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Applications Submitted	0	1	0	0	1	2	0	1	0	0	0
Businesses Assisted	0	0	0	1	0	3	0	1	0	0	0

Expenditures	2017	2018	2019	2020	2021	Total
Construction/Maintenance	0	500,000	0	0	0	500,000
Total	0	500,000	0	0	0	500,000

Funding Sources	2017	2018	2019	2020	2021	Total
Development Fund	0	500,000	0	0	0	500,000
Total	0	500,000	0	0	0	500,000

Budget Impact/Other

Application for the MIF program is a collaborative effort between the city and the business, with staff contributing approximately 80 hours of time per application. Staff must also assist in the distribution and repayment of funds, as well as reporting requirements.

Funding is dependent upon the state. A portion of the loan paid back by the business may be allowed to stay at the local level to facilitate business programs. All funds are reimbursement and show a net zero impact on the budget.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	Business-07
Project Name	Open to Business



Type	Program	Department	2-Business
Useful Life	N/A	Contact	Community Development
Category	Business	Priority	Green
Key Measures	Technical Assistance Hours	Key Measures	Loans Made
Key Measures	Businesses Assisted	Key Measures	

Description

The Minnetonka Open to Business program, in collaboration with the Metropolitan Consortium of Community Developers, provides one-on-one technical assistance customized to meet the needs of small businesses.

SCHEDULING AND PRORJECT STATUS

The program began in 2011 and is ongoing. The contract is reviewed on an annual basis.

Justification

The Open to Business program assists small business owners and potential entrepreneurs, while filling a need in business programming not available previously. Assistance is given in planning and organizing business ventures, financial management, marketing and regulatory compliance. A small loan fund is also available to access the capital to grow their business.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Provide services that support residents and businesses to maintain attractiveness as a balanced community that is economically diverse.

Strategic Plan-Support business retention and expansion and attract new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Businesses Assisted	45	24	32	38	36	42	45	47	49	50	50
Tech. Assist. Hours	140	95	218	168	125	150	160	175	175	175	175
Loans Made	1	1	6	2	1	3	4	4	4	4	4

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	15,000	15,000	15,000	15,000	15,000	75,000
Total	15,000	15,000	15,000	15,000	15,000	75,000

Funding Sources	2017	2018	2019	2020	2021	Total
Development Fund	15,000	15,000	15,000	15,000	15,000	75,000
Total	15,000	15,000	15,000	15,000	15,000	75,000

Budget Impact/Other

The Minnetonka Open to Business program is provided collaboratively with the MCCD. The MCCD provides the technical assistance, while the city assists in marketing the program. City staff spends approximately 40 hours per year with this program.

The funding for 2016 is \$7,500-half of the cost of the program due to an expected grant received from Hennepin County. While the city has received this same grant in previous years, this opportunity is not expected to continue.

The funding justification for this program came from the \$80,000 worth of funds returned from change in membership of the Twin Cities Community Capital Fund to the Minnesota Community Capital Fund. These funds will be exhausted by 2016, if the fee remains as is.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	Business-08
Project Name	Outreach

Type Program	Department 2-Business
Useful Life	Contact Community Development
Category Business	Priority Green
Key Measures Business Contacts	Key Measures
Key Measures	Key Measures

Description

Business outreach will take a more proactive approach in contacting businesses.

SCHEDULING AND PROJECT STATUS
 Staff is coordinating through "Sales Force", which is an online tool for cities, chambers and GreaterMSP to enter business contacts.

Justification

Business outreach in the past has been reactive to business needs. This outreach is another tool in creating a more proactive approach in supporting business retention and expansion.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Promote public involvement by residents and businesses, and actively communicate city values and services.
 Strategic Plan-Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Business Contacts	N/A	N/A	N/A	N/A	N/A	25	30	35	40	40	

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost		25,000		25,000		50,000
Total		25,000		25,000		50,000

Funding Sources	2017	2018	2019	2020	2021	Total
HRA Levy		25,000		25,000		50,000
Total		25,000		25,000		50,000

Budget Impact/Other

Funds are budgeted for a business survey or marketing to businesses.

Outreach will be coordinated with GreaterMSP and TwinWest Chamber.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	Business-09
Project Name	Property Assessed Clean Energy

Type	Program	Department	2-Business
Useful Life	N/A	Contact	Community Development
Category	Business	Priority	Green
Key Measures	Businesses Assisted	Key Measures	
Key Measures		Key Measures	

Description

In 2010, as part of the jobs bill, state legislation was passed that included provisions for the Property Assessed Clean Energy (PACE) program. PACE allows for the voluntary creation of programs by local governments to help businesses finance renewable energy and energy efficient improvements. The program is repaid by businesses through a special property tax assessment.

SCHEDULING AND PROJECT STATUS
 The City Council approved a Joint Powers Agreement with the St. Paul Port Authority (SPPA) in July 2014 to implement the PACE program in Minnetonka. Staff markets the program with commercial, office and multi-family property owners.

Justification

The legislation was adopted in 2010, and has been used by approximately 10 Minnesota communities. This program may help to provide another financing tool to the city's toolbox for local businesses.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan--Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.

Strategic Plan--Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Businesses Assisted	N/A	N/A	N/A	0	0	1	1	1	0	0	0

Expenditures	2017	2018	2019	2020	2021	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2017	2018	2019	2020	2021	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Budget Impact/Other

The funds for the PACE program come from the SPPA, therefore, the financing that will flow through the city's funds, both the special assessment revenue in from participants and payments out to SPPA, would simply appear as offsetting financial statements in the city's records. Delinquency by the participant will be handled like any other property tax obligation, where the amount due runs with the property.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	Business-10
Project Name	Economic Development Infrastructure Fund

Type	Program	Department	2-Business
Useful Life		Contact	Community Development
Category	Business	Priority	Green
Key Measures	Buildings Assisted	Key Measures	
Key Measures		Key Measures	

Description

The Economic Development Infrastructure Fund is a new program offered by Hennepin County. Up to \$500,000 is available in grant funding to municipalities to support business recruitment and expansion through investments in infrastructure. Projects must be outside of priority transit corridors, such as the Green Line Extension.

SCHEDULING AND PROJECT STATUS.
This is a pilot program.

Justification

The Economic Development Infrastructure Fund will assist businesses that are new or expanding and have a financial need due to extraordinary costs such as demolition, site clearance, soil stabilization and utilities. The business must expend at least \$500,000 in property improvements and create at least 10 new permanent, full time jobs.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
Comprehensive Plan-In order to maintain and perhaps enhance its current economic vitality, the city in the future will need to consider and promote: business outreach and retention activities.

Strategic Plan-Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Businesses Assisted	N/A	N/A	N/A	N/A	N/A	0	1	0	0	0	

Expenditures	2017	2018	2019	2020	2021	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2017	2018	2019	2020	2021	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Budget Impact/Other

Staff time would be required to work with the business to apply for the program and to administer the funds. The city would be a pass through of the funds.

City of Minnetonka, Minnesota

Project #	Business-11
Project Name	TwinWest Chamber of Commerce



Type	Program	Department	2-Business
Useful Life		Contact	Community Development
Category	Business	Priority	Green
Key Measures	Minnetonka Businesses	Key Measures	
Key Measures		Key Measures	

Description

TwinWest is the local Chamber of Commerce.

SCHEDULING AND PROJECT STATUS
This is an ongoing program.

Justification

The city is a member of TwinWest, which allows the city to connect with area businesses. Additionally, TwinWest advocates for a number of issues which the city is involved with, such as Southwest LRT.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
Comprehensive Plan-Maintain a partnership with the TwinWest Chamber and collaborate with other agencies to recognize existing and new businesses.

Strategic Plan-Support business retention and expansion and attracting new businesses to help our private sector be economically competitive.

KEY MEASURES
2011 2012 2013 2014 2015 2016 (est) 2017 2018 2019 2020 2021
Minnetonka businesses

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	3,000	3,000	3,000	3,000	3,000	15,000
Total	3,000	3,000	3,000	3,000	3,000	15,000

Funding Sources	2017	2018	2019	2020	2021	Total
General Fund	3,000	3,000	3,000	3,000	3,000	15,000
Total	3,000	3,000	3,000	3,000	3,000	15,000

Budget Impact/Other

Memberships are renewed on an annual basis. There may be other fees associated with membership throughout the year in order to attend events hosted by the Chamber. TwinWest annually sponsors the Minnetonka State of the City event, held in February.

Economic Improvement Program

2017 thru 2021

City of Minnetonka, Minnesota

Project #	Business-12
Project Name	Economic Gardening



Type	Conceptual	Department	2-Business
Useful Life	N/A	Contact	Community Development
Category	Business	Priority	n/a
Key Measures	Businesses Assisted	Key Measures	
Key Measures		Key Measures	

Description

Hennepin County offers this program to assist medium size companies with growth potential.

SCHEDULING AND PROJECT STATUS

Originally, a pilot program, the Economic Gardening program is now a partnership between Hennepin, Anoka, Ramsey, Carver and Scott counties.

Justification

Hennepin County is offering this as part of a partnership to help high-growth / high potential Stage II companies grow faster and create more jobs by providing CEO peer mentoring, stage-specific content and referral to relevant service providers. Stage II is defined as: 10-99 employees, more than \$1M in revenue and having high-growth potential. There is no cost to the companies accepted for participation in the network.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-In order to maintain and perhaps enhance its current economic vitality, the city in the future will need to consider and promote: business outreach and retention activities.

Strategic Plan-Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Businesses Assisted	N/A	N/A	N/A	N/A	N/A	2	1	0	0	1	0

Expenditures	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Funding Sources	2017	2018	2019	2020	2021	Total
Unfunded	0					0
Total	0					0

Budget Impact/Other

The county is providing this service, but some of the 2015 and 2016 programs were held in the Minnetonka Community Center. If the program expands, cities may be asked to participate in the costs of the program.

City of Minnetonka, Minnesota

Project #	Business-13
Project Name	Special Service District

Type	Conceptual	Department	2-Business
Useful Life	N/A	Contact	Community Development
Category	Business	Priority	n/a
Key Measures	SSDs Established	Key Measures	
Key Measures		Key Measures	

Description

Minnesota law provides a mechanism termed Special Service District which allows cities to help arrange and finance a higher level of services, such as snow removal and lighting, for commercial and industrial properties.

SCHEDULING AND PROJECT STATUS

There are no areas in the city with a Special Service District at this time. This has been previously explored with the Minnetonka Boulevard/County Road 101 area. Must be initiated by property owners.

State legislation for Special Service Districts sunsets on June 30, 2028. A change to this legislation, to allow mixed use projects with a housing component as part of special service districts, is currently under review at the state legislature.

Justification

The special service district provides the opportunity for commercial and industrial properties to be charged a fee to pay for a service that is not provided as a part of city services or at a level higher than what is being provided.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Provide city services and collaborate with outside agencies and the private sector to leverage additional services that reinforce the city's values.

Strategic Plan-Support business retention and expansion and attract new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015 (est)	2016	2017	2018	2019	2020	2021
SSDs Established	0	0	0	0	0	0	0	1	0	0	0

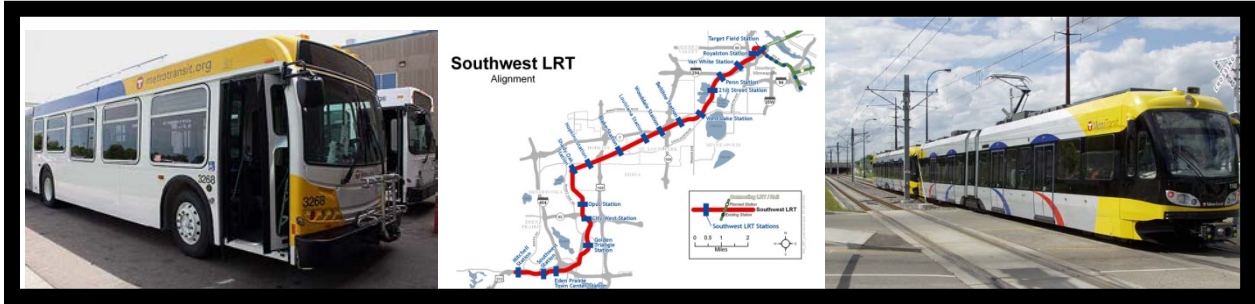
Expenditures	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Funding Sources	2017	2018	2019	2020	2021	Total
Development Fund	0					0
Total	0					0

Budget Impact/Other

Staff time is likely to be significant during the set up of the first special service district. There will be additional staff time needed annually to work with the businesses to determine the next year's fee. The costs for all administrative time can be incorporated into the fees assessed on the businesses.

Annually, there will be an outflow of funds to pay for the services, but they will all be recouped through assessments on the properties.



TRANSIT



MINNETONKA ECONOMIC IMPROVEMENT PROGRAM

TRANSIT CHAPTER SUMMARY

Projects which enhance resident mobility by pursuing opportunities and solutions to improve transit service.

The city's role in transit in the past has been minimal as Metro Transit has been the provider of the city and the region's transit system. In 2002, Minnetonka exercised its opt-out authority. It was determined at the time to be in the best interest of the city to have Metro Transit continue providing transit service for the community. In mid-2013 the city and Metro Transit had a renegotiated contract in place providing more detail and clarity on the roles and responsibilities for both the city and Metro Transit.

In recent years the city's role in transit has expanded as a more active participant in the city's opt-out status as well as preparing for the Southwest LRT (Green Line Extension) line.

- The total five-year estimated cost of the programs is \$60,000.

<i>Program</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>5-Year Total</i>
Commuter Services (494)	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$60,000
Transit Improvements	0	0	0	0	0	\$0
	<u>\$12,000</u>	<u>\$12,000</u>	<u>\$12,000</u>	<u>\$12,000</u>	<u>\$12,000</u>	<u>\$60,000</u>

Programs in green=funding/program is expected to continue

Programs in yellow=funding/program is uncertain for a number of reasons

Programs in red=funding/program is ending

- All facets of transit, such as commuting, bus/dial-a-ride, and Light Rail Transit (LRT), are included.
- The contract with Metro Transit for service will likely be extended in 2016 and renegotiated closer to opening day of LRT service.

City of Minnetonka, Minnesota

Project #	Transit-02
Project Name	Transit Improvements



Type	Program	Department	3-Transit
Useful Life	N/A	Contact	Community Development
Category	Transit	Priority	Green
Key Measures	Annual Bus Trips	Key Measures	
Key Measures		Key Measures	

Description

In 2002, Minnetonka exercised its opt-out authority and entered into an agreement for Metro Transit to continue to provide transit service in the city. The city has the ability, with notice, to terminate the current agreement.

SCHEDULING AND PROJECT STATUS

The Sector Study was completed December 2012 and suggested route changes from that study were implemented August 2013. The negotiation of a new Transit Cooperation Agreement was also completed in 2013, with a three-year term. The agreement will likely be temporarily extended while more detailed plans with the LRT are developed .

Justification

The service in Minnetonka has and continues to be focused on express route, peak service to downtown Minneapolis, with limited local and midday routes. Much of the transit design has to do with the low density of the city. The city may wish to retain some of its MVST money and provide more local service to better meet the needs of the community.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Encourage the expansion of multi-modal and transit services in the city with other government agencies to support resident and business transportation needs.

Strategic Plan-Pursue shared sub-regional transit solutions with neighboring communities to improve service within the area.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Annual Bus Trips	100,421	100,166	109,715	110,225	110,938	111,000	111,500	111,500	112,500	114,000	115,000

Expenditures	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Funding Sources	2017	2018	2019	2020	2021	Total
MVST Revenue	0					0
Total	0					0

Budget Impact/Other

Staff time of approximately 40 to 80 hours per year will be spent attending quarterly meetings, marketing, and consulting with Metro Transit staff.

Currently, the MVST revenues due to the city (~\$4.4 million) go directly to the Metropolitan Council for transit service.



DEVELOPMENT AND REDEVELOPMENT



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

DEVELOPMENT/REDEVELOPMENT CHAPTER SUMMARY

Activities that promote the vitality of the city through development and redevelopment.

For the 2017-2021 Economic Improvement Program, there are three development/redevelopment programs underway, and one additional program that is conceptual.

- The total five-year estimated cost of the programs is \$845,000.

Program	2017	2018	2019	2020	2021	5-Year Total
Predevelopment	\$45,000	\$50,000	\$50,000	\$50,000	\$50,000	\$245,000
Village Center/Comp Plan	75,000	75,000	75,000	0	0	\$225,000
LRT & Station areas	75,000	75,000	75,000	75,000	75,000	\$375,000
	\$195,000	\$200,000	\$200,000	\$125,000	\$125,000	\$845,000

Conceptual Programs

Strategic Marketing

\$0

Programs in green=funding/program is expected to continue

Programs in yellow=funding/program is uncertain for a number of reasons

Programs in red=funding/program is ending

- The Village Center studies, an outcome of the 2008 Comprehensive Plan update, are on hold while the Comprehensive Plan is updated.
- Some of the pass-through grants identified in the business chapter may be geared towards development/redevelopment activities.
- Costs may increase if the city wishes to take a more proactive role in development/redevelopment.
- The LRT page reflects the commitment by the city towards the LRT project. Additional programs may be needed to help implement station area plans in the Shady Oak and Opus station areas.

City of Minnetonka, Minnesota

Project # Dev/Redev-02
Project Name Village Center Studies and Comprehensive Plan



Type Program
Useful Life N/A
Category Develop/Redevelopment
Key Measures Village Centers Studied
Key Measures Comprehensive Plan update

Department 4-Development & Redevelopment
Contact Community Development
Priority Green
Key Measures
Key Measures

Description

The village center take a look at each of the city’s thirteen designated village centers and create a guide for redevelopment. The following village centers have been completed: Minnetonka Mills, Opus, Hwy 7/101, Shady Oak, Ridgedale, and some Glen Lake. No other village centers will be completed at this time due to the Comprehensive Plan update process beginning in 2016. Additional work may be completed after the update is completed.

Justification

The village center studies provide a guide to potential investors or developers to the organization of the property, general layout of building envelopes, and a defined range of uses. There is a strong emphasis on community engagement and realistic implementation strategies. The Comprehensive Plan is the city's policy framework to guide development, redevelopment and public services and programs for 30 years.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Guide development and redevelopment to ensure community vitality.

Strategic Plan-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment, and public activities.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Village Centers Studied	2	0	1	1	1	N/A	TBD	TBD	TBD	TBD	TBD

Expenditures	2017	2018	2019	2020	2021	Total
Planning/Design	0	0	0	75,000	75,000	150,000
Total	0	0	0	75,000	75,000	150,000

Funding Sources	2017	2018	2019	2020	2021	Total
HRA Levy	0	0	0	75,000	75,000	150,000
Total	0	0	0	75,000	75,000	150,000

Budget Impact/Other

While a consultant(s) is brought on to assist with the project, there is staff time spent on the village center studies to prepare contracts, review plans, facilitate ideas, prepare for public meetings and attend public meetings. This work can range from 1500-1750 hours per year.

There will be significant staff time when the Comprehensive Plan is updated.

City of Minnetonka, Minnesota

Project # Dev/Redev-03
Project Name LRT and LRT Station Area Development



Type Construction **Department** 4-Development & Redevelopment
Useful Life N/A **Contact** Community Development
Category Develop/Redevelopment **Priority** Green
Key Measures **Key Measures**
Key Measures **Key Measures**

Description

Minnetonka has actively been planning for LRT since the early 2000's. By late 2015 SWLRT design was at 60% design and work on the infrastructure around the station areas continues to be discussed and added to when possible. As the LRT project progresses from design to construction there is a desire for redevelopment to occur around the city's station areas to make a more transit oriented area.

Justification

It is anticipated that because of limited county, regional and state resources, as well as the competition for these resources, that in order to assist in facilitating redevelopment in the LRT station areas, the city will need to provide resources of its own. Resources that are available as of 2016 include:

Hennepin County	Regional (Met Council)	State
Capital infrastructure (streets, etc.)	LCDA-TOD fund	Transit Improvement Area (unfunded)
Transit Oriented Development fund	TBRA-TOD fund	Redevelopment grant
Community Works funds		Contamination Clean-Up and Investigation
Affordable housing incentive fund		Transportation Economic Development
Environmental Response fund		

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Encourage a greater density/intensity and mix of land uses where access is available and supported by regional transportation systems (such as LRT).

Strategic Plan-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment, and public activities.

KEY MEASURES
 TBD

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	75,000	75,000	75,000	75,000	75,000	375,000
Total	75,000	75,000	75,000	75,000	75,000	375,000

Funding Sources	2017	2018	2019	2020	2021	Total
HRA Levy	75,000	75,000	75,000	75,000	75,000	375,000
Total	75,000	75,000	75,000	75,000	75,000	375,000

Budget Impact/Other

In July 2015 the city committed \$2 million towards the LRT project. This is being initially funded through the Special Assessment Construction Fund. Partial payback will occur from HRA levy funds over a 10 year period for a total of \$750,000.

It is unknown what type of programs will need to be added and therefore additional budget impacts beyond the city's financial commitment to the LRT project are unknown. As programs are developed, staff time and future funding will need to be reviewed to determine a program's viability.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project # Dev/Redev-04
Project Name Strategic Marketing



Type Conceptual **Department** 4-Development & Redevelopment
Useful Life N/A **Contact** Community Development
Category Develop/Redevelopment **Priority** n/a
Key Measures **Key Measures**
Key Measures **Key Measures**

Description

Development of a marketing strategy to promote the city to current and future residents and businesses.

SCHEDULING AND PROJECT STATUS
 The first step--a market assessment was completed in 2014. A marketing plan will be developed in 2016 with existing funds.

Justification

Minnetonka is ideally located and in the past has been successful in attracting residents, as well as all types of businesses, including multi-national corporations without much need for promotion. As the economy changes and attracting residents and businesses becomes more competitive it may be necessary to develop a marketing strategy to better promote the city.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Provide regional leadership in promoting community facilities, programs and land uses that are diverse, inclusive, and supportive of residents and businesses.

Strategic Plan-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment, and public activities.

KEY MEASURES
 TBD

Expenditures	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Funding Sources	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Budget Impact/Other

Development of a marketing strategy will likely take significant time to develop--including time from both city staff and outside assistance. Funds were budgeted previously from the HRA Levy to begin the marketing project. Future funds will be determined once the marketing plan is completed.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project # Dev/Redev-05
Project Name City Owned Properties



Type Conceptual
Useful Life
Category Develop/Redevelopment
Key Measures
Key Measures

Department 4-Development & Redevelopme
Contact Community Development
Priority n/a
Key Measures
Key Measures

Description

The city owns scattered site residential and commercial properties. These properties have been purchased over the years for a variety of reasons.

SCHEDULING AND PROJECT STATUS

This is an on-going project.

Justification

The city-owned properties include:

- 4292 Oak Drive Lane (residential)
- 4312 Shady Oak Road (commercial)
- 5937 County Road 101 (residential)
- 5501 Baker Road (residential)
- 5432 Rowland Road (residential)
- 3441 Martha Lane (residential)

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Encourage a diversity of land uses within the city to ensure a broad range of housing and employment choice, shopping and other services for residents and businesses.

Strategic Plan-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment and public activities.

KEY MEASURES

TBD

Expenditures	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Funding Sources	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Budget Impact/Other

There is some staff time every year devoted to the upkeep on the properties; however, a property manager is hired for properties where there are tenants, lessening the staff time required.



TAX INCREMENT FINANCING



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

City of Minnetonka, Minnesota

Project # TIF-01
Project Name Development Agreement and TIF Administration



Type Program
Useful Life N/A
Category TIF
Key Measures TIF Districts
Key Measures

Department 5-TIF Districts
Contact Community Development
Priority Green
Key Measures
Key Measures

Description

Any time a TIF district is formed, a development agreement is prepared between the city and the developer. Administration for both the TIF and the development agreement, over the life of the TIF district, is required.

SCHEDULING AND PROJECT STATUS

Administration and review of the existing development agreements and TIF districts is ongoing until the projects expire.

New TIF districts are anticipated to be added as new redevelopment projects are proposed in anticipation of the LRT.

Justification

In some cases redevelopment projects need city assistance, such as in the form of Tax Increment Financing (TIF) in order for the project to be financially feasible. Anytime a TIF district is set-up there is a cost to the city for monitoring the project.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Encourage redevelopment projects that include mixed income housing, including affordable units, while balancing density and the preservation of natural resources.

Strategic Plan-

- Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.
- Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment and public activities.

KEY MEASURES

	2011	2012	2013	2014	2015	2016 (est)	2017	2018	2019	2020	2021
Active TIF Districts	4	4	4	4	6	6	6	6	7	7	6

Expenditures	2017	2018	2019	2020	2021	Total
Other	120,000	120,000	140,000	140,000	120,000	640,000
Total	120,000	120,000	140,000	140,000	120,000	640,000

Funding Sources	2017	2018	2019	2020	2021	Total
Development Fund	120,000	120,000	140,000	140,000	120,000	640,000
Total	120,000	120,000	140,000	140,000	120,000	640,000

Budget Impact/Other

Development agreements and TIF administration are staff led activities. The city regularly calls upon its financial consultants and legal counsel to assist in these matters. Staff time estimates are 520 hours.

Economic Improvement Program

2017 thru 2021

City of Minnetonka, Minnesota

Project #	TIF-02
Project Name	Beacon Hill TIF District



Type	Program	Department	5-TIF Districts
Useful Life	N/A	Contact	Community Development
Category	TIF	Priority	Yellow
Key Measures	Affordable Units	Key Measures	
Key Measures		Key Measures	

Description

The Beacon Hill TIF district is a housing district approved on February 14, 1994 to construct a senior living facility that includes both senior housing (110 units) and an assisted living component (42 units).

SCHEDULING AND PROJECT STATUS

This TIF district was approved in 1994 and will expire in 2021.

All of the original obligations were paid on the district by 2009. At that time though the EDA modified the district at that time to keep it open in order to keep the affordability in some of the units. With the revised contract stipulates the city extended the assistance for affordability, but reduces the percent of increment paid to the development, 90% for five years (2015) and decreases by 10% every year until 2020.

Justification

The Beacon Hill TIF District was established to assist in the development of 152 total units, of which, 62 units are affordable to those at 60% AMI or less.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Affordable Units	62	62	62	62	62	62	62	62	62	62	N/A

Expenditures	2017	2018	2019	2020	2021	Total
Program Cost	0					0
Total	0					0

Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the December 2014 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	TIF-03
Project Name	Boulevard Gardens TIF District



Type	Program	Department	5-TIF Districts
Useful Life	N/A	Contact	Community Development
Category	TIF	Priority	Green
Key Measures	Affordable Units	Key Measures	
Key Measures		Key Measures	

Description

The Boulevard Gardens TIF district was adopted December 11, 1995 to facilitate the redevelopment and affordable housing built at West Ridge Market, beginning in 1996. Over 500 housing units were created with over 200 of those units as affordable ownership and rental. West Ridge Market was one of the very first Metropolitan Council Livable Communities Demonstration projects.

SCHEDULING AND PROJECT STATUS
 This TIF district was approved in 1995, and will expire in 2022. The developer's note was paid in full in 2011. The housing affordability, set at 30 years, will expire between 2025 and 2027 depending on the component.

In 2010 a TIF plan modification was made using the "Jobs Bill" legislation to allow for special TIF pooling for affordable housing as well as \$100,000 to pay for the utility costs associated with the construction of The Glenn by St. Therese in the Glenhaven TIF District.

Justification

The development agreement expired with the final TIF payment in 2011. This district has a maximum life of 26 years. The city could use the cash balance to pool for other redevelopment eligible projects in the city if the TIF plan and the project areas are modified.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Affordable Units	185	185	185	185	185	185	185	185	185	185	185

Expenditures	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the TIF district.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the December 2014 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project #	TIF-04
Project Name	Glenhaven TIF District



Type	Program	Department	5-TIF Districts
Useful Life	N/A	Contact	Community Development
Category	TIF	Priority	Green
Key Measures	Affordable Units	Key Measures	
Key Measures		Key Measures	

Description

The Glenhaven TIF district is a renewal and renovation district approved on January 23, 2006. Special legislation was granted to the city in 2009 to extend the duration of the district by seven years to December 31, 2029.

SCHEDULING AND PROJECT STATUS

This TIF district was approved in 2006 and will expire in 2029. The first two phases of the project--a mixed use apartment building with retail on the first floor and a senior housing rental community are completed. The third phase, originally planned as a condominium building, was recently changed and a 58-unit cooperative will be built on the site beginning in 2016.

TIF revenue bonds were issued in 2010 and have a lien on the current TIF revenues. Annually, after the bonds are paid, the excess increment will pay the city's \$500,000 interfund loan. Next, the developer's pay as you go note is paid, and once that is paid off, then the city will repay itself for costs associated with the Alano facility. Even with the third phase, it's not likely the developer's note or the city's costs with Alano will be repaid.

Justification

The Glenhaven TIF District was established to assist in the Glen Lake Redevelopment of housing and mixed use. There are 43 affordable units in the total development, affordable to those at 60% AMI or less.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.
Strategic Plan-

- Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.
- Actively promote the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment, and public activities.

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Affordable Units	13	13	13	43	43	43	43	43	43	43	43

Expenditures	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the TIF district. A portion of the tax increment is retained to cover administrative costs. More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the December 2014 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant.

City of Minnetonka, Minnesota

Project #	TIF-06
Project Name	Tonka on the Creek TIF District (The Overlook)



Type	Program	Department	5-TIF Districts
Useful Life	N/A	Contact	Community Development
Category	TIF	Priority	Green
Key Measures	Affordable Units	Key Measures	
Key Measures		Key Measures	

Description

The Tonka on the Creek TIF district is a housing district approved February 10, 2014. A 100-unit apartment building known as The Overlook, containing 20 affordable units, was constructed as part of the project.

SCHEDULING AND PROJECT STATUS

This TIF district was approved in 2014 and will end in 2042. Construction began in late 2014, and was completed in early 2016.

Justification

The Tonka on the Creek TIF District was established to assist in the development of an 100-unit apartment building, of which 20 units will be affordable to those at 50% AMI or less.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Affordable Units	N/A	N/A	N/A	N/A	N/A	20	20	20	20	20	20

Expenditures	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the December 2014 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant.

Economic Improvement Program

2017 *thru* 2021

City of Minnetonka, Minnesota

Project # TIF-08
Project Name Rowland Housing TIF District (At Home)



Type Program
Useful Life
Category TIF
Key Measures Affordable Units
Key Measures

Department 5-TIF Districts
Contact Community Development
Priority Green
Key Measures
Key Measures

Description

At Home apartments is proposing a 106-unit apartment building and is requesting TIF assistance through a housing TIF district. As proposed, 21 units will be made affordable to those at 50% AMI or less.

SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2015 and will end in 2043. Construction began in 2015 and will be completed in 2016.

Justification

This is a proposed TIF district where 21 of the 106 rental units will be made affordable to those at 50% AMI or less.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Affordable Units	N/A	N/A	N/A	N/A	N/A	21	21	21	21	21	21

Expenditures	2017	2018	2019	2020	2021	Total
Other	0					0
Total	0					0

Budget Impact/Other

Staff, with occasional consultant assistance, oversee the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.



TAX ABATEMENT



**MINNETONKA
ECONOMIC
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FUNDING SOURCES AND EXPENDITURE PROJECTIONS



**MINNETONKA
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PROGRAM**

FUND DESCRIPTIONS

Development Fund (2017 estimated beginning fund balance: \$2,689,829)

The Development Fund was created with funds remaining after retiring the bonds of a single Tax Increment Finance (TIF) district in 1993. Under provisions of the TIF contract and law, the Development Fund may only be used for costs associated with Minnetonka's redevelopment and economic development activities. The city's Economic Development Authority initiates projects appropriate to these activities.

Livable Communities Fund (2017 estimated beginning fund balance: \$270,456)

The Livable Communities fund was created after receiving special legislation to develop an account from the revenues of a closed Tax Increment Finance (TIF) district. The legislation specifically restricts the use of these funds for affordable housing programs. Standards for affordability are consistent with the Metropolitan Council's income, rent and sales price limits.

Community Development Block Grant (CDBG)

Since 1975, the Community Development Block Grant (CDBG) fund has accounted for revenues and expenditures made under the federal CDBG program. Minnetonka typically uses these funds for housing projects and programs (such as housing rehab, affordable housing, and supportive housing) and supportive services (such as senior chore programs, information and referral services and others).

HRA Levy

Minnesota Statutes 469.033, Subd. 6 authorizes housing and redevelopment authorities (HRAs) the power to levy a tax upon all property within its district to finance housing and redevelopment programs subject to the consent of the city council. In 1988 and amended in 1994 and 2010, the Minnetonka City Council established the Economic Development Authority (EDA) of the City of Minnetonka and transferred to the EDA the control, authority and operation of all projects and programs of the city's HRA. 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.

TIF Pooling (2017 estimated beginning fund balance: \$2,003,802)

Under the Minnesota Statutes Chapter 469, at least 75 percent of tax increment in a redevelopment tax increment financing (TIF) district must be spent on eligible activities within the district, leaving up to 25 percent of the funds to be pooled and therefore eligible to be spent outside of the district, but within the project area. An exception to the pooling funds is for affordable rental housing that meet federal housing tax credit guidelines. The city may choose to increase the pooling allowance to 35 percent, which can then go to finance certain affordable housing projects.

**SUMMARY TABLE
EIP 2017
Expenditures by Category & Fund**

Category	Program	Total	Fund						
			CDBG	Devpt Fund	HRA Levy	Livable Com Fund	TIF	TIF Pooling	Other
Housing:									
	CDBG Admin	\$ 8,000	8,000						
	Crown Ridge Adv Ctr	\$ -							
	Small Projects Program	\$ 100,000	100,000						
	Employer Assisted Hsg	\$ -							
	Fair Housing	\$ 1,200	1,200						
	Homes Within Reach	\$ 100,000			100,000				
	Housing Improvement Areas	\$ -							
	Minnetonka Heights	\$ -							
	Mtka Home Enhancement	\$ -							
	Owner Occup Rehab Pgm	\$ -							
	Public Services	\$ 15,000	15,000						
	Next Generation Pgm	\$ -							
	Tax Exempt Conduit Debt	\$ -							
	Affordable housing via TIF Pooling	\$ 2,000,000						2,000,000	
	Welcome to Minnetonka	\$ -							
	Subtotal	\$ 2,224,200	\$ 124,200	-	-	\$ 100,000	-	\$ 2,000,000	-
Business:									
	Economic Gardening	\$ -							
	Econ. Dev. Infrastructure	\$ -							
	Fire Sprinkler Retrofit	\$ -							
	Common Bond/Ind Rev	\$ -							
	Pass-Through Grants	\$ 200,000		200,000					
	GreaterMSP	\$ 25,000		25,000					
	MN Investment Fund	\$ -							
	Open to Business	\$ 15,000		15,000					
	Outreach	\$ -							
	PACE	\$ -							
	Special Service Districts	\$ -							
	TwinWest	\$ 3,000							3,000
	Subtotal	\$ 243,000	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000
Transit:									
	Commuter Services	\$ 12,000							12,000
	Transit Improvments	\$ -							
	Subtotal	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000
Devpt & Redeopt:									
	Predevelopment	\$ 45,000		\$ 45,000					
	Village Center/Comp Plan	\$ 75,000			75,000				
	LRT and Station Area	\$ 75,000			75,000				
	Subtotal	\$ 195,000	\$ -	\$ 45,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -
TIF Districts:									
	Devpt Agmt & TIF Admin	\$ 120,000		\$ 120,000					
	Beacon Hill TIF District	\$ -							
	Blvd Gardens TIF District	\$ -							
	Glenhaven TIF District	\$ -							
	Mtka Mills TIF District	\$ -							
	Tonka on the Creek TIF District	\$ -							
	Subtotal	\$ 120,000	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Abatement:									
	Ridgedale	\$ -							
	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTALS		\$ 2,794,200	\$ 124,200	\$ 405,000	\$ 150,000	\$ 100,000	\$ -	\$ 2,000,000	\$ 15,000

City of Minnetonka, Minnesota
Economic Improvement Program
 2017 thru 2026

SOURCES AND USES OF FUNDS

Source	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Development Fund											
Beginning Balance	2,689,829	2,789,229	2,131,329	2,270,829	2,410,329	2,319,829	2,524,329	2,528,829	2,533,329	2,537,829	
Revenues and Other Fund Sources											
<i>Revenue</i>											
Boulevard Gardens Returned Levy Proceeds	200,000	200,000	200,000	200,000	200,000	200,000	0	0	0	0	
Cedar Ridge Assessments	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	
Grants	200,000	200,000	200,000	0	200,000	0	0	0	0	0	
Interest Income	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
TIFAdmin Revenue	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Total	569,500	569,500	569,500	369,500	569,500	369,500	169,500	169,500	169,500	169,500	
No Funds	0	0	0	0	0	0	0	0	0	0	
Total	0	0	0	0	0	0	0	0	0	0	
Total Revenues and Other Fund Sources	569,500	569,500	569,500	369,500	569,500	369,500	169,500	169,500	169,500	169,500	
Total Funds Available	3,259,329	3,358,729	2,700,829	2,640,329	2,979,829	2,689,329	2,693,829	2,698,329	2,702,829	2,707,329	
Expenditures and Uses											
<i>Capital Projects & Equipment</i>											
<u>1-Housing</u>											
Housing Improvement Areas		<i>Housing-06</i>	0	(250,000)	0	0	(250,000)	0	0	0	0
Total	0	(250,000)	0	0	(250,000)	0	0	0	0	0	
<u>2-Business</u>											
Grants		<i>Business-02</i>	(200,000)	(200,000)	(200,000)	0	(200,000)	0	0	0	0

Source		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Development Fund											
GreaterMSP	<i>Business-04</i>	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	0	0	0	0	0
MIF/JCF Projects	<i>Business-06</i>	0	(500,000)	0	0	0	0	0	0	0	0
Open to Business	<i>Business-07</i>	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Special Service District	<i>Business-13</i>	0	0	0	0	0	0	0	0	0	0
	Total	(240,000)	(740,000)	(240,000)	(40,000)	(240,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
<u>4-Development & Redevelopment</u>											
Pre-Development	<i>Dev/Redev-01</i>	(45,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
	Total	(45,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
<u>5-TIF Districts</u>											
Development Agreement and TIF Administration	<i>TIF-01</i>	(120,000)	(120,000)	(140,000)	(140,000)	(120,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
	Total	(120,000)	(120,000)	(140,000)	(140,000)	(120,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
<i>Other Uses</i>											
Indirect Allocation (Transfers Out)		(65,100)	(67,400)	0	0	0	0	0	0	0	0
	Total	(65,100)	(67,400)	0	0	0	0	0	0	0	0
Total Expenditures and Uses		(470,100)	(1,227,400)	(430,000)	(230,000)	(660,000)	(165,000)	(165,000)	(165,000)	(165,000)	(165,000)
Change in Fund Balance		99,400	(657,900)	139,500	139,500	(90,500)	204,500	4,500	4,500	4,500	4,500
Ending Balance		2,789,229	2,131,329	2,270,829	2,410,329	2,319,829	2,524,329	2,528,829	2,533,329	2,537,829	2,542,329

City of Minnetonka, Minnesota
Economic Improvement Program
 2017 thru 2026

SOURCES AND USES OF FUNDS

Source	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Livable Communities Fund										
Beginning Balance	270,456	170,456	170,456	170,456	170,456	170,456	170,456	170,456	170,456	170,456
Revenues and Other Fund Sources										
<i>Revenue</i>										
Interest Income	0	0	0	0	0	0	0	0	0	0
<i>Total</i>	0	0	0	0	0	0	0	0	0	0
Total Revenues and Other Fund Sources	0	0	0	0	0	0	0	0	0	0
Total Funds Available	270,456	170,456	170,456	170,456	170,456	170,456	170,456	170,456	170,456	170,456
Expenditures and Uses										
<i>Capital Projects & Equipment</i>										
<i>1-Housing</i>										
Homes Within Reach	(100,000)	0	0	0	0	0	0	0	0	0
<i>Total</i>	(100,000)	0	0	0	0	0	0	0	0	0
Total Expenditures and Uses	(100,000)	0	0	0	0	0	0	0	0	0
Change in Fund Balance	(100,000)	0	0	0	0	0	0	0	0	0
Ending Balance	170,456	170,456	170,456	170,456	170,456	170,456	170,456	170,456	170,456	170,456

City of Minnetonka, Minnesota
Economic Improvement Program
 2017 thru 2026

SOURCES AND USES OF FUNDS

Source	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
CDBG										
Beginning Balance	0	0	0	0	0	0	0	0	0	0
<u>Revenues and Other Fund Sources</u>										
<i>Revenue</i>										
federal grant	114,200	88,900	44,600	20,300	0	0	0	0	0	0
program income	10,000	10,000	10,000	10,000	0	0	0	0	0	0
<i>Total</i>	124,200	98,900	54,600	30,300	0	0	0	0	0	0
Total Revenues and Other Fund Sources	124,200	98,900	54,600	30,300	0	0	0	0	0	0
Total Funds Available	124,200	98,900	54,600	30,300	0	0	0	0	0	0
<u>Expenditures and Uses</u>										
<i>Capital Projects & Equipment</i>										
<i>1-Housing</i>										
CDBG Administration <i>Housing-01</i>	(8,000)	(6,000)	(4,000)	(2,000)	0	0	0	0	0	0
Small Projects Program <i>Housing-03</i>	(100,000)	(80,000)	(40,000)	(20,000)	0	0	0	0	0	0
Fair Housing <i>Housing-04</i>	(1,200)	(900)	(600)	(300)	0	0	0	0	0	0
Owner-Occupied Rehabilitation Program <i>Housing-09</i>	0	0	0	0	0	0	0	0	0	0
Public Services <i>Housing-10</i>	(15,000)	(12,000)	(10,000)	(8,000)	0	0	0	0	0	0
<i>Total</i>	(124,200)	(98,900)	(54,600)	(30,300)	0	0	0	0	0	0
Total Expenditures and Uses	(124,200)	(98,900)	(54,600)	(30,300)	0	0	0	0	0	0

Source	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
CDBG										
Change in Fund Balance	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0

City of Minnetonka, Minnesota
Economic Improvement Program
 2017 thru 2026

SOURCES AND USES OF FUNDS

Source	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
HRA Levy										
Beginning Balance	0	87,000	24,000	(64,000)	(177,000)	(265,000)	(303,000)	(316,000)	(354,000)	(367,000)
Revenues and Other Fund Sources										
<i>Revenue</i>										
Ad Valorem Tax Levy	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Investment Interest	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Loan paybacks	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000
Total Revenues and Other Fund Sources	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000
Total Funds Available	187,000	274,000	211,000	123,000	10,000	(78,000)	(116,000)	(129,000)	(167,000)	(180,000)
Expenditures and Uses										
<i>Capital Projects & Equipment</i>										
<u>1-Housing</u>										
Homes Within Reach	<i>Housing-05</i>	0	(100,000)	(100,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Minnetonka Home Enhancement	<i>Housing-08</i>	0	0	0	0	0	0	0	0	0
Welcome to Minnetonka Loan Program	<i>Housing-13</i>	0	0	0	0	0	0	0	0	0
Total		0	(100,000)	(100,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
<u>2-Business</u>										
Outreach	<i>Business-08</i>	0	(25,000)	0	(25,000)	0	(25,000)	0	(25,000)	(25,000)
Total		0	(25,000)	0	(25,000)	0	(25,000)	0	(25,000)	(25,000)
<u>4-Development & Redevelopment</u>										
Village Center Studies and Comprehensive Plan	<i>Dev/Redev-02</i>	0	0	0	(75,000)	(75,000)	0	0	0	0

Source		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
HRA Levy											
LRT and LRT Station Area Development	<i>Dev/Redev-03</i>	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	0
Future HRA Levy projects	<i>Dev/Redev-06</i>	(25,000)	(50,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
	<i>Total</i>	(100,000)	(125,000)	(175,000)	(250,000)	(250,000)	(175,000)	(175,000)	(175,000)	(175,000)	(100,000)
Total Expenditures and Uses		(100,000)	(250,000)	(275,000)	(300,000)	(275,000)	(225,000)	(200,000)	(225,000)	(200,000)	(150,000)
Change in Fund Balance		87,000	(63,000)	(88,000)	(113,000)	(88,000)	(38,000)	(13,000)	(38,000)	(13,000)	37,000
Ending Balance		87,000	24,000	(64,000)	(177,000)	(265,000)	(303,000)	(316,000)	(354,000)	(367,000)	(330,000)

City of Minnetonka, Minnesota
Economic Improvement Program
 2017 thru 2026

SOURCES AND USES OF FUNDS

Source	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
TIF Pooling										
Beginning Balance	2,003,802	653,802	1,303,802	453,802	0	(650,000)	0	0	0	0
Revenues and Other Fund Sources										
<i>Revenue</i>										
Pooled TIF Funds	650,000	650,000	650,000	650,000	650,000	650,000	0	0	0	0
<i>Total</i>	650,000	650,000	650,000	650,000	650,000	650,000	0	0	0	0
Total Revenues and Other Fund Sources	650,000	650,000	650,000	650,000	650,000	650,000	0	0	0	0
Total Funds Available	2,653,802	1,303,802	1,953,802	1,103,802	650,000	0	0	0	0	0
Expenditures and Uses										
<i>Capital Projects & Equipment</i>										
<i>1-Housing</i>										
Affordable Housing via TIF Pooling	(2,000,000)	0	(1,500,000)	(1,103,802)	(1,300,000)	0	0	0	0	0
<i>Total</i>	(2,000,000)	0	(1,500,000)	(1,103,802)	(1,300,000)	0	0	0	0	0
Total Expenditures and Uses	(2,000,000)	0	(1,500,000)	(1,103,802)	(1,300,000)	0	0	0	0	0
Change in Fund Balance	(1,350,000)	650,000	(850,000)	(453,802)	(650,000)	650,000	0	0	0	0
Ending Balance	653,802	1,303,802	453,802	0	(650,000)	0	0	0	0	0

**EIP 2017-2026
All Categories
Funding Sources and Expenditure Projections**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Funding Sources											
Development Account	\$ 404,000	\$ 660,000	\$ 430,000	\$ 230,000	\$ 460,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 3,009,000
Livable Communities Account	100,000										\$ 100,000
Federal Grant	98,900	54,600	30,300								\$ 183,800
Ad Valorem Tax Levy	175,000	325,000	350,000	225,000	200,000	225,000	200,000	225,000	200,000	150,000	\$ 2,275,000
Pooled TIF Funds	2,000,000		1,500,000	1,103,802	1,300,000						\$ 5,903,802
Revenue Bonds											\$ -
Total Funding Sources	\$ 2,777,900	\$ 1,039,600	\$ 2,310,300	\$ 1,558,802	\$ 1,960,000	\$ 390,000	\$ 365,000	\$ 390,000	\$ 365,000	\$ 315,000	\$ 11,471,602
Expenditures											
Housing	\$ 2,198,900	\$ 404,600	\$ 1,630,300	\$ 1,128,802	\$ 1,575,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 7,062,602
Business	243,000	768,000	293,000	68,000	243,000	44,000	19,000	44,000	19,000	44,000	\$ 1,785,000
Transit	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	\$ 120,000
Development/Redevelopment	195,000	200,000	200,000	125,000	125,000	50,000	50,000	50,000	50,000	50,000	\$ 1,095,000
TIF Projects	120,000	120,000	140,000	140,000	120,000	100,000	100,000	100,000	100,000	100,000	\$ 1,140,000
Total Expenditures	\$ 2,768,900	\$ 1,504,600	\$ 2,275,300	\$ 1,473,802	\$ 2,075,000	\$ 231,000	\$ 206,000	\$ 231,000	\$ 206,000	\$ 231,000	\$ 10,971,602

Fund Balance Analysis

Housing District 2 Beacon Hill

Housing District
 City approved: 2/14/1994
 Cert Request: 4/19/1994
 Certified: 9/19/1994
 Decertifies: 12/31/2021

	Current Cumulative Modified Budget	End of District Actual Total	Projected								Actual	Acctd for In Prior Years
			2021	2020	2019	2018	2017	2016	2015	2014	2013	
Beginning Fund Balance			23,055	29,128	25,865	14,777	27,657	49,060	78,903	73,975	80,042	
Revenues												
Bond proceeds		0										
Tax increment	4,256,000	4,021,460	187,373	187,373	187,373	187,373	187,373	187,373	187,373	187,373	180,744	2,341,732
Interest	0	921	231	291	259	148	277	491	789	740	(8,475)	6,172
MVHC	0	27,464										27,464
Other	0	0										
Total Revenues	4,256,000	4,049,846	187,604	187,664	187,632	187,521	187,650	187,864	188,162	188,113	172,269	2,375,368
Expenditures												
Land/building	706,000	1,660,848			0	17,064	121,792	140,530	159,267	164,448	160,261	897,486
Site	1,000,000	0										
Other qualifying activity	400,000	0										
Bond		0										
Principal		0										
Interest		0										
Admin	350,000	310,151	7,495	18,737	9,369	9,369	18,737	18,737	18,737	18,737	18,074	172,158
Loan		0										
Principal		0										
Interest	1,400,000	1,225,682										1,225,682
Affordable housing	400,000	850,000	200,000	175,000	175,000	150,000	60,000	50,000	40,000			0
Total Expenditures	4,256,000	4,046,682	207,495	193,737	184,369	176,432	200,530	209,267	218,004	183,186	178,335	2,295,326
Projected Ending Fund Balance	0	3,164	3,164	23,055	29,128	25,865	14,777	27,657	49,060	78,903	73,975	80,042



**City of Minnetonka
Fund Balance Analysis**

TIF 1-2 Boulevard Gardens

Redevelopment
City approved: 12/11/1995
Cert Request: 6/11/1996
Certified: 7/2/1996
Decertifies: 12/31/2022 (duration extended in 2010)

County #1460	End of District Projected Actual Total	Projected										Actual 2013	Acctd for In Prior Years
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013		
Beginning Fund Balance	Cumulative Modified Budget	18,499	21,128	15,767	10,459	5,203	(1)	24,550	1,603,313	938,722	290,353		
Revenues													
Bond proceeds													
Tax increment	37,300,000	37,092,096	1,839,115	1,839,115	1,839,115	1,839,115	1,839,115	1,839,115	1,839,115	1,839,115	829,294	19,710,765	
Interest	350,000	137,615	185	211	158	105	52	(0)	245	16,033	9,387	(6,936)	118,175
MVHC	0	190,137											190,137
Other	0	0											
Total Revenues	37,650,000	37,419,849	1,839,300	1,839,327	1,839,273	1,839,220	1,839,167	1,839,115	1,839,361	1,855,148	1,848,502	822,358	20,019,077
Expenditures													
Land/building	10,164,578	10,406,395											10,406,395
Public utilities		100,000											100,000
Admin	2,335,422	2,745,591	91,956	91,956	183,912	183,912	183,912	183,912	183,912	183,912	183,912	173,989	1,100,310
County admin		5,601											5,601
Loan													
Principal													
Interest	7,350,000	6,286,418											6,286,418
Affordable housing	6,400,000	8,055,000	750,000	750,000	650,000	650,000	650,000	650,000	680,000	2,250,000			1,025,000
Jobs Bill (expenditure in utilities)	400,000	0											
Return to County		9,805,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000		805,000
Total Expenditures	26,650,000	37,404,005	1,841,956	1,841,956	1,833,912	1,833,912	1,833,912	1,833,912	1,863,912	3,433,912	1,183,912	173,989	19,728,724
Projected Ending Fund Balance	11,000,000	15,844	15,844	18,499	21,128	15,767	10,459	5,203	(1)	24,550	1,603,313	938,722	290,353



**City of Minnetonka
Fund Balance Analysis**

Glenhaven TIF District

Renewal and Renovation

City approved: 1/23/2006

Cert Request: 4/3/2006

Certified: 6/2/2006

Decertifies: 12/31/2022-12/31/2029

(Duration extended by special leg)

County #1463

	Original Budget	End of District Actual Total	(Extended Duration)																	
			Projected										Actual							
			2030	2029	2028	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Beginning Fund Balance			2,335,506	2,195,403	2,057,777	1,922,009	1,787,486	1,658,700	1,540,249	1,421,386	1,306,299	1,189,258	1,074,823	962,698	852,587	744,196	637,237	531,425	426,475	298,091
Revenues																				
Bond proceeds	5,000,000	2,380,000																		
Tax increment	13,300,000	6,058,712		338,315	338,315	338,315	338,315	338,315	338,315	338,315	338,315	338,315	338,315	338,315	338,315	338,315	338,315	338,315	338,315	284,793
Interest		231,659	23,355	21,954	20,578	19,220	17,875	16,587	15,402	14,214	13,063	11,893	10,748	9,627	8,526	7,442	6,372	5,314	4,265	(4,120)
MVHC		68																		
Sales/lease proceeds		0																		
Interfund loan	2,000,000	0																		
Total Revenues	20,300,000	8,670,439	23,355	360,269	358,892	357,535	356,190	354,902	353,717	352,529	351,378	350,207	349,063	347,942	346,841	345,757	344,687	343,629	342,579	280,673
Expenditures																				
Land/building	4,000,000	0																		
Site	300,000	0																		
Public utilities	470,000	0																		
Public park facilities		0																		
Public parking facilities		0																		
Social/recreational		0																		
Streets/sidewalks	1,000,000	0																		
Bond		0																		
Principal	5,000,000	2,380,000	295,000	190,000	180,000	170,000	160,000	155,000	145,000	135,000	130,000	120,000	115,000	110,000	105,000	100,000	95,000	90,000	85,000	0
Interest	4,700,000	1,789,516	8,850	23,400	34,500	45,000	54,900	64,350	73,350	81,750	89,375	96,250	102,713	108,901	114,813	120,450	125,813	130,901	135,713	138,050
Admin	1,330,000	312,189	0	6,766	6,766	6,766	6,766	6,766	16,916	16,916	16,916	16,916	16,916	16,916	16,916	16,916	16,916	16,916	16,916	14,240
Loan		0																		
Principal		1,995,905																		
Interest	1,500,000	78,318																		
Bond Discount		59,500																		
Interfund Loan-interest	2,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures	20,300,000	6,615,428	303,850	220,166	221,266	221,766	221,666	226,116	235,266	233,666	236,291	233,166	234,629	235,817	236,729	237,366	237,729	237,817	237,629	152,290
Projected Ending Fund Balance		2,055,011	2,055,011	2,335,506	2,195,403	2,057,777	1,922,009	1,787,486	1,658,700	1,540,249	1,421,386	1,306,299	1,189,258	1,074,823	962,698	852,587	744,196	637,237	531,425	426,475





AFFORDABLE HOUSING GOALS



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

AFFORDABLE HOUSING GOALS

Progress on the city's affordable housing goals.

In 1995, the Minnesota Legislature created the Livable Communities Act (LCA) to address the affordable and life-cycle housing needs in the Twin Cities metropolitan area. When the LCA was established, Minnetonka was one of the first communities to sign up to participate in the program. At that time, a series of affordable housing goals for the city was established for 1996 to 2010. The city has elected to continue to participate in the LCA program, establishing affordable and lifecycle housing goals for 2011 to 2020.

1995-2010 AFFORDABLE HOUSING GOALS

	Goals (1995-2010)	Results	Percent Achieved
New Affordable Ownership Units	180 Units	202	111%
New Affordable Rental Units	324 Units	213	65%
New Rental Units (All)	540 Units	697	129%

1995-2010 New Affordable Ownership Units

Project	Year Completed	Affordable Units	EIP Program Used
Gables of West Ridge Market	1996-1997	90	Boulevard Gardens TIF
Habitat for Humanity	1999	4	None
Ridgebury	2000	56	Ridgebury TIF
The Enclave	2002	1	None
The Sanctuary	2005-2007	3	-Grants -Homes Within Reach
Lakeside Estates	2005	1	Homes Within Reach
Cloud 9 Sky Flats	2006	34	Homes Within Reach
Wyldewood Condos	2006	8	None
Minnetonka Drive	2007	1	Homes Within Reach
Deephaven Cove	2007	2	-Grants -Homes Within Reach
Meadowwoods	2007/2008	2	Homes Within Reach

1995-2010 New Affordable Rental Units

Project	Year Completed	Affordable Units	EIP Program Used
Excelsior Court Apartments	1996	24	
West Ridge Retirement	1997	45	Boulevard Gardens TIF
Boulevard Gardens	1997	46	Boulevard Gardens TIF
Crown Ridge Apartments	1997	46	Boulevard Gardens TIF
Minnetonka Mills	1997	30	Minnetonka Mills TIF
Cedar Pointe Townhouses	1997	9	Cedar Pointe
The Oaks at Glen Lake	2008	13	Glenhaven TIF

2011-2020 AFFORDABLE HOUSING GOALS

	Goals (2011-2020)	Results	Percent Achieved (to date)
New Affordable Units (rental & ownership)	246 to 378	101	41%
New Lifecycle Units	375 to 800	314	84%

2011-2020 New Affordable Units (rental and ownership)

Project	Year Completed	Affordable Units	EIP Program Used
The Glenn by St. Therese	2011	30	Glenhaven TIF
The Ridge	2013	51	TIF Pooling
Tonka on the Creek	2016	20	Tonka on the Creek TIF
At Home*	2016 (est.)	21	Rowland Housing TIF

*Indicates projects that are approved, but not yet constructed therefore affordable and lifecycle units are not counted in 2011-2020 goals.

2011-2020 New Lifecycle Units

Project	Year Completed	Lifecycle Units	EIP Program Used
The Glenn by St. Therese	2011	150	Glenhaven TIF
The Ridge	2013	64	TIF Pooling
Tonka on the Creek	2016	100	Tonka on the Creek TIF
At Home*	2016 (est.)	106	Rowland Housing TIF
Applewood Pointe*	2017 (est.)	89	Applewood Pointe TIF

*Indicates projects that are approved, but not yet constructed therefore affordable and lifecycle units are not counted in 2011-2020 goals.

The following is a list EIP programs and their contribution to the city's affordable housing goals.

PROGRAM	AFFORDABLE HOUSING CONTRIBUTION
Housing	
CDBG Program Administration	No direct impact
Crown Ridge Apartments	46 affordable units participate in program
Emergency Repair Program	No direct impact
Employer Assisted Housing	No direct impact
Fair Housing	No direct impact
Homes Within Reach	Preservation of affordable housing
Housing Improvement Area (HIA)	No direct impact
Minnetonka Heights Apartments	172 affordable units participate in program
Minnetonka Home Enhancement program	No direct impact
Owner-Occupied Housing Rehabilitation	No direct impact
Public Services	No direct impact
Senior Regeneration Program	Program could preserve affordable units
Tax Exempt Financing	Program may add or preserve affordable units
TIF Pooling	51 units added through The Ridge
Welcome to Minnetonka program	No direct impact
Business	
Economic Gardening	No direct impact
Fire Sprinkler Retrofit	No direct impact
Grants	May assist with components of projects that have affordable units
Industrial Revenue Bonds (Common Bond)	No direct impact
GreaterMSP	No direct impact
Minnesota Community Capital Fund (MCCF)	No direct impact
Minnesota Investment Fund (MIF)	No direct impact
Open to Business	No direct impact
Outreach	No direct impact
PACE	No direct impact
Economic Development Infrastructure	No direct impact
TwinWest	No direct impact
Transit	
Commuter Services	No direct impact
LRT	No direct impact
Transit Improvements	No direct impact
Redevelopment	
Predevelopment Projects	May assist projects that are developing affordable housing
Village Center	Help to guide areas where affordable housing may be developed
Tax Increment Financing (TIF)	
Development Agmt/TIF Admin	No direct impact
Beacon Hill TIF District	44 affordable units added in 1994 (prior to affordable housing goals). Preserved in 2010.
Boulevard Gardens TIF District	227 affordable units added in 1996/1997
Glenhaven TIF District	43 affordable units added in 2008 and 2011
Minnetonka Mills TIF District	30 affordable units added in 1997. Even though district has expired, units remain affordable
Tonka on the Creek TIF District	20 affordable units expected in 2015
Applewood Pointe TIF District	9 affordable units expected in 2017 (will not meet Met Council guidelines, therefore not included in goals)
Tax Abatement	
Ridgedale	No direct impact

GLOSSARY

Community Development Block Grant (CDBG)	A program through HUD assisting state and local governments with a variety of community development needs
Department of Employment and Economic Development (DEED)	A state agency assisting in economic development through programs targeting business recruitment, expansion and retention; workforce development; and community development
Economic Development Advisory Commission (EDAC)	An advisory commission to the city council on matters related to economic development, housing and redevelopment
Economic Development Authority (EDA)	An authority granted to local governments by the state for the purpose of conducting economic development, housing and redevelopment activities. EDAs have the ability to levy taxes
Housing Improvement Area (HIA)	A defined area in the city in which housing improvements to commonly owned space in condominium/townhouse developments may be financing with the assistance of a city through special assessments
Housing and Redevelopment Authority (HRA)	An authority granted to local governments by the state for the purpose of conducting housing and redevelopment activities
Light Rail Transit (LRT)	A mode of public transit where trains run in a separate right of way
Livable Communities Act (LCA)	A program adopted in 1995 by the Minnesota State Legislature and administered by the Metropolitan Council for purposes of increasing affordable housing and investing in local communities
Metropolitan Council	A regional policy-making body, planning agency and provider of services to guide growth in the Twin Cities metropolitan area
Metro Transit	The transit arm of the Metropolitan Council responsible for running the metropolitan area's bus and train systems
Minnesota Investment Fund (MIF)	A business financing tool offered by DEED to help businesses locate or expand in Minnesota
Property Assessed Clean Energy (PACE)	A program that allows businesses to make clean energy investments in their businesses by financing the costs through a special assessment on the property
Tax Abatement	A temporary deferral of property taxes for purposes of stimulating economic development
Tax Increment Financing (TIF)	A financing tool where additional property taxes generated from a new development are captured and used for public purposes such as housing, removal of blight and employment opportunities
U.S. Department of Housing and Urban Development (HUD)	Established in 1965 as a cabinet-level federal agency that is responsible housing and community development activities

**EDAC Agenda Item #5
Meeting of May 26, 2016**

Brief Description

Staff Report

Transit

Green Line Extension (Southwest LRT)

Over the past two months, city staff provided input on 90%-100% light rail design plans and continued attending project meetings with the Technical Project Advisory Committee, Corridor Management Committee, and Southwest Project Office. Updates from the meetings are highlighted below:

- The Federal Transit Administration (FTA) published the final environmental document on the Southwest LRT Project, marking a major step closer to realization of the \$1.79 billion project. This comes after years of public feedback and technical analysis, done in conjunction with project staff from the Metropolitan Council. The full EIS can be found on the Metropolitan Council's website at: <http://metrocouncil.org/swlrt/feis>
- The Southwest Project Office gathered input from city staff and committee members and provided initial conceptual designs of artistic panels that will be featured at each station.
- Stuart Co. filed a lawsuit against the LRT project contending that the recently released environmental impact statement failed to recognize the noise impacts to his property. The Star Tribune article can be found at: <http://tinyurl.com/article-star-tribune>

Transit Cooperative Agreement Amendment

- On May 23, the City Council will consider extending the transit cooperative agreement with Metro Transit. The temporarily extension, through the end of 2016, will allow staff time to analyze how to align bus routes with future light rail connections.

Development

Shady Oak Road Redevelopment

The city has been going through a process of reviewing potential for redevelopment of city owned properties near Shady Oak Road and Main Street (near Hopkins). On April 7, staff led discussions to get a sense of what type of initial landscape/architectural design

elements the neighborhood prefers. The next step is to engage with potential developers of the site.

TCF Bank

At the May 16 council study session, the council members engaged in a discussion with the developer regarding the design plans for the TCF building. The developer is now estimating the costs for the project are double the original figures due to complications of the building process and design of the ramp. The developer previewed a revised one-story building that would contain retail space and the bank that was similar to the second concept the city council reviewed. The council provided feedback that they would like to see revised plans that are more consistent with the vision for the Ridgedale Mall area by the end of June or the council may consider a moratorium on development in the area.

Music Barn

Staff is waiting to hear if the project will proceed. The project did not receive anticipated funding.

Below is a list of projects with a link to plans and information about the project.

PROJECT	DESCRIPTION	LOCATION	PLANS	STATUS
Good Earth (Parasole)	New restaurant	12401 Wayzata Blvd	http://tinyurl.com/Good-Earth-Parasole	Under Review
Lindsay Group	Remodel of existing building and changes to parking lot and driveways	14900 State Highway 7	http://eminnetonka.com/current-projects/planning-projects/1522-lindsay-group-14900-state-hwy-no-7	Under Review
Partners in Excellence	CUP for an autism therapy center	5501 Feltl Road	http://eminnetonka.com/current-projects/planning-projects/1555-partners-in-excellence	Under Review
Glen Lake Village Center Study	Conceptual design for various redevelopment sites	Multiple Sites	http://eminnetonka.com/current-projects/planning-projects/1140-glen-lake-study	Neighborhood Meetings
Legacy Oaks 3rd Addition	Site and Building Plan and final plat for two new condo buildings	300 Parkers Lake Road	http://eminnetonka.com/current-projects/planning-projects/1561-legacy-oaks-3rd-addition	Under Review
Minnnetonka High School parking lot	2 new parking lots	18301 State Hwy No 7	http://tinyurl.com/mtkaHS-parking	Under Review
Highview Place	Rezoning and plat for 9-lot R-1A subdivision	4301 Highview Place	http://eminnetonka.com/current-projects/planning-projects/1465-highview-place	Under Review
Enclave at Regal Oak	Concept Plan for small lot subdivision	3639 Shady Oak Road	not yet posted	N/A

Prestige Preschool	Construction of new daycare center on former Kraemer's hardware site	14730 Excelsior Blvd	http://eminnetonka.com/current-projects/planning-projects/1528-prestige-preschool-14730-excelsior-blvd	Waiting for Permit
Villas West	CONCEPT PLAN: six villa homes	16913 State Highway 7	http://eminnetonka.com/current-projects/planning-projects/1423-villa-west	Waiting for Formal Application
TCF Bank	CONCEPT PLAN: redevelopment of existing bank property	1801 Plymouth Road	http://eminnetonka.com/current-projects/planning-projects/1467-tcf-bank-redevelopment-1801-plymouth-road	Waiting for Formal Application
Wilson Ridge	2-lot subdivision.	4329 Wilson Street	http://eminnetonka.com/images/projects/Wilson%20Ridge/Wilson%20Ridge_4329%20Wilson%20Street.pdf	Waiting for Permit
Williston Woods West	Proposed 5-lot subdivision	5431/5439 Williston Road	http://eminnetonka.com/current-projects/planning-projects/1412-williston-woods-west	Waiting for Permit
Lecesse Apartments	CONCEPT PLAN: 7 story, 350 unit apartment bldg	10101 Bren Road East	http://eminnetonka.com/current-projects/planning-projects/1503-lecesse-apartments-10101-bren-road-east	Waiting for Formal Application
Cherrywood Pointe	Requesting to increase the building residential unit count from 99 to 100.	2004 Plymouth Road	http://eminnetonka.com/current-projects/planning-projects/1271-cherrywood-pointe	Waiting for Permit
Highland Bank	6 story mixed use building	1700 Plymouth Road	http://eminnetonka.com/current-projects/planning-projects/1131-highland-bank-redevelopment	Under Construction
Applewood Pointe	4 story, 86-unit coop building	12201 Minnetonka Boulevard	http://eminnetonka.com/current-projects/planning-projects/1151-applewood-pointe	Under Construction
Zvago	5 story, 54-unit coop building	14217 Stewart Lane	http://eminnetonka.com/current-projects/planning-projects/1139-one-two-one	Reviewing Permit
At-Home Apartments	4-story, 106 unit apartment building	5709 Rowland Rd	http://eminnetonka.com/current-projects/planning-projects/1132-at-home-apartments	Under Construction
Pagel II	Ice arena at Minnetonka High School	18313 State Hwy 7	http://eminnetonka.com/current-projects/planning-projects/1396-pagel	Waiting for Permit
Shady Oak Road Redevelopment	Redevelopment of city's owned parcel	4312 Shady Oak Road	http://eminnetonka.com/current-projects/planning-projects/1490-shady-oak-rd-redevelopment	Neighborhood Meetings

Housing

Small Projects Loan Program Update

The application window for the Small Projects Loan Program opened on April 11. During the two week application period staff received 75 pre-applications from homeowners

wishing to participate in the program. Approximately 25 loans will be funded in 2016. Home owners that do not receive funding this year will be given priority in the 2017 round. The CDBG funding is structured as a zero-percent interest, \$5,000 loan, forgiven after 10 years that can be used to address deferred maintenance home repairs.

Other Business

NatureWorks

Staff is working with NatureWorks to finalize the Loan Agreement for funding through the Minnesota Investment Fund. The company intends to draw the funding in June.

Strategic Plan Adoption and Imagine Minnetonka

This summer the City of Minnetonka will begin a community visioning process – Imagine Minnetonka. The information gathered throughout the process will guide city leaders as long-term plans are developed. Residents will have the opportunity to share their wishes and goals for the city’s future in a variety of ways – at community events, through social media, online at eminnetonka.com, and at various meetings around town.

The city has partnered with Rebecca Ryan from Next Generation Consulting to conduct the process and presented at the boards and commissions volunteer recognition dinner on April 27. The Imagine Minnetonka visioning project will kick off at Summer Fest on June 25.

Upcoming Events

Wednesday, May 25	Extreme Neighborhood Makeover Sensible Land Use Coalition 11:30 a.m. to 1:30 p.m. DoubleTree Park Place (St. Louis Park)
Thursday, June 2	The Hydro Tour (Pillsbury’s A-Mill) ULI Minnesota 3:45 p.m. to 6:00p.m. Pillsbury A-Mill (315 SE Main St, Minneapolis)
Wednesday, June 8	8 th Annual Housing Summit ULI Minnesota 8:00 a.m. to 11:00 a.m. Dorsey & Whitney (50 S 6 th St #150, Minneapolis)
Thursday, June 23	EDAC Meeting Council Chambers 6:00 p.m.

Originated by:

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