

AGENDA
CITY OF MINNETONKA
ECONOMIC DEVELOPMENT ADVISORY COMMISSION
Thursday, March 16, 2017
6:00 p.m.

Council Chambers
Minnetonka Community Center

1. Call to Order

2. Roll Call

Ken Isaacson
Michael Happe
Melissa Johnston
Lee Jacobsohn

Jacob Johnson
Jerry Knickerbocker
Charlie Yunker

3. Approval of January 26, 2017 minutes

BUSINESS ITEMS

4. Cloud 9 Condominiums' Housing Improvement Area Request

Recommendation: Recommend the City Council Approve the Contract for Private Development

5. Newport Midwest

Recommendation: Review the funding inquiry and refer it to a subcommittee

6. 2018-2022 EIP

Recommendation: Review draft EIP and provide feedback

7. Staff Report

8. Other Business

•The next EDAC meeting is scheduled for **Thursday, April 27 at 6:00 p.m.**

9. 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 Minutes**

**January 26, 2017
6 p.m.**

1. Call to Order

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

2. Roll Call

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

Staff present: Community Development Director Julie Wischnack and Economic Development Housing Manager Alisha Gray.

City councilmember present: Tony Wagner.

3. Approval of October 27, 2016 Minutes

Knickerbocker moved, Happe seconded a motion to recommend that the EDAC approve the minutes from the October 27, 2016 meeting as included in the agenda with a modification on the top of Page 7 to change "Isaacson asked" to "Happe asked." Bjorgo, Happe, Isaacson, Johnson, Knickerbocker, Yunker, and Aanenson voted yes. Motion passed.

4. Cloud Nine Condominiums Housing Improvement Area Request

Gray reported. Julie Van Guilder, of Multiventure Properties, and Doug Strandness, the association's consultant, were also available for questions.

A short break was taken.

Chair Aanenson asked about stability and preventing foreclosures and about the latest inspection of the building. Gray explained that the current association has a cap on the number of units that can be rented at 20 percent.

Knickerbocker confirmed with Gray that the 15 year and 20 year bond term estimate figures were provided just to provide a comparison. Wischnack added that the city council may consider if the fees for a 15 year term would be doable.

Doug Strandness, representing the homeowner's association, stated that Cloud Nine had a difficult start. Three people are in prison from fraud involved with the initial sale of

the units. The housing crash in 2008 was a difficult time. Those issues are now behind it. The conversion of the building from office to residential caused a couple of issues. In addition, the initial dues were unreasonably low, including an unreasonably low annual contribution to the replacement reserve. The major nondisclosure on the part of the converter was that the office building would need a major overhaul. That assumes it is being maintained in the meantime. There is no evidence that any maintenance has been done to the building. The issue became evident in 2011. The curtain wall is leaking so much air that the engineers cannot figure out how the heating and cooling systems are doing in the building. They are comfortable with a \$100,000 allowance for the work, but it could be significantly more than that which is why there is a significant contingency worked into the deal.

Knickerbocker asked if the association is ready to put any money into the renovation. Strandness stated that the parking structure is not part of the deal, but engineers have estimated that there could be \$600,000 worth of work that needs to be done to the parking structure. There are close to 5 parking spaces for every residence in the building. The association is working to figure out what to do with the parking ramp. The association will have the money to overhaul the parking structure in the next few years. Nothing was done to maintain the parking structure while it was used by an office building. The association may be back in the future in a totally different context because they are exploring the possibility of selling the whole thing to a developer and working something out to create a small parking structure and the rest of the space being used for something else. The biggest challenge is to make sure to leave the association in a place to be able to take care of everything else in the next 20 to 30 years.

Wischnack added that the contract would have language that would outline what would happen if the association would experience a windfall and payback requirements. The problem is that the curtain wall, HVAC, and elevator work needs to be done soon. Chair Aanenson agreed. There will be a safeguard to payback the city if the association would make a profit by selling some of the parking ramp property.

Strandness clarified that the association proposed that there be an interim loan for 18 to 20 months. He has a bank that is willing to do that as long there is a takeout commitment by the city. Part of the reason for doing that, is that the association wants the parking structure resolved one way or another by fall of 2018. If there would be a net gain, then that would lower the bond amount.

Isaacson asked if there would be a security interest on the bonds tied to the condominiums. Strandness stated that issue has been wrestled with. The HIA would be tied to the condominium units themselves. Isaacson favored some sort of security interest on the parking structure which could be released and provide the city with control. Wischnack agreed. Something could be written by the city attorney to do that.

Isaacson asked Strandness if the association had received any negative feedback and if he anticipated having the minimum 60 percent required in support of the proposal. Strandness stated that well over 60 percent of condominium owners have attended the

association meetings. Van Guilder stated that there is enough approval to move forward.

Isaacson felt that the use of the financing structure is appropriate for this situation. The value of the building and housing stock in Minnetonka would be maintained.

Happe asked for the current replacement reserve for the association. Van Guilder answered \$1 million.

Happe asked what changed since 2011. Strandness stated that the building was still working to recover from the housing crash in 2011. He provided Wischnack and Gray with a detailed sales history. The current reserve did not exist in 2011. There was little or nothing. It has been a struggle to build the reserve. The association went through three management companies before settling on Multiventure two years ago. He has no vested interest in Multiventure, but it is one of the solid companies and has moved things forward in a big way.

In response to Happe's question, Van Guilder stated that the building is 100 percent occupied and is at maximum rental capacity. There have been a lot of changes to the rental policy. In the past, the rules were not as strict. Now, a unit must be owner occupied or a new renter must be found in 60 days. If the unit is sold, then the right to rent is eliminated. The year before Multiventure started managing, the building wrote off \$135,000 of bad debt. There were 40 judgements on file against previous homeowners. Multiventure has been successful in collecting some of those.

Happe thought the building looks pretty nice. The parking ramp looks closed. The lobby looks nice. He asked why the elevators were not working. Van Guilder explained that the elevators have not received any updates and all stopped working at the same time a couple months ago. There is an elevator consultant working on it now to determine if four elevators are needed. Elevators are expensive and these have not been maintained.

Strandness explained that the association is trying to keep the project cost to repair the elevators below \$925,000. He shared a detailed, engineering study that covers a 30-year reserve plan with Gray. Everything is on track except for the curtain wall and the elevators. Van Guilder stated that a new reserve study would be done this year. It is required that one be done every three years.

Chair Aanenson asked what the assessments would do to the affordability. Gray explained that the assessments provided in the chart are the highest possibilities. The project costs are anticipated to be less than the chart anticipates. Part of the HIA process is setting a maximum fee and, as the approvals are reviewed by the city council, then the amount can be reduced, but it cannot be raised. Wischnack explained that this fee, plus homeowner's dues, plus what should be in the affordable range probably would not meet affordability requirements unless the city provides financial help. She will bring a better break down of the affordable units next time. Chair

Aanenson noted that stabilizing the project is the main goal. Wischnack noted the uniqueness of the product and importance of keeping the costs down.

Happe asked if staff routinely visits the site. Wischnack explained that building inspectors would visit the site to see that the building permit would be followed.

Happe asked what would happen if the city did not approve the request. Strandness stated that the most likely scenario would be that the association would have to at least double the amount paid in dues to rapidly generate the money over five or six years to get the work done. Bank financing is not a practical option because banks do not loan to an association for more than five years at a fixed rate and banks have a standard to judge how much to loan to an association because an association cannot give a secured interest in anything other than the cash flow and reserve in the bank. The HIA uses the property tax system to secure the payments.

Strandness noted that the association is not pushing for the prepayment option. Condominium units turn over faster than single-family houses. The curtain wall issue has been a cloud hanging over the building. It has had an impact on sales. There may be a burst of sales once the issue has been resolved. Wischnack explained that the city looks at prepayment because the sellers check with the city every time and prepayment is preferred for internal finance. The bond route would have no prepayment option.

Strandness added that Minneapolis got the county to show the HIA fees on their own line instead of as a special assessment. Wischnack agreed that the city has called a similar assessment a "special service district."

Isaacson supports the proposal. It is a reasonable and appropriate use. He reinforced his support of having a security interest in the parking ramp. He suggested having a condition of the financing restrict the association from increasing significantly the percentage of allowable rental units. Chair Aanenson agreed. Wischnack noted that could be part of the agreement with the city.

Knickerbocker felt that the request is reasonable. The 20-year bonding period makes sense to not put such a burden on the present owners. The scope of work will become more detailed. He was comfortable with whatever amount would get the job done right. Staff will use the experience gained from Cedar Ridge to add the necessary clauses to make sure all contingencies would be covered.

Happe said that the facility looks nice. He struggled with the association not doing enough the last six years. It needs work, planning, and someone to take responsibility for it. He did not support the city helping. He did not think that it is an appropriate use of city funds.

Gray explained that the next step would be the association formally submitting the application and \$5,000 fee. There would be a number of council actions required to move the project forward. The association is looking at a construction loan. The city's

financing tool would come in late 2018. A developer's agreement would be reviewed by the EDAC.

Wagner provided that councilmembers may ask how financing a loan with fund balances would affect the city's flexibility in the future for funding capital improvement projects and impact on the cash flow.

Strandness thought that it would be good to share the sales history summary. The prices at Cloud Nine have only started to recover the last three years. The median resale price in 2016 is still only 70 percent of what the units sold for originally. In a real sense, it is still in recovery mode. They are on solid footing now, but there is a huge deficit to deal with right now.

5. Staff Report

Gray and Wischnack reported:

- Funding agreements were approved for the SWLRT for storm sewer piping casings, fencing upgrades, and paint colors on retaining walls.
- Minnetonka hosted a contracting open house in December and over 200 contractors attended to learn the bidding process.
- Metro Transit is renegotiating its contract in 2017.
- The Open to Business Program served 33 clients for a total of 157 hours of technical assistance in 2016.
- Lolli and Pops, Claires, J. M. Kremps Adventure Store, and other new stores are open at Ridgedale Shopping Center.
- Station Pizzeria is now open.
- Updated new construction projects.
- The city council allocated \$4,000 for HomeLine through the general fund.
- The Small Projects Loan Program met its required spend down of CDBG funds in December and will begin advertising for the new round in March. The Minnetonka Home Enhancement and Welcome to Minnetonka programs had four loans close in 2016 and five down-payment assistant loans in 2016.
- Homes Within Reach acquired two homes at 2402 Ford Road and 13823 Knollway Drive for a total of 55 properties in Minnetonka.
- Staff is working with Ron Clark Construction on a 54-unit, multi-family housing, 100-percent affordable project on Shady Oak Road. Renters would be restricted to 60 percent of median income. The rents would range from \$800 to \$1,200. Staff is now working with Ron Clark to negotiate the price of the property. The EDAC will review any special financing. Commissioners are invited to attend the neighborhood meeting.
- There was a neighborhood meeting for a proposal in Opus for redevelopment of a building to provide 240-unit, multi-family housing with half affordable and half market-rate units.

6. Other Business

The next EDAC meeting is scheduled for Thursday, February 23, 2017 at 6 p.m.

Gray thanked Aanenson and Bjorgo for their service to the city and presented each of them with a plaque. Wagner thanked them for their service. The mayor appointed Isaacson to serve as the chair for the next meeting.

7. Adjournment

Knickerbocker moved, Johnson seconded a motion to adjourn the meeting at 7:40 p.m. Motion passed unanimously.

**EDAC Agenda Item #4
Meeting of March 16, 2017**

Brief Description	Cloud 9 Housing Improvement Area
Recommendation	Recommend the City Council Approve the Contract for Private Development

Background

On February 27, the city council adopted the resolution, scheduled the public hearing, and introduced the ordinance establishing the Cloud 9 Sky Flat Condominium's Housing Improvement Area. These actions started the process to establish the Housing Improvement Area. In general, the council indicated the request to establish the Housing Improvement Area was a reasonable request.

On April 10, the city council will officially consider the Housing Improvement Area which will establish the ordinance and the maximum fee. The council will also consider approving the development agreement between the Cloud 9 association and the city of Minnetonka. Following the meeting there will be a 45 day window for homeowners to contest the fee assessment before it is finalized. More than 45 percent of the owner would have to file an objection during this timeframe for the HIA to not become effective.

Cloud 9 Condominiums

In 2004, the property located at 5601 Smetana Drive was rezoned to allow for conversion of an office use to 164 condo units. The conversion of the offices was completed in late December 2005. At the time of the conversion, the rezoning approval required that 34 of the units were to be priced at \$193,700 or less. In addition, 16 units were required to be priced at \$170,000 or less and continue to be subject to resale restrictions to maintain affordability for 30 years. These resale restrictions would remain in place with the proposed establishment of the HIA.

In 2011, the association hired engineering firm, Encompass, to assess the curtain wall, window systems, and the HVAC systems of the building. The assessment was conducted in response to reports of water leaking into a number of units. The evaluation identified water and air leakage through the windows and curtain wall that has caused damage to the building envelope. The report noted that the deficiencies, left in the current state, would continue to deteriorate the building.

Following the assessment by Encompass, the association considered options for financing the improvements to correct the building deficiencies. The association met with several lenders and was unable to secure financing to complete the improvements. The association also considered an option to increase the association dues to cover the

cost of the improvements but found that this option was too burdensome for the unit owners because it required a substantial upfront collection of dues.

In 2015, Doug Strandness, a consultant, reached out to the city, on behalf of Cloud 9 condominiums, to discuss the option of establishing an HIA to pay for the improvements. Staff has met with Mr. Strandness on several occasions to discuss the project and the HIA process. The association formally submitted an HIA application to the city in February and is proposing that the project includes repairs to the curtain wall and HVAC improvements which were identified in the report prepared by Encompass. In addition, the association is seeking funds to assist with elevator upgrades. The proposed project includes the following scope of work:

Project	Work to be done	Estimated costs
Curtain Wall Repairs	Curtain wall repairs, perimeter seal repairs, window replacement	\$2,110,000
HVAC Repairs	Ductwork damper repairs/improvements, system balancing	\$100,000
Elevator Upgrades	4 elevators in need of upgrades	\$925,000
Related Costs	Engineering fees, construction, contingency	\$435,700
Other Costs	HIA Consultant, Construction Financing, Fees	\$227,250
Total Project Budget:		\$3,797,950

Project Timeline

The proposed project timeline is as follows:

- May 2017 to November 2017 – Curtain wall and elevator work
- November 2017 to March 2018 – Monitor HVAC performance
- April 2018 - May 2018 – HVAC system upgrades
- May to September 2018 – Parking structure work (contingent)
- September & October 2018 – Additional HVAC system upgrades (possible)

Financing Options

The association indicated that it would prefer to initially finance the improvements with a construction loan provided by Western Bank. The city would then provide “take-out” financing following the completion of the construction.

The following are ways for the city to finance the improvements.

1. Issue General Obligation Housing Improvement Bonds (20 year term) – No prepayment allowed
 - Do not allow prepayment after bond issuance.

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- The assessment would come in as anticipated and cover annual debt service required to make the bond payments.
 2. City Purchase General Obligation Housing Improvement Bonds (20 year term) – No prepayment allowed
 - Do not allow prepayment after bond issuance.
 - The assessment would come in as anticipated and cover annual debt service required to make the bond payments.
 - This option would save the association the issuance costs.
 3. Explore options to use internal funds to finance the project as an alternative city investment opportunity structured as the purchase of a note from the association backed by special assessments on the properties. Staff will have more information regarding this alternative for discussion by council when the public hearing on the HIA ordinance is held in April. The objectives of this financing option would be:
 - That the associations note to the city could be repaid at any time so prepayments would not create a problem.
 - That the city would charge interest on the loan that, while still an attractive rate for the HIA, would be higher than the current city investment rate.

Should the council decide to pursue bonds to finance improvements within the Cloud 9 Housing Improvement Area, the bonds must be issued as taxable bonds. The issuance of these housing improvement bonds does not count toward the city's bank qualification limits of \$10 million annually. The bonds issued would be general obligation housing bonds.

Fee/Assessment

The attachment shows maximum HIA fees for 20 year bond options and provides an estimate of each unit's share of the project budget and each unit's maximum monthly HIA fee. The interest factor (percent of building) for each unit, which is shown in the schedule, is the interest factor each unit owner's share of the association that is included in the association's declaration.

After establishment of the HIA, the fee is added to property taxes as a special service district fee. HIA fee for each unit generates the revenue to pay back city issued bonds or the association's note to the city. The projected HIA fees are maximums, and it is anticipated that the actual HIA fees will be less. The HIA fees would not appear on unit owners' property tax statements until 2019.

If the project comes in under budget, then the maximum HIA fees for all units will be reduced proportionately. This means that if the project comes in 7% under budget then all of the HIA fees will be reduced 7%. In addition, when the HIA fees are finalized, the fees will continue to appear on unit owners' property tax statements for the length of the term.

The table below depicts a sampling of current 2016 dues and the projected additional HIA dues assuming 20 year bond estimates.

Example Unit	Owner Share of Association	Total Assessment	Total Annual Fee
101	.5783	\$39,150	\$1,957
201	.5778	\$39,116	\$1,956
317	.8680	\$58,661	\$2,933

** Projected dues based on 20 year bond issuance (assumes the maximum fee based on bond financing)

Contract for Private Development

Working with the city's legal counsel at Kennedy & Graven and the city's financial consultant at Ehlers & Associates, Inc., a Development Agreement between the city and the association was drafted for review. The agreement outlines the major points associated with the Housing Improvement Area request as well as other expectations for the development. Highlights of the agreement include:

- The housing improvements and fees (B-1):
 - A complete renovation of the curtain wall exterior of the building
 - Major repairs to the heating, ventilating, and air conditioning (HVAC) systems of the building
 - Upgrades to the elevator
 - All costs of architectural and engineering services in connection with the activities described above
 - All administration, legal and consultant costs in connection with the Housing Improvement Area, including without limitation all costs related to financing or issuance of the city obligation, if any.
- A commitment from Western Bank to provide construction loan to finance housing improvements on a temporary basis (page 7)
- At the time the city obligation is issued, the city will chose between issuing general obligation housing bonds, purchasing taxable general obligation bonds, or using an internal city fund to provide the financing (page 7)
- The association must provide a copy of its annual audited financial statements to the city each year (page 16)
- The association must maintain a replacement reserve fund (page 17)
- The association must maintain an experienced property (page 20)
- The association must obtain approval from the city to amend the association bylaws or covenants (page 20)
- The association must maintain the current resale covenants (page 20)

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- Proceeds from the sale of the adjacent parking ramp would be used to prepay the city obligation and any remaining proceeds would be returned to the association (page 20) to be placed in a replacement reserve fund (page 10)

City Council Feedback

On February 27, the city council adopted the resolution, scheduled the public hearing (April 10), and introduced the ordinance establishing the Cloud 9 Sky Flat Condominium's Housing Improvement Area. Below is a summary of the council discussion at the meeting:

- Where would the internal funding options come from?
 - Staff is researching this option
- What is the risk involved with funding the project internally?
 - The risk remains low due to the nature of repaying debt with fee collected through the assessment.
- Would this be considered taxable or non-taxable bonds?
 - The bonds would be issued as taxable bonds and would not affect the city's bank qualification limit.
- What is the overall status of the reserves and association fees?
 - The association has a reserve plan that address future improvements over the next 30 years. The association will be updating the reserve plan every few years. The association currently has around \$1M in reserves.
 - The association is considering the long term collection of dues to plan for future improvement that will be needed over the next 30 years.

Proposed Schedule for HIA Application Review

The proposed timeline and process for the Cloud 9 HIA request is as follows:

- February 2017 – Cloud 9 submission of application to the city
- February 27, 2017 – Council resolution to accept petition, initiate process, schedule the public hearing regarding ordinance and fee resolution
- March 16, 2017 – EDAC review of draft development agreement
- April 10, 2017– City council public hearing regarding ordinance, fee and development agreement.
- May 25, 2017 – Effective date of the ordinance and fee resolution
- 2018 – City council authorizes sale of bonds (if applicable) or details the internal funding scenario

Recommendation

Staff recommends the EDAC recommend the city council approve the draft Contract for Private Development. This item is tentatively scheduled for review by the city council on April 10.

Submitted through:

Julie Wischnack, AICP, Community Development Director

Originated by:

Alisha Gray, EDFP, Economic Development and Housing Manager

Additional Resources

[January 26 – EDAC Meeting Packet](#)

[February 27 – City Council Meeting](#)

**Second Draft
March 7, 2017**

DEVELOPMENT AGREEMENT

between

CITY OF MINNETONKA, MINNESOTA

and

CLOUD 9 SKY FLATS ASSOCIATION, INC.

Dated _____, 2017

This document was drafted by:
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DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT, made on or as of _____, 2017 (the “Agreement”), between the CITY OF MINNETONKA, MINNESOTA, a home rule city, municipal corporation, and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State of Minnesota (the “City”), and CLOUD 9 SKY FLATS ASSOCIATION, INC., a Minnesota nonprofit corporation (the “Association”).

WITNESSETH:

WHEREAS, the City is authorized under Minnesota Statutes, Chapter 428A, Sections 11 through 21, as amended (the “Act”), to establish by ordinance a housing improvement area within which housing improvements are made or constructed and the costs of the improvements are paid in whole or in part from fees imposed within the area; and

WHEREAS, by Ordinance No. 2017-_____, adopted on April 10, 2017 (the “Enabling Ordinance”), the Council established Cloud 9 Sky Flats Housing Improvement Area in order to facilitate certain improvements to property known as the Cloud 9 Sky Flats, which property is legally described in SCHEDULE A attached hereto and is hereafter referred to as the “Property”; and

WHEREAS, by Resolution No. 2017-_____, adopted on April 10, 2017 (the “Fee Resolution”) the City Council imposed a housing improvement fee on Housing Units (as hereinafter defined) in the Cloud 9 Sky Flats Housing Improvement Area in order to finance certain housing improvements in that area; and

WHEREAS, prior to adoption of the Fee Resolution by the City Council, the Association submitted to the City a financial plan in accordance with the Act that provides for the Association to finance maintenance and operation of the common elements in the Association and a long-range plan to conduct and finance capital improvements therein; and

WHEREAS, the City believes that development of the improvements to the Property pursuant to this Agreement, and fulfillment generally of this Agreement, are in the vital and best interests of the City and health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Cloud 9 Sky Flats Housing Improvement Area has been undertaken.

NOW, THEREFORE, in consideration of the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I

Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Act” means Minnesota Statutes, Sections 428A.11 through 428A.21, as amended.

“Administrative Costs” means the costs of legal and fiscal consultants’ fees, administration of the City Obligation, city staff services, and inspection fees related to the Housing Improvements.

“Agreement” means this Development Agreement, as the same may be from time to time modified, amended, or supplemented.

“Assignment” has the meaning given such term is Section 6.7 hereof.

“Association” means Cloud 9 Sky Flats Association, Inc., a Minnesota nonprofit corporation, or its permitted successors and assigns.

“Association’s Authorized Representative” means the Association President, Vice President, or Treasurer or any successor designated by written notice from the Association to the City.

“Certificate of Completion” means the certification provided to the Association, pursuant to Section 4.4 hereof.

“City” means the City of Minnetonka, Minnesota.

“City Building Official” means the City’s chief building inspector.

“City Obligation” means any general obligation bonds or other obligations issued by the City under Section 3.2 hereof to finance the Housing Improvements pursuant to the Act, and any bonds or other obligations issued to refund any such debt obligation issued by the City pursuant to Section 428A.16 of the Act.

“City Obligation Resolution” means the resolution to be approved by the Council awarding the sale and establishing the terms of the City Obligation.

“City’s Authorized Representative” means the Director of Community Development or a person designated in writing by said Director.

“Completion Date” means the date of actual completion of the Housing Improvements as certified by the City Building Official pursuant to Section 4.4 hereof.

“Construction Contract” means the construction contract between the Association and the Contractor.

“Construction Loan” means the loan provided to the Association by Western Bank in order to provide financing for the construction of the Housing Improvements.

“Construction Manager” has the meaning provided in Section 4.3(b).

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed by the Association on the Property which shall be as detailed as the City may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“Contractor” means any person, including subcontractors, who shall be engaged to work on, or to furnish materials and supplies for the Housing Improvements.

“Council” means the City Council of the City.

“County” means the County of Hennepin, Minnesota.

“Enabling Ordinance” means Ordinance No. 2017-_____, adopted by the Council on April 10, 2017, which establishes the Housing Improvement Area.

“Event of Default” means an action by the Association listed in Article VII hereof.

“Fee” means the housing improvement fee imposed on all Housing Units in the Housing Improvement Area pursuant to the Fee Resolution.

“Fee Resolution” means Resolution No. 2017-_____, adopted by the Council on April 10, 2017, which imposes the Fee.

“Fee Revenues” means all proceeds of the Fee payable to the City.

“Financial Plan” means the _____ for _____, dated _____, 20___, and as amended annually pursuant to Section 6.3 hereof.

“Fiscal Year” means any year commencing January 1 and ending December 31.

“Housing Improvement Area” means the real property located within the Cloud 9 Sky Flats Housing Improvement Area.

“Housing Improvements” has the meaning provided in the Enabling Ordinance and set forth in SCHEDULE B attached hereto.

“Housing Unit” means a Unit, as described in Minnesota Statutes, Chapter 515B, or a Unit as described in the Common Interest Community Number 1364 (Condominium), Cloud 9 Sky Flats Declaration establishing the Cloud 9 Sky Flats Common Interest Community.

“Independent,” when used with reference to an attorney, engineer, architect, certified public accountant, or other professional person, means a person who (i) is in fact independent; (ii) does not have any material financial interest in the Association or the transaction to which his or her certificate or opinion relates (other than the payment to be received for professional services rendered); and (iii) is not connected with the City or the Association as an officer, director or employee.

“Inspecting Architect” means a professional representative hired by the Association for services in conjunction with enforcement of this Agreement.

“Management Consultant” means a person or entity, experienced in the study and management of condominium housing and having a favorable reputation throughout the United States or the State of Minnesota for skill and experience in such work and, unless otherwise specified herein, retained or employed by the Association and acceptable to the City whose acceptance shall not be unreasonably withheld.

“Maturity Date” means the date the City Obligation has been fully repaid, defeased or redeemed in accordance with their terms.

“Net Revenues Available for Debt Service” means, as of the date of calculation, the Fee Revenues received by the City in the six-month period prior to the relevant Payment Date, together with the balance of Fee Revenues previously received by the City in excess of the amounts needed to pay all prior payments on the City Obligation.

“Payment Date” means when principal of or interest on the City Obligation is due; currently expected to be each February 1 and August 1, commencing _____ 1, 20__, and continuing through the Maturity Date.

“Property” means the real property described in SCHEDULE A attached hereto.

“Property Manager” means _____, or another entity approved and designated by the City.

“Replacement Reserve Fund” means the reserve fund to be maintained by the Association in accordance with Section 6.5 hereof.

“State” means the State of Minnesota.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of strikes, other labor troubles, fire or other casualty to the Housing Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the City in exercising its rights under this Agreement) which directly result in delays. Unavoidable Delays shall not include delays in the Association’s obtaining of permits or governmental approvals necessary to enable construction of the Housing Improvements by the dates such construction is required under Section 4.3 hereof, unless such approvals are within the sole control of the City.

ARTICLE II

Representations and Warranties

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is a home rule city, municipal corporation, and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The undertakings of the Housing Improvements are authorized by the Act.

(c) On April 10, 2017, after receipt of petitions by owners of at least sixty percent (60%) of the Housing Units in the Housing Improvement Area and due publication and mailing of notice of hearing, the Council held a public hearing on the adoption of the Enabling Ordinance and on the adoption of the Fee Resolution, and approved the second reading of the Enabling Ordinance and the Fee Resolution.

(d) The periods for veto of both the Enabling Ordinance and the Fee Resolution have expired without objection by owners of at least forty-five percent (45%) of the Housing Units in the Housing Improvement Area, all in accordance with the Act.

(e) There is no litigation pending or, to the best of its knowledge, threatened against the City relating to the Housing Improvements or to the City Obligation or questioning the powers or authority of the City under the Act, or questioning the corporate existence or boundaries of the City or the title of any of the present officers of the City to their respective offices.

(f) The execution, delivery and performance of this Agreement do not violate any agreement or any court order or judgment in any litigation to which the City is a party or by which it is bound.

Section 2.2. Representations and Warranties by the Association. The Association represents and warrants that:

(a) The Association is a nonprofit corporation, duly organized and in good standing under the laws of the State; is not in violation of any provisions of its articles of incorporation, bylaws or the laws of the State; is duly authorized to transact business within the State; has power to enter into this Agreement; and has duly authorized the execution, delivery and performance of this Agreement by proper action of its board of directors.

(b) The Association will construct, operate and maintain the Housing Improvements in accordance with the terms of this Agreement, the Financial Plan, and all local, State and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations, the City stormwater management plan and watershed district requirements).

(c) The Association has received no notice or communication from any local, State or federal official that the activities of the Association or the City in the Housing Improvement Area may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the City is aware). The Association is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any local, State or federal environmental law, regulation or review procedure. The City and the Association understand and agree that the Housing Improvements, as defined in SCHEDULE B attached hereto, are intended to improve certain physical conditions within the Association, and that the Association makes no representations and warranties pursuant to this Section 2.2(c) regarding any conditions within the Housing Improvement Area or which may be discovered within the Housing Improvement Area, and which the Housing Improvements are intended to cure.

(d) The Association will construct the Housing Improvements in accordance with all local, State or federal energy-conservation laws or regulations.

(e) The Association will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, State and federal laws and regulations which must be obtained or met before the Housing Improvements may be lawfully constructed.

(f) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any corporate restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Association is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(g) Whenever any Event of Default occurs and if the City shall employ attorneys, financial advisors or other consultants, or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Association under this Agreement, the Association agrees that it shall, within ten (10) days of written demand by the City pay to the City the reasonable fees of such attorneys, financial advisors or consultants, and such other expenses so incurred by the City.

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ARTICLE III

City Obligation; Disbursement of Proceeds

Section 3.1. Construction Financing. The Association has obtained a commitment from Western Bank to provide the Construction Loan to finance the Housing Improvements on a temporary basis.

Section 3.2. Permanent Financing.

(a) In order to provide permanent financing for the Housing Improvements, the City will issue the City Obligation pursuant to the Act. The City will issue the City Obligation in the principal amount that will produce, [together with prepaid Fee Revenues,] an amount sufficient to refinance the Construction Loan and finance the costs of issuance of the City Obligation.

(b) The City will sell the City Obligation within ___ days of the Completion Date, subject to the conditions precedent set forth in Section 3.3, Unavoidable Delays and the City's ability to sell the City Obligation under existing laws and market conditions.

(c) At the time the City Obligation is issued, the City will choose between issuing general obligation bonds secured by the Fee Revenues and further secured by the City's full faith, credit, and taxing power or using internal funds to provide the permanent financing. The parties agree and understand that interest on any general obligation bonds issued by the City to provide permanent financing for the Housing Improvements will be includable in the gross income of bondholders for purposes of federal and state income taxes, and the City makes no warranty or representation that the City Obligation will be tax-exempt under federal or State law. The interest rate on a general obligation bond will be determined by market conditions. The City shall also have the option to purchase its taxable general obligation bond. If the City chooses to buy the taxable general obligation bond or if the City chooses to use internal funding, the interest rate will be no more than the interest rates of publicly sold similarly situated bond issues (based on market information provided by the City's municipal bond advisor).

(d) The City will loan the proceeds of the City Obligation to the Association. The Association will use the proceeds of the City Obligation to pay the principal of and all accrued interest on the Construction Loan. The parties agree and understand that the City Obligation will be repaid from Fee Revenues. The Fee will be payable in accordance with the Fee Resolution, and will include the principal amount of the City Obligation allocated to each unit, interest on the City Obligation, and a City administrative fee of \$10 per Housing Unit per year.

(e) The City Obligation Resolution will establish a Project Fund, a Debt Service Fund, a Cost of Issuance Fund, and a Surplus Fund. At closing on the issuance of the City Obligation, proceeds will be applied as follows: into the Debt Service Fund will be deposited accrued interest on the City Obligation (if any); into the Cost of Issuance Fund will be deposited amounts necessary to pay costs of issuance of the City Obligation (including, but not limited to, rating agency fees, the City's bond issuance fee set forth in Section 3.5 hereof, financial advising fees, bond counsel fee, and other costs directly related to the issuance of the City Obligation); and into the Project Fund will be deposited the balance of proceeds of the City Obligation together with all prepaid Fee Revenues. Moneys in the Project Fund will be advanced to refinance the Construction Loan.

(f) Under the City Obligation Resolution, on each Payment Date, all Fee Revenues in excess of the amount necessary to pay when due the principal, interest and redemption premium, if any, on the City Obligation will be applied for deposit in the Surplus Fund established under the City Obligation Resolution and maintained by the City until the Maturity Date. Subject to the prior pledge of Fee Revenues to payment of principal and interest on the City Obligation, the City may at its sole discretion apply funds in the Surplus Fund: (i) to pay registrar and paying agent fees, if any, in connection with the City Obligation; (ii) to pay other Administrative Costs in connection with the City Obligation or the Housing Improvement Area; (iii) to pay costs in connection with enforcement by the City of the Association's obligations under this Agreement (provided that nothing in this Section 3.2(f) shall be construed to require the City to pay costs of enforcement in the first instance as provided herein); and (iv) in accordance with Section 3.4 hereof.

(g) The City and Association agree, and the City Obligation Resolution shall so provide, that interest earnings on funds in the Debt Service Fund will be credited to the Debt Service Fund. Interest earnings on all other funds and accounts will be credited to the Surplus Fund described in Section 3.2(f).

(h) [Prepayment of Fee Revenues by each Housing Unit will be allowed after the City Obligation is issued.] OR [Following the issuance of the City Obligation, no prepayment of Fee Revenues by Housing Units will be allowed.]

(i) The City may at any time, in its sole discretion, refinance the City Obligation through issuance of a City Obligation issued under the Act.

Section 3.3. Conditions Precedent to Permanent Financing. The obligation of the City to issue the City Obligation hereunder shall be subject to the following conditions precedent:

(a) The City has received a copy of the Construction Plans, approved by the City Building Official in accordance with Section 4.2 hereof, certified by the City Building Official and the Association.

(b) The City has received copies of the Construction Contracts, and such subcontracts as may be reasonably requested from time to time by the City.

(c) The City has received a sworn construction statement duly executed by the Contractors for the Housing Improvements showing estimates of all anticipated Contractors' contract or subcontracts for specific portions of the work on the Housing Improvements and the amounts anticipated to become due each such Contractor, including all costs and expenses of any kind incurred and to be incurred in construction the Housing Improvements.

(d) The City has received a total project cost statement, incorporating estimates of the construction costs as shown on the sworn construction statement described in clause (c) above and setting forth all other costs and expenses of any kind anticipated to be incurred in completion of the Housing Improvements and sworn to by the Association to be a true, complete and accurate account of all costs actually incurred and a reasonably accurate estimate of all costs to be incurred in the future.

(e) The City has received a copy of the executed contract with the Construction Manager, approved by the City under Section 4.3(b) hereof.

(f) The Housing Improvements have been substantially completed in accordance with the Construction Plans and Article IV hereof, and the City shall have received a Certificate of Completion from the Association's Authorized Representative and the City Building Official, certifying that to the best of their knowledge (i) work on the Housing Improvements has been completed in accordance with the Construction Plans and all other labor, services, materials and supplies used in such work have been paid for; (ii) the completed Housing Improvements conform with all applicable building laws and regulations of the governmental authorities having jurisdiction over the Housing Improvements; and (iii) lien waivers submitted to the City under Section 3.2(h) hereof cover all labor, services materials and supplies in connection with the Housing Improvements.

(g) The City's Authorized Representative shall have received satisfactory evidence that all work requiring inspection by municipal or other governmental authorities having jurisdiction has been duly inspected and approved by such authorities and by the bureau, corporation or office having jurisdiction, and that all requisite certificates of occupancy and other approvals have been issued.

(h) The City's Authorized Representative shall have received a lien waiver from each Contractor for all work done and for all materials furnished by it for the Housing Improvements.

(i) The City has received a written statement from the Association's Authorized Representative certifying that the current balance in the Replacement Reserve Fund meets the requirements in Section 6.5 hereof.

(j) No Event of Default under this Agreement or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing.

(k) If due to prevailing market conditions, the maximum annual Fee Revenues authorized by the Council pursuant to the Fee Resolution will not support debt service on the City Obligation in an amount adequate to produce net bond proceeds sufficient to refinance the entire Construction Loan and pay costs of issuance of the City Obligation, then the Association has first provided to the City (or the Bank at the City's direction), a cash deposit sufficient to pay the amount of the difference between the City Obligation supported by Fee Revenues and the amount needed to pay off the Construction Financing and pay costs of issuance of the City Obligation.

(l) The City has received an opinion letter addressed to the City from the Association's attorney opining that (i) all legal requirements have been complied with in the formation of the Association; (ii) all legal requirements have been completed that are necessary for the Association's execution of all documents relating to the financing and the Housing Improvements; and (iii) all of the documents relating to the financing and the Housing Improvements are fully enforceable against the Association, subject to reasonable exceptions and qualifications.

Section 3.4. Application of Balances. (a) In the event that at any time before the Maturity Date, the City has available to it Fee Revenues (excluding amounts allocated to City administrative

costs), together with amounts on hand in any fund or accounts under the City Obligation Resolution, in an amount sufficient to pay in full the principal and interest on the City Obligation in advance of their maturity (as determined by the City's municipal advisor), the City may, in its sole discretion:

(i) apply such excess Fee Revenues or fund balance to prepay the City Obligation and cancel any remaining fees; or

(ii) by resolution of the Council, disburse all or any portion of such excess Fee Revenues or fund balance, as the case may be, to the Association for deposit into the replacement reserve fund maintained by the Association. The Association shall establish and maintain a separate subaccount in the Replacement Reserve Fund (the "Excess Revenue Subaccount") in which excess Fee Revenues or any fund balance deposited hereunder, together with interest earnings thereon, shall be maintained. Amounts in the Excess Revenue Subaccount of the Replacement Reserve Fund shall be expended only for Housing Improvements (as defined in the Enabling Ordinance) that are selected by the Association; provided that before making any disbursement of funds from the Excess Revenue Subaccount, the Association shall submit written plans and cost estimates for such Housing Improvements to the City's Authorized Representative, which plans shall be deemed approved unless rejected in writing by the City's Authorized Representative within 30 days after receipt thereof; or

(iii) any combination of clauses (i) and (ii) above.

(b) In the event that, at any time before the Maturity Date the City has available to it Fee Revenues (excluding amounts allocated to City administrative costs), together with amounts on hand in any fund or accounts under the City Obligation Resolution and proceeds from the sale of the parking ramp in accordance with Section 6.13 hereof, in an amount sufficient to pay in full the principal and interest on the City Obligation in advance of its maturity (as determined by the City's municipal advisor), the City will apply such excess Fee Revenues, fund balances, and parking lot sale revenues to prepay the City Obligation.

(c) Any balance remaining after the Maturity Date in the Debt Service Fund or any other fund into which Fee Revenues have been deposited shall be transferred by the City to the Association for deposit into the Excess Revenue Subaccount of the Replacement Reserve Fund. Expenditures from the Excess Revenue Subaccount shall be subject to the conditions described in clause (a)(ii) above. All covenants and obligations of the Association under this Section shall survive the Maturity Date.

Section 3.5. City Administrative Costs. The parties agree and understand that the Association paid an application fee of \$5,000.00 to the City upon commencement of the process to form a housing improvement area under the Act. The parties agree and understand that if City Obligation are issued, a fee of one-half percent (0.50%) will be paid to the City to cover any consulting expense. The Association agrees and understands that a \$10.00 per Housing Unit surcharge will be assessed as part of the Fees to cover day to day costs of the City associated with managing the assessments.

ARTICLE IV

Construction of Housing Improvements

Section 4.1. Construction of Housing Improvements. The Association agrees that it will construct the Housing Improvements on the Property in accordance with the approved Construction Plans and at all times prior to the Maturity Date will operate and maintain, preserve and keep the Housing Improvements or cause the Housing Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition, all in accordance with Article VI hereof.

Section 4.2. Construction Plans.

(a) Before the commencement of construction of the Housing Improvements, the Association shall submit the Construction Plans to the City Building Official, who shall review such plans on behalf of the City. The Construction Plans shall provide for the construction of the Housing Improvements and shall be in conformity with this Agreement, and all applicable State and local laws and regulations. The City Building Official will approve the Construction Plans in writing if: (i) the Construction Plans conform to the terms and conditions of this Agreement; (ii) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (iii) the Construction Plans are adequate to provide for construction of the Housing Improvements; and (iv) no Event of Default has occurred. No approval by the City Building Official shall relieve the Association of the obligation to comply with the terms of this Agreement, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Housing Improvements in accordance therewith. No approval by the City Building Official shall constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by the Association in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the City Building Official, in whole or in part. Such rejections shall set forth in detail the reasons therefore, and shall be made within thirty (30) days after the date of their receipt by the City Building Official. If the City Building Official rejects any Construction Plans in whole or in part, the Association shall submit new or corrected Construction Plans within thirty (30) days after written notification to the Association of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the City Building Official. The City Building Official's approval shall not be unreasonably withheld. Said approval shall constitute a conclusive determination that the Construction Plans (and the Housing Improvements, constructed in accordance with said plans) comply to the City Building Official's satisfaction with the provisions of this Agreement relating thereto.

(b) If the Association desires to make any material change in the Construction Plans after their approval by the City Building Official, the Association shall submit the proposed change to the City Building Official for approval. For the purposes of this Section, a "material change" means any change that (i) increases or decreases the total cost of the Housing Improvements by more than \$25,000 or (ii) involves any change in construction materials or design that reasonably requires review for compliance with state and local laws and regulations. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 hereof with respect to such previously approved Construction Plans, the City Building Official shall approve the

proposed change and notify the Association in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the City Building Official unless rejected, in whole or in part, by written notice by the City Building Official to the Association, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such change. The City Building Official's approval of any such change in the Construction Plans will not be unreasonably withheld.

Section 4.3. Commencement and Completion of Construction. (a) Subject to Unavoidable Delays, the Association shall complete the construction of the Housing Improvements by _____, 20____. All work with respect to the Housing Improvements to be constructed or provided by the Association on the Property shall be in conformity with the Construction Plans as submitted by the Association and approved by the City.

(b) Prior to commencement of construction, the Association shall retain a professional construction manager ("Construction Manager") to supervise construction of the Housing Improvements. Before executing a contract with the Construction Manager, the Association shall submit the name of entity and a proposed scope of work and budget. The City's Authorized Representative shall, within 10 days after receipt, approve the Construction Manager and the scope of work or provide reasons for rejection.

(c) The Association agrees for itself, its successors and assigns, and every successor in interest to the Property, or any part thereof, that the Association, and such successors and assigns, shall promptly begin and diligently prosecute to completion the construction of the Housing Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.3. Until construction of the Housing Improvements has been completed, the Association shall make reports, in such commercially reasonable detail and at such times as may reasonably be requested by the City as to the actual progress of the Association with respect to such construction.

Section 4.4. Certificate of Completion.

(a) Promptly after substantial completion of the Housing Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Association to construct the Housing Improvements (including the dates for beginning and completion thereof), the City will furnish the Association with an appropriate instrument so certifying. Such certification by the City shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement with respect to the obligations of the Association, and its successors and assigns, to construct the Housing Improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Association under Article VI hereof.

(b) The certificate provided for in this Section 4.4 shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Property. If the City shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4, the City shall, within thirty (30) days after written request by the Association, provide the Association with a written statement, indicating in adequate detail in what respects the Association has failed to complete the Housing Improvements in accordance with the

provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the City, for the Association to take or perform in order to obtain such certification.

(c) The construction of the Housing Improvements shall be deemed to be substantially completed as determined by the City Building Official, who may execute the certificate of completion on behalf of the City.

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ARTICLE V

Insurance

Section 5.1. Insurance.

(a) The Association will provide and maintain or cause to be provided and maintained at all times during the process of constructing the Housing Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the City, furnish the City with proof of payment of premiums on policies covering the following:

(i) In lieu of a Builder's Risk Policy, a Contractors' Installation Floater Policy which includes an endorsement covering construction of the Housing Improvements up to \$500,000 at any one time during construction, based on the provided work schedule that no more than \$250,000 of materials will be on site at any given time. The Policy will name the City and Association as additional insured. The interest of the City shall be protected in accordance with a clause in form and content satisfactory to the City.

(ii) During construction of the Housing Improvements the Association shall maintain, or cause to be maintained, at its cost and expense, insurance against loss and/or damage to the Property and the Housing Improvements under a policy or policies covering such risks as are ordinarily insured against by similar condominium associations and that names the City as an additional insured. The interest of the City shall be protected in accordance with a clause in form and content satisfactory to the City.

(iii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used) and that names the City as an additional insured.

(iv) Workers' compensation insurance provided by all Contractors.

(b) Upon completion of construction of the Housing Improvements and prior to the Maturity Date, the Association shall maintain, or cause to be maintained, at its cost and expense, at the request of the City but no more often than annually shall furnish proof of the payment of premiums on, insurance as follows:

(i) Insurance against loss and/or damage to the Property and the Housing Improvements under a policy or policies covering such risks as are ordinarily insured against by similar condominium associations, and that names the City as an additional insured.

(ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the amount for each occurrence and for each year of \$1,000,000, and names the City as additional insured.

(iii) Such other insurance, including workers' compensation insurance respecting all employees of the Association, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Association may be self-insured with respect to all or any part of its liability for workers' compensation.

(c) All insurance required in this Article V shall be taken out and maintained in responsible insurance companies selected by the Association which are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Association will deposit annually with the City policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Association and the City at least thirty (30) days before the cancellation or modification becomes effective. In lieu of separate policies, the Association may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Association shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Housing Improvements.

(d) The Association agrees to notify the City immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, the Property, the Housing Improvements or any portion thereof resulting from fire or other casualty. In such event the Association will forthwith repair, reconstruct and restore the Housing Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Association will apply the net proceeds of any insurance (the "Net Proceeds") relating to such damage received by the Association to the payment or reimbursement of the costs thereof.

The Association shall complete the repair, reconstruction and restoration of the Housing Improvements and the Property, whether or not the Net Proceeds of insurance received by the Association for such purposes are sufficient to pay for the same. Any Net Proceeds remaining after completion of such repairs, construction and restoration shall be the property of the Association.

(e) The Association and the City agree that all of the insurance provisions set forth in this Article V shall terminate upon the earlier of the Maturity Date or termination of this Agreement.

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ARTICLE VI

Special Covenants

Section 6.1. No Warranty of Condition or Suitability, Indemnification.

(a) The City does not make any warranty, either express or implied, as to the design or capacity of the Housing Improvements, as to the suitability for operation of the Housing Improvements or that they will be suitable for the Association's purposes or needs. The Association releases the City from, agrees that the City shall not be liable for, and agrees to hold the City, its Council and its respective officers and employees, harmless against, any claim, cause of action, suit or liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Housing Improvements or the Property or the use thereof, except for those that arise from the actions of the City.

(b) The Association further agrees to indemnify and hold harmless the City, its officers and employees against any and all losses, claims, damages or liability to which the City, its officers and employees may become subject under any law arising out of any act, omission, representation or misrepresentation of the Association in connection with the City Obligation and the carrying out of the transactions contemplated by this Agreement, and to reimburse the City, its officers and employees for any out-of-pocket legal and other expenses (including reasonable counsel fees) incurred by the City, its officers and employees, in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions relating thereto. The City agrees, at the request and expense of the Association, to cooperate in the making of any investigation in defense of any such claim and promptly to assert any or all of the rights and privileges and defenses which may be available to the City. The provisions of this Section shall survive the Maturity Date.

(c) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

Section 6.2. Financial Statements. The Association shall provide a copy of its annual audited financial statements for the preceding Fiscal Year, including a balance sheet and operating statements, audited by an Independent certified public accountant to the City, by no later than May 1 of each year, commencing May 1, 2018 and until the later of the Maturity Date or the date all excess Fee Revenues and fund balances, if any, have been expended in accordance with Section 3.4 hereof. Such financial statements shall be accompanied by a separate written statement from such Independent certified public accountant preparing such report that such Independent accountant has obtained no knowledge of any default by the Association in the fulfillment of any of the terms, covenants, provisions or conditions of this Agreement or if such accountant shall have obtained knowledge of any such default the accountant shall disclose in such statement the default and the nature thereof, but such accountant shall not be liable directly or indirectly to any party for failure to obtain knowledge of any default. The Association and the City agree and understand that compliance with this Section constitutes compliance with Section 7.01 of the Enabling Ordinance.

Section 6.3. Financial Plan; Annual Reports. The Association agrees to furnish the following to the City, by no later than May 1 of each year commencing May 1, 2018, and until the later of the Maturity Date or the date all excess Fee Revenues and fund balances, if any, have been expended in accordance with Section 3.4 hereof:

(a) an updated Financial Plan for the Property prepared by a Management Consultant or another property management professional acceptable to the City, in substantially the form of the Financial Plan and providing plans for capital improvements to the Property through the Maturity Date; and

(b) a written report by an Independent engineer or another property management professional acceptable to the City, describing the physical condition of the Property and the Housing Improvements as of the end of the preceding Fiscal Year, with detail sufficient to enable the City to evaluate adequacy of compliance with the Association's obligations under this Agreement.

(c) a certificate certifying compliance with the requirements of Section 6.3(b) hereof.

Section 6.4. Records and Inspection. The Association shall maintain (i) copies of federal, State, municipal and other licenses and permits obtained by the Association relating to the operation of the Property and the Housing Improvements, (ii) financial books and records reflecting the operations of the Property and the Housing Improvements, and (iii) all other documents, instruments, reports and records required by any provision of this Agreement or the Financial Plan or by law relating to the Property or the affairs of the Association. The City shall have the right to inspect all such materials, except any materials made private or confidential by federal or State law or regulation, and the Property at all reasonable times and to make such copies and extracts as it may desire. At the request of the City the Association shall furnish to the City, at the Association's expense, a copy of any such materials which are required by the City in the performance of its duties under this Agreement, the Enabling Ordinance, the Fee Resolution, or the Act.

Section 6.5. Maintenance of Property; Replacement Reserve Fund.

(a) The Association agrees that prior to the Maturity Date, the Association will keep or cause to be kept the Property and the Housing Improvements in good repair and good operating condition at its own cost.

(b) The Association shall maintain, at all times prior to the Maturity Date, a Replacement Reserve Fund, the moneys in which shall be available to pay the costs of maintenance and repair of the Property and to make any other payment that may be required under this Agreement, including without limitation any payment to the City under Section 6.6 hereof. Prior to issuing the City Obligation under Section 3.2 hereof, in 20___, the balance in the Replacement Reserve Fund shall be at least \$_____. By December 31, 20___ and by December 31 of each year thereafter through 20___, the balance in the Replacement Reserve Fund shall increase in accordance with the Replacement Reserve Fund cash flow projection (set forth in SCHEDULE C attached hereto). The Association shall provide documentation showing compliance with these requirements at the time that the Financial Plan and Annual Reports are furnished to the City as described in Section 6.3 hereof.

Section 6.6. Covenant to Maintain Net Revenues Available for Debt Service.

(a) In the event that, ten (10) business days before any Payment Date, the Net Revenues Available For Debt Service are less than one hundred and five percent (105%) of the total principal and interest due on the City Obligation (from all unit owners in the aggregate) on such Payment Date, the City will provide written notice to the Association of such fact and the amount of the deficiency. Within ten (10) days after receipt of such notice of deficiency in Net Revenues Available for Debt Service, the Association shall be liable for and shall pay the City such deficiency. Failure on the part of the City to provide the notice of the deficiency at the time specified herein shall not relieve the Association of its obligation to make the required payment ten (10) days after the actual notice of the deficiency is provided by the City to the Association. Failure on the part of the Association to make the required payment under this Section within ten (10) days after receipt of notice thereof shall entitle the City to exercise its remedies under this Agreement, notwithstanding any cure period provided in Article VII hereof.

(b) In the event that the Association makes any payment to the City under clause (a) above and, ten (10) business days before any Payment Date thereafter the City determines that Net Revenues Available for Debt Service, excluding the amount of all prior payments by the Association under clause (a) above, are at least one hundred five percent (105%) of the total principal and interest due on the City Obligation on such Payment Date, the City shall promptly return to the Association the amount of the Net Revenues Available for Debt Service in excess of the amount due on the City Obligation on that Payment Date. Nothing in this Section 6.6(b) shall be construed to relieve the obligation of the Association to make any payment required under clause (a) above.

Section 6.7. Assignment of Association Assets.

(a) As security for the Association's obligations under Section 6.6 hereof, the Association does hereby bargain, sell, assign and set over unto the City, all the fees and assessments and other income of any type owing to the Association from owners of Housing Units in the Property, together with all cash, investments and securities of any type held by the Association now or hereafter in any operating or reserve accounts (the "Accounts"). The fees, assessments, and Accounts are referred to collectively as the "Association Assets." This assignment (the "Assignment") shall constitute a perfected, absolute and present assignment, provided that the Association may, so long as no Event of Default with respect to Section 6.6 hereof occurs, collect, retain, and make appropriate payment from, of all Association Assets.

The provisions of this Section 6.7 are intended to be a mere license in favor of the Association and a mere deferral of the City's exercise of its perfected, absolute and present rights hereunder, and shall not be construed to be a future assignment thereof.

(b) Other than as described in Section 6.7(f) hereof, the Association hereby covenants and warrants to the City that the Association has not executed any prior assignments of any Association Assets, nor has it performed any act or executed any other instrument that might prevent the Association from operating under any of the terms and conditions of this assignment or that would limit the Association in such operation.

(c) Except as otherwise described in Section 6.7(f) hereof, the Association hereby agrees that, so long as the Association's obligations under Section 6.6 hereof remain outstanding the Association will not, without the written consent of the City, make any other assignment, pledge or other disposition of any of the Association Assets, or consent in any assignment of same; and any such acts, if done without the written consent of the City, shall be null and void.

(d) Upon the occurrence of an Event of Default with respect to Section 6.6 hereof, the City shall have the right to withdraw funds from, and liquidate any securities in any Accounts, and collect the fees and assessments from the owners of Housing Units, and apply the same for deposit in the Bond Fund. This assignment shall be binding upon the owners of Housing Units in the Property from the date of filing by the City in the office or offices where this Agreement is filed that an Event of Default under Section 6.6 hereof has occurred and is continuing and service of a copy of the notice upon the owners of the Housing Units. The expenses, including any attorneys' fees, and financial consultants' fees reasonably incurred pursuant to the powers herein contained shall be deemed to be immediately due and payable by the Association to the City and shall be secured hereby. The City shall not be liable to account to the Association for any action taken pursuant hereto other than to account for any Association Assets actually received by the City.

(e) The City shall not be obligated to perform or discharge, nor does it undertake to perform or discharge, any obligation, duty or liability under any agreement between the Association and owners of Housing Units in the Property, and the Association hereby agrees to defend and indemnify the City and hold it harmless for any and all liability, loss or damage which it may or might incur under or by reason of this assignment and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms or covenants contained in any agreement by and among the Association and the owners of Housing Units in the Property, except such claims and demands that arise out of the negligence or willful misconduct of the City, its officers, employees and agents. Should the City incur any such liability, loss or damage under or by reason of this assignment, or in the defense against any such claims or demands arising out of this assignment, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon at the rate of interest on the City Obligation, shall be secured hereby, and the Association shall reimburse the City therefore immediately upon demand.

(f) This Assignment is subordinate to the [describe security document for Western Bank] executed by the Association for the benefit of Western Bank to secure the Construction Loan. The parties agree and understand that on or before the date of issuance of the City Obligation, the [describe security document for Western Bank] shall be satisfied and released by Western Bank.

Section 6.8. Association to Maintain Its Existence; Conditions Under Which Exceptions Permitted. The Association agrees that, until the Maturity Date, it will maintain its existence as a nonprofit corporation under the laws of the State; will not dissolve or otherwise dispose of all or substantially all of its assets; will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it.

Section 6.9. Prohibition Against Assignment of Agreement. The Association represents and agrees that prior to the Maturity Date the Association has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or any

trust or power, or transfer in any other mode or form of or with respect to the Association's rights, interests or obligations under this Agreement or any part thereof, or any contract or agreement to do any of the same, without the prior written approval of the City.

Section 6.10. Notice of Fee Upon Transfer of Housing Units. The Association agrees that it will use its best efforts to ensure that owners of each Housing Unit upon which a Fee is imposed under the Fee Resolution provide notice of the Fee to prospective buyers or transferees upon any sale or transfer of the Housing Unit. Such efforts by the Association shall include, but are not limited to ensuring that Housing Unit owners include a description of the Fee in each disclosure certificate provided to the purchaser as required under Minnesota Statutes, Section 515B.4-107 or any successor statute.

Section 6.11. Experienced Property Manager. At all times prior to the Maturity Date, the Association agrees to maintain "experienced professional property management" for the Property. For purposes of this subsection, "experienced professional management" shall mean _____, or another property manager acceptable to the City who meets the following criteria:

(a) has demonstrated knowledge of accounting, financial reporting, budgeting and related issues; and

(b) does not have an ownership interest in any Housing Unit and is not the spouse, child, parent or sibling of anyone who has an ownership interest.

Section 6.12. Sale of Parking Ramp. In the event that the Association sells the parking ramp located adjacent to the Property, the Association agrees that any proceeds from the sale thereof shall be transferred to the City. The City shall use such funds to prepay the principal amount of the City Obligation and any accrued interest thereon and any additional interest due to the redemption date of the City Obligation in accordance with Section 3.4 hereof. Any remaining proceeds of the sale of the parking ramp shall be returned to the Association for deposit to the Excess Revenue Subaccount and expended per the provisions of Section 3.4(a)(ii) hereof.

Section 6.13. Affordability Requirements. The Association agrees that current resale covenants limiting the sale price of 16 Housing Units to \$170,000 or less will remain in place until the later of the Maturity Date or the date all excess Fee Revenues and fund balances, if any, have been expended in accordance with Section 3.4 hereof.

Section 6.14. Change in Association's Bylaws. Until the later of the Maturity Date or the date all excess Fee Revenues and fund balances, if any, have been expended in accordance with Section 3.4 hereof, any changes to the Association's bylaws must be approved by the City of Minnetonka prior to approval and adoption of the changes to the bylaws.

(The remainder of this page is intentionally left blank.)

ARTICLE VII

Events of Default

Section 7.1. Events of Default Defined. The following will be “Events of Default” under this Agreement and the term “Event of Default” means, whenever it is used in this Agreement, any one or more of the following events, after the non-defaulting party provides thirty (30) days written notice to the defaulting party of the event, but only if the event has not been cured within said thirty (30) days or, if the event is by its nature incurable within thirty (30) days, the defaulting party does not, within the 30-day period, provide assurances reasonably satisfactory to the party providing notice of default that the event will be cured and will be cured as soon as reasonably possible:

- (a) Failure by the Developer or the Authority to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement;
- (b) The Developer:
 - (i) files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law;
 - (ii) makes an assignment for benefit of its creditors;
 - (iii) admits in writing its inability to pay its debts generally as they become due;
or
 - (iv) is adjudicated as bankrupt or insolvent.

Section 7.2. Remedies on Default. Whenever any Event of Default referred to in Section 7.1 hereof occurs, the non-defaulting party may exercise its rights under this Section 7.2 after providing thirty (30) days’ written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days or, if the Event of Default is by its nature incurable within thirty (30) days, the defaulting party does not provide assurances reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

- (a) Suspend its performance under the Agreement until it receives assurances that the defaulting party will cure its default and continue its performance under the Agreement.
- (b) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.
- (c) The City may exercise its remedies pursuant to Section 6.7 hereof.
- (d) The City may seek specific performance of the obligations of the Developer pursuant to this Agreement, including without limitation payments due from the Developer

hereunder, or seek damages to the extent otherwise set forth herein as to any obligation, agreement, or covenant of the Developer under this Agreement.

Section 7.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or Association is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article VII.

Section 7.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

(The remainder of this page is intentionally left blank.)

ARTICLE VIII

Additional Provisions

Section 8.1. Conflict of Interests; City Representatives Not Individually Liable. The City and the Association, to the best of their respective knowledge, represent and agree that no member, official, or employee of the City shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the City shall be personally liable to the Association, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Association or successor or on any obligations under the terms of the Agreement.

Section 8.2. Equal Employment Opportunity. The Association, for itself and its successors and assigns, agrees that during the construction of the Housing Improvements provided for in the Agreement it will comply with all applicable federal, state and local equal employment and non-discrimination laws and regulations.

Section 8.3. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 8.4. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 8.5. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of the Association, is addressed to or delivered personally to the Association at _____; and

(b) in the case of the City, is addressed to or delivered personally to the City at 14600 Minnetonka Boulevard, Minnetonka, MN 55345, Attention: Community Development Director;

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 8.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 8.7. Recording. Either party may record this Agreement and any amendments thereto with the County Recorder or Registrar of Titles. The Association shall pay all costs for recording.

Section 8.8. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City and the Association and their respective successors, heirs and assigns.

Section 8.9. Amendment. This Agreement may be amended only by written agreement of the parties hereto.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the City and the Association have caused this Development Agreement to be executed in their respective names and behalf as of the date and year first written above.

CITY OF MINNETONKA, MINNESOTA

By _____
Its Mayor

By _____
Its City Manager

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by Terry Schneider, the Mayor of the City of Minnetonka, Minnesota, a home rule city, municipal corporation, and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State of Minnesota, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by GERALYN BARONE, the City Manager of the City of Minnetonka, Minnesota, a home rule city, municipal corporation, and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State of Minnesota, on behalf of the City.

Notary Public

Execution page of the Association to the Development Agreement, dated as of the date and year first written above.

CLOUD 9 SKY FLATS ASSOCIATION, INC.

By _____
Its _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, the _____ of Cloud 9 Sky Flats Association, Inc., a Minnesota nonprofit corporation, on behalf of the Association.

Notary Public

SCHEDULE A

DESCRIPTION OF PROPERTY

Parcel 1:

That Part of the East 665.0 feet of the South 673.6 feet of the North 690.1 feet of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 36, Township 117 North, Range 22, West of the 5th Principal Meridian which lies westerly of the westerly line of County Highway No. 18 as described in final certificate No. 4757011, except that part taken for existing roads.

Parcel 2:

The North 16.5 feet of the West 542.0 feet of the East 632.0 feet of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 36, Township 117 North, Range 22 West of the 5th Principal Meridian.

SCHEDULE B

HOUSING IMPROVEMENTS

Housing Improvements: The ordinance specifies the “Housing Improvements” that will be constructed in Cloud 9 Sky Flats Housing Improvement Area and financed with the Housing Improvement Fee. Those improvements are defined as follows:

- A complete renovation of the curtain wall exterior of the building
- Major repairs to the heating, ventilating, and air conditioning (HVAC) systems of the building
- Upgrades to the elevator
- All costs of architectural and engineering services in connection with the activities described above
- All administration, legal and consultant costs in connection with the Housing Improvement Area, including without limitation all costs related to financing or issuance of the City Obligation, if any

SCHEDULE C
RESERVE STUDY FINANCIAL PLAN

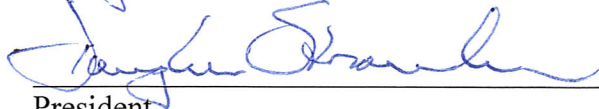
[Insert plan]

Cloud 9 Sky Flats Association, Inc.

CERTIFICATION OF REPLACEMENT RESERVE PLAN

I certify that based on all available information and drawing on my forty-two years of experience with midrise buildings, the attached Long-Range Replacement Reserve Plan for Cloud 9 Sky Flats is realistic and credible.

Douglas Strandness

A handwritten signature in blue ink, appearing to read "Douglas Strandness", written over a horizontal line.

President

Dunbar Strandness, Inc.

February 7, 2017

CLOUD 9 SKY FLATS

November 9, 2016

Reserve Plan based Superior Reserve study	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Reserved Components	Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
HIA Components																
Exterior Building Components																
Awning - Front	45,000		46,086													
Awning - Rear	26,000		26,628												0	
Curtain Wall - Renovation (subsequent)	517,000															
Doors at Entrances and Exits	14,000							15,219								
Painting - Metal Framing at Cooling Towers	9,800	0				10,402			0							11,720
Roofs - Main and Penthouse	644,000										0					
Roofs - Bump-uts	31,000											0				
Roof -Generator Room and Adjacent Areas	80,000											0				
Interior Building Components																
Carpet	124,800									0		142,298				
Ceiling Tiles and Grid	82,000															
Door and Panel Refinishing	55,200															
Elevator Cab Finishes	60,000															
Exercise Equipement (33% every 5 years)	37,000				12,807					13,594					14,429	
Exercise Room Renovation	11,900									13,249						
Light Fixtures - Hallways	42,000															
Light Fixtures - Stairwells	11,000							11,958								
Lobby and Foyer Renovation	135,000															
Mailboxes	16,000															
Office Renovation (25% every 5 years)	9,300				2,439					2,588					2,748	
Painting in the Hallways	47,400									0					56,015	
Painting in the Stairwells	17,100											0				
Rest Room Renovation	7,300											8,324				
Unit Plaques and Lighting	81,500											92,927				
Building System Components																
Air Handling Units - Common Heat Pumps	87,000															
Air Handling Unit - Make-up (repairs)	48,000															
Boilers - Make-up Air Unit (5)	69,000															
Boilers - Make-up Air Unit (2)	30,000															
Boilers - Core Loop	112,000												127,704			
Building Automation System	60,000						64,452									
Chiller - Make-up Air Unit	97,000															
Cooling Tower Capital Repair	115,000		25,000								0		132,698			
Cooling Tower Replacement	611,000															
Elevator - Accessibility Lift	25,000															
Elevator Traction Controls and Equipment	711,000		0													
Fans for Post Fire and Stairwells	21,000															
Fans for Bathrooms, Kitchens, and Laundry Rooms	93,000											0				
Generator	69,000															
Heat Exchanger for Building Heat	56,000										63,095					
Humidifiers	15,000															
Intercom Lobby Panel	5,000			5,182												5,980
Life Safety System	71,800											81,867				
Light Fixtures for Exit Use and Emergency Use	7,700															
Pumps for Core Heating and Cooling	62,900												72,580			
Pumps for Domestic Water	27,900											31,812				

Reserve Plan - continued:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Reserved Components	Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
HIA Components																
Pumps for Cooling Tower	54,500												62,887			
Pump for Fire Suppression	68,000															
Security System	31,500		32,261	0											37,225	0
Storage Tank for Cooled Water	34,600												39,925			
Valves	100,000															
Water Softener Systems	55,000											62,712				
Garage Components																
Elevated Concrete Floor Restoration	971,000					1,007,206										
On-grade Concrete Floor Restoration	41,900													48,928		
On-grade Asphalt Floor Restoration	213,100					220,864								248,846		
Garage Door and Operator - Private North	6,100														7,209	
Garage Door and Operator - Private South	6,100					6,173										
Garage Doors and Operators - Main	24,400											27,491				
Garage Doors and Operators - Loading Dock	12,200								13,262							
Exhaust System	23,000					23,838										
Fences - Chain Link	14,000															
Garage Light Fixtures	18,000															
Painting in Garage	18,000										20,280					
Staircase	7,100					7,359										
Site Components																
Concrete Curbs and Gutters	44,000															
Light Poles and Fixtures	63,000							68,486								
Patio Restoration	118,000											134,545				
Pavement Total Replacement	275,200															
Signs	30,000											34,206				
Total Cost (2014)	6,872,900															
Total Annual Reserve Expenditures			129,975	5,182	15,246	1,275,842	64,452	108,925	0	29,431	110,866	716,396	308,090	297,774	117,626	17,700
Reserve Cash Flows																
Balance: beginning of year			812,994	920,686	1,157,924	1,389,947	366,319	559,125	712,604	980,256	1,223,829	1,391,428	959,066	940,691	938,426	1,122,219
Contribution: increase 2.0% per year			237,667	242,420	247,269	252,214	257,258	262,404	267,652	273,005	278,465	284,034	289,715	295,509	301,419	307,448
Interest: 0.25% per year			2,167	2,598	3,185	2,195	1,157	1,590	2,116	2,755	3,269	2,938	2,375	2,349	2,576	3,168
Expenditures			(129,975)	(5,182)	(15,246)	(1,275,842)	(64,452)	(108,925)	0	(29,431)	(110,866)	(716,396)	(308,090)	(297,774)	(117,626)	(17,700)
Balance: end of year			920,686	1,157,924	1,389,947	366,319	559,125	712,604	980,256	1,223,829	1,391,428	959,066	940,691	938,426	1,122,219	1,411,967

Reserve Plan - continued:	2014	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Reserved Components	Cost	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
HIA Components																
Pumps for Cooling Tower	54,500															
Pump for Fire Suppression	68,000							88,406								
Security System	31,500											42,954	0			
Storage Tank for Cooled Water	34,600															
Valves	100,000							130,008								
Water Softener Systems	55,000											74,999				
Garage Components																
Elevated Concrete Floor Restoration	971,000													1,357,160		
On-grade Concrete Floor Restoration	41,900													58,515		
On-grade Asphalt Floor Restoration	213,100													297,603		
Garage Door and Operator - Private North	6,100															
Garage Door and Operator - Private South	6,100	7,383													8,621	
Garage Doors and Operators - Main	24,400										32,878					
Garage Doors and Operators - Loading Dock	12,200															
Exhaust System	23,000															
Fences - Chain Link	14,000							18,201								
Garage Light Fixtures	18,000												24,840			
Painting in Garage	18,000															25,745
Staircase	7,100															
Site Components																
Concrete Curbs and Gutters	44,000	53,253														
Light Poles and Fixtures	63,000															
Patio Restoration	118,000															
Pavement Total Replacement	275,200	333,071														
Signs	30,000															
Total Cost (2014)	6,872,900															
Total Annual Reserve Expenditures		1,582,330	123,705	0	277,764	26,658	431,520	236,615	1,095,702	19,353	46,083	229,770	31,740	1,713,278	116,647	48,629
Reserve Cash Flows																
Balance: beginning of year		1,411,967	143,234	339,397	665,663	720,690	1,033,479	948,196	1,064,741	329,263	677,339	1,006,033	1,158,535	1,516,713	201,151	490,175
Contribution: increase 2.0% per year		313,597	319,868	326,266	332,791	339,447	346,236	353,161	360,224	367,428	374,777	382,272	389,918	397,716	405,671	413,784
Interest: 0.25% per year		1,944	603	1,256	1,733	2,193	2,477	2,516	1,743	1,258	2,104	2,706	3,344	2,147	864	1,682
Expenditures		(1,582,330)	(123,705)	0	(277,764)	(26,658)	(431,520)	(236,615)	(1,095,702)	(19,353)	(46,083)	(229,770)	(31,740)	(1,713,278)	(116,647)	(48,629)
Balance: end of year		143,234	339,397	665,663	720,690	1,033,479	948,196	1,064,741	329,263	677,339	1,006,033	1,158,535	1,516,713	201,151	490,175	855,330

City of Minnetonka

Housing Improvement Area - Cloud 9 - 20 year option

Assessment Allocation For Notice 3-7-17

CLOUD 9 CONDOMINIUM HOUSING IMPROVEMENT AREA - ESTIMATE OF UNIT FEES

#	Unit No.	Percentage Interest	Total Assesment (principal / prepayment amount)	Total Interest	Total City Admin Fee	Total Assessment	Total Annual Fee
1	101	0.5783%	\$22,727.14	\$16,222.36	\$200	\$39,150	\$1,957.48
2	102	0.5357%	\$21,052.96	\$15,027.35	\$200	\$36,280	\$1,814.02
3	103	0.5458%	\$21,449.89	\$15,310.67	\$200	\$36,961	\$1,848.03
4	104	0.6710%	\$26,370.25	\$18,822.77	\$200	\$45,393	\$2,269.65
5	106	0.9015%	\$35,428.90	\$25,288.72	\$200	\$60,918	\$3,045.88
6	107	0.5693%	\$22,373.44	\$15,969.89	\$200	\$38,543	\$1,927.17
7	108	0.5687%	\$22,349.86	\$15,953.06	\$200	\$38,503	\$1,925.15
8	109	0.6784%	\$26,661.07	\$19,030.35	\$200	\$45,891	\$2,294.57
9	110	0.5629%	\$22,121.92	\$15,790.36	\$200	\$38,112	\$1,905.61
10	111	0.5293%	\$20,801.44	\$14,847.82	\$200	\$35,849	\$1,792.46
11	112	0.5458%	\$21,449.89	\$15,310.67	\$200	\$36,961	\$1,848.03
12	113	0.6667%	\$26,201.26	\$18,702.14	\$200	\$45,103	\$2,255.17
13	114	0.5267%	\$20,699.26	\$14,774.88	\$200	\$35,674	\$1,783.71
14	117	0.6566%	\$25,804.33	\$18,418.82	\$200	\$44,423	\$2,221.16
15	201	0.5778%	\$22,707.49	\$16,208.33	\$200	\$39,116	\$1,955.79
16	202	0.5357%	\$21,052.96	\$15,027.35	\$200	\$36,280	\$1,814.02
17	203	0.5698%	\$22,393.09	\$15,983.92	\$200	\$38,577	\$1,928.85
18	204	0.7892%	\$31,015.51	\$22,138.50	\$200	\$53,354	\$2,667.70
19	205	0.4084%	\$16,050.07	\$11,456.35	\$200	\$27,706	\$1,385.32
20	206	0.4707%	\$18,498.46	\$13,203.98	\$200	\$31,902	\$1,595.12

21	207	0.5671%	\$22,286.98	\$15,908.18	\$200	\$38,395	\$1,919.76
22	208	0.5693%	\$22,373.44	\$15,969.89	\$200	\$38,543	\$1,927.17
23	209	0.6784%	\$26,661.07	\$19,030.35	\$200	\$45,891	\$2,294.57
24	210	0.5687%	\$22,349.86	\$15,953.06	\$200	\$38,503	\$1,925.15
25	211	0.5357%	\$21,052.96	\$15,027.35	\$200	\$36,280	\$1,814.02
26	212	0.5698%	\$22,393.09	\$15,983.92	\$200	\$38,577	\$1,928.85
27	213	0.7892%	\$31,015.51	\$22,138.50	\$200	\$53,354	\$2,667.70
28	214	0.4084%	\$16,050.07	\$11,456.35	\$200	\$27,706	\$1,385.32
29	215	0.4707%	\$18,498.46	\$13,203.98	\$200	\$31,902	\$1,595.12
30	216	0.5693%	\$22,373.44	\$15,969.89	\$200	\$38,543	\$1,927.17
31	217	0.5421%	\$21,304.48	\$15,206.88	\$200	\$36,711	\$1,835.57
32	218	0.3621%	\$14,230.48	\$10,157.55	\$200	\$24,588	\$1,229.40
33	301	0.5778%	\$22,707.49	\$16,208.33	\$200	\$39,116	\$1,955.79
34	302	0.5357%	\$21,052.96	\$15,027.35	\$200	\$36,280	\$1,814.02
35	303	0.5698%	\$22,393.09	\$15,983.92	\$200	\$38,577	\$1,928.85
36	304	0.7886%	\$30,991.93	\$22,121.67	\$200	\$53,314	\$2,665.68
37	305	0.4084%	\$16,050.07	\$11,456.35	\$200	\$27,706	\$1,385.32
38	306	0.4707%	\$18,498.46	\$13,203.98	\$200	\$31,902	\$1,595.12
39	307	0.5666%	\$22,267.33	\$15,894.15	\$200	\$38,361	\$1,918.07
40	308	0.7780%	\$30,575.35	\$21,824.32	\$200	\$52,600	\$2,629.98
41	309	0.7780%	\$30,575.35	\$21,824.32	\$200	\$52,600	\$2,629.98
42	310	0.5693%	\$22,373.44	\$15,969.89	\$200	\$38,543	\$1,927.17
43	311	0.5357%	\$21,052.96	\$15,027.35	\$200	\$36,280	\$1,814.02
44	312	0.5693%	\$22,373.44	\$15,969.89	\$200	\$38,543	\$1,927.17
45	313	0.7886%	\$30,991.93	\$22,121.67	\$200	\$53,314	\$2,665.68
46	314	0.4084%	\$16,050.07	\$11,456.35	\$200	\$27,706	\$1,385.32
47	315	0.4707%	\$18,498.46	\$13,203.98	\$200	\$31,902	\$1,595.12
48	316	0.5666%	\$22,267.33	\$15,894.15	\$200	\$38,361	\$1,918.07
49	317	0.8680%	\$34,112.35	\$24,348.98	\$200	\$58,661	\$2,933.07
50	318	0.3472%	\$13,644.91	\$9,739.57	\$200	\$23,584	\$1,179.22
51	401	0.5783%	\$22,727.14	\$16,222.36	\$200	\$39,150	\$1,957.48
52	402	0.5357%	\$21,052.96	\$15,027.35	\$200	\$36,280	\$1,814.02
53	403	0.5698%	\$22,393.09	\$15,983.92	\$200	\$38,577	\$1,928.85

54	404	0.7892%	\$31,015.51	\$22,138.50	\$200	\$53,354	\$2,667.70
55	405	0.4084%	\$16,050.07	\$11,456.35	\$200	\$27,706	\$1,385.32
56	406	0.4707%	\$18,498.46	\$13,203.98	\$200	\$31,902	\$1,595.12
57	407	0.5661%	\$22,247.68	\$15,880.13	\$200	\$38,328	\$1,916.39
58	408	0.7780%	\$30,575.35	\$21,824.32	\$200	\$52,600	\$2,629.98
59	409	0.7780%	\$30,575.35	\$21,824.32	\$200	\$52,600	\$2,629.98
60	410	0.5693%	\$22,373.44	\$15,969.89	\$200	\$38,543	\$1,927.17
61	411	0.5357%	\$21,052.96	\$15,027.35	\$200	\$36,280	\$1,814.02
62	412	0.5693%	\$22,373.44	\$15,969.89	\$200	\$38,543	\$1,927.17
63	413	0.7892%	\$31,015.51	\$22,138.50	\$200	\$53,354	\$2,667.70
64	414	0.4084%	\$16,050.07	\$11,456.35	\$200	\$27,706	\$1,385.32
65	415	0.4707%	\$18,498.46	\$13,203.98	\$200	\$31,902	\$1,595.12
66	416	0.5661%	\$22,247.68	\$15,880.13	\$200	\$38,328	\$1,916.39
67	417	0.8685%	\$34,132.00	\$24,363.01	\$200	\$58,695	\$2,934.75
68	418	0.3467%	\$13,625.26	\$9,725.55	\$200	\$23,551	\$1,177.54
69	501	0.5788%	\$22,746.79	\$16,236.39	\$200	\$39,183	\$1,959.16
70	502	0.5368%	\$21,096.19	\$15,058.21	\$200	\$36,354	\$1,817.72
71	504	1.3616%	\$53,510.83	\$38,195.39	\$200	\$91,906	\$4,595.31
72	505	0.4079%	\$16,030.42	\$11,442.32	\$200	\$27,673	\$1,383.64
73	507	0.8392%	\$32,980.51	\$23,541.09	\$200	\$56,722	\$2,836.08
74	508	0.7791%	\$30,618.58	\$21,855.17	\$200	\$52,674	\$2,633.69
75	509	0.7791%	\$30,618.58	\$21,855.17	\$200	\$52,674	\$2,633.69
76	510	0.5698%	\$22,393.09	\$15,983.92	\$200	\$38,577	\$1,928.85
77	511	0.5368%	\$21,096.19	\$15,058.21	\$200	\$36,354	\$1,817.72
78	512	0.5703%	\$22,412.74	\$15,997.94	\$200	\$38,611	\$1,930.53
79	513	0.7918%	\$31,117.69	\$22,211.43	\$200	\$53,529	\$2,676.46
80	514	0.4079%	\$16,030.42	\$11,442.32	\$200	\$27,673	\$1,383.64
81	516	0.8398%	\$33,004.09	\$23,557.92	\$200	\$56,762	\$2,838.10
82	517	0.8696%	\$34,175.23	\$24,393.87	\$200	\$58,769	\$2,938.45
83	518	0.3445%	\$13,538.80	\$9,663.83	\$200	\$23,403	\$1,170.13
84	601	0.5788%	\$22,746.79	\$16,236.39	\$200	\$39,183	\$1,959.16
85	602	0.5368%	\$21,096.19	\$15,058.21	\$200	\$36,354	\$1,817.72

86	603	0.5698%	\$22,393.09	\$15,983.92	\$200	\$38,577	\$1,928.85
87	604	0.7913%	\$31,098.04	\$22,197.41	\$200	\$53,495	\$2,674.77
88	605	0.4079%	\$16,030.42	\$11,442.32	\$200	\$27,673	\$1,383.64
89	607	0.8398%	\$33,004.09	\$23,557.92	\$200	\$56,762	\$2,838.10
90	608	0.7791%	\$30,618.58	\$21,855.17	\$200	\$52,674	\$2,633.69
91	609	0.7791%	\$30,618.58	\$21,855.17	\$200	\$52,674	\$2,633.69
92	610	0.5698%	\$22,393.09	\$15,983.92	\$200	\$38,577	\$1,928.85
93	611	0.5368%	\$21,096.19	\$15,058.21	\$200	\$36,354	\$1,817.72
94	612	0.5698%	\$22,393.09	\$15,983.92	\$200	\$38,577	\$1,928.85
95	613	0.7918%	\$31,117.69	\$22,211.43	\$200	\$53,529	\$2,676.46
96	614	0.4079%	\$16,030.42	\$11,442.32	\$200	\$27,673	\$1,383.64
97	616	0.8398%	\$33,004.09	\$23,557.92	\$200	\$56,762	\$2,838.10
98	617	0.8691%	\$34,155.58	\$24,379.84	\$200	\$58,735	\$2,936.77
99	618	0.3424%	\$13,456.27	\$9,604.92	\$200	\$23,261	\$1,163.06
100	701	0.5794%	\$22,770.37	\$16,253.22	\$200	\$39,224	\$1,961.18
101	702	0.5368%	\$21,096.19	\$15,058.21	\$200	\$36,354	\$1,817.72
102	703	0.4606%	\$18,101.53	\$12,920.65	\$200	\$31,222	\$1,561.11
103	704	0.7918%	\$31,117.69	\$22,211.43	\$200	\$53,529	\$2,676.46
104	705	0.4079%	\$16,030.42	\$11,442.32	\$200	\$27,673	\$1,383.64
105	707	0.8403%	\$33,023.74	\$23,571.95	\$200	\$56,796	\$2,839.78
106	708	0.7785%	\$30,595.00	\$21,838.34	\$200	\$52,633	\$2,631.67
107	709	0.7791%	\$30,618.58	\$21,855.17	\$200	\$52,674	\$2,633.69
108	710	0.5698%	\$22,393.09	\$15,983.92	\$200	\$38,577	\$1,928.85
109	711	0.5368%	\$21,096.19	\$15,058.21	\$200	\$36,354	\$1,817.72
110	712	0.4601%	\$18,081.88	\$12,906.63	\$200	\$31,189	\$1,559.43
111	713	0.7913%	\$31,098.04	\$22,197.41	\$200	\$53,495	\$2,674.77
112	714	0.4079%	\$16,030.42	\$11,442.32	\$200	\$27,673	\$1,383.64
113	716	0.8403%	\$33,023.74	\$23,571.95	\$200	\$56,796	\$2,839.78
114	717	0.8696%	\$34,175.23	\$24,393.87	\$200	\$58,769	\$2,938.45
115	718	0.3477%	\$13,664.56	\$9,753.60	\$200	\$23,618	\$1,180.91
116	801	0.5788%	\$22,746.79	\$16,236.39	\$200	\$39,183	\$1,959.16
117	802	0.5368%	\$21,096.19	\$15,058.21	\$200	\$36,354	\$1,817.72
118	803	0.4606%	\$18,101.53	\$12,920.65	\$200	\$31,222	\$1,561.11

119	804	0.7918%	\$31,117.69	\$22,211.43	\$200	\$53,529	\$2,676.46
120	805	0.4079%	\$16,030.42	\$11,442.32	\$200	\$27,673	\$1,383.64
121	807	0.8392%	\$32,980.51	\$23,541.09	\$200	\$56,722	\$2,836.08
122	808	0.7785%	\$30,595.00	\$21,838.34	\$200	\$52,633	\$2,631.67
123	809	0.7791%	\$30,618.58	\$21,855.17	\$200	\$52,674	\$2,633.69
124	810	0.5698%	\$22,393.09	\$15,983.92	\$200	\$38,577	\$1,928.85
125	811	0.5368%	\$21,096.19	\$15,058.21	\$200	\$36,354	\$1,817.72
126	812	0.4606%	\$18,101.53	\$12,920.65	\$200	\$31,222	\$1,561.11
127	813	0.7913%	\$31,098.04	\$22,197.41	\$200	\$53,495	\$2,674.77
128	814	0.4079%	\$16,030.42	\$11,442.32	\$200	\$27,673	\$1,383.64
129	816	0.8398%	\$33,004.09	\$23,557.92	\$200	\$56,762	\$2,838.10
130	817	0.8696%	\$34,175.23	\$24,393.87	\$200	\$58,769	\$2,938.45
131	818	0.3483%	\$13,688.14	\$9,770.43	\$200	\$23,659	\$1,182.93
132	901	0.5794%	\$22,770.37	\$16,253.22	\$200	\$39,224	\$1,961.18
133	902	0.5373%	\$21,115.84	\$15,072.23	\$200	\$36,388	\$1,819.40
134	903	0.4606%	\$18,101.53	\$12,920.65	\$200	\$31,222	\$1,561.11
135	904	0.7918%	\$31,117.69	\$22,211.43	\$200	\$53,529	\$2,676.46
136	905	0.4079%	\$16,030.42	\$11,442.32	\$200	\$27,673	\$1,383.64
137	907	0.8392%	\$32,980.51	\$23,541.09	\$200	\$56,722	\$2,836.08
138	908	0.7785%	\$30,595.00	\$21,838.34	\$200	\$52,633	\$2,631.67
139	909	0.7791%	\$30,618.58	\$21,855.17	\$200	\$52,674	\$2,633.69
140	910	0.5698%	\$22,393.09	\$15,983.92	\$200	\$38,577	\$1,928.85
141	911	0.5368%	\$21,096.19	\$15,058.21	\$200	\$36,354	\$1,817.72
142	912	0.4606%	\$18,101.53	\$12,920.65	\$200	\$31,222	\$1,561.11
143	913	0.7913%	\$31,098.04	\$22,197.41	\$200	\$53,495	\$2,674.77
144	914	0.4079%	\$16,030.42	\$11,442.32	\$200	\$27,673	\$1,383.64
145	916	0.8430%	\$33,129.85	\$23,647.69	\$200	\$56,978	\$2,848.88
146	917	0.8696%	\$34,175.23	\$24,393.87	\$200	\$58,769	\$2,938.45
147	918	0.3477%	\$13,664.56	\$9,753.60	\$200	\$23,618	\$1,180.91
148	1001	0.5788%	\$22,746.79	\$16,236.39	\$200	\$39,183	\$1,959.16
149	1002	0.5368%	\$21,096.19	\$15,058.21	\$200	\$36,354	\$1,817.72
150	1003	0.4601%	\$18,081.88	\$12,906.63	\$200	\$31,189	\$1,559.43
151	1004	0.7918%	\$31,117.69	\$22,211.43	\$200	\$53,529	\$2,676.46

152	1005	0.4079%	\$16,030.42	\$11,442.32	\$200	\$27,673	\$1,383.64
153	1007	0.8430%	\$33,129.85	\$23,647.69	\$200	\$56,978	\$2,848.88
154	1008	0.5906%	\$23,210.53	\$16,567.40	\$200	\$39,978	\$1,998.90
155	1009	0.8312%	\$32,666.11	\$23,316.68	\$200	\$56,183	\$2,809.14
156	1010	0.5698%	\$22,393.09	\$15,983.92	\$200	\$38,577	\$1,928.85
157	1011	0.5368%	\$21,096.19	\$15,058.21	\$200	\$36,354	\$1,817.72
158	1012	0.4606%	\$18,101.53	\$12,920.65	\$200	\$31,222	\$1,561.11
159	1013	0.7918%	\$31,117.69	\$22,211.43	\$200	\$53,529	\$2,676.46
160	1014	0.4084%	\$16,050.07	\$11,456.35	\$200	\$27,706	\$1,385.32
161	1016	0.8430%	\$33,129.85	\$23,647.69	\$200	\$56,978	\$2,848.88
162	1017	0.8691%	\$34,155.58	\$24,379.84	\$200	\$58,735	\$2,936.77
163	1018	0.3477%	\$13,664.56	\$9,753.60	\$200	\$23,618	\$1,180.91

GRAND TOT/ 100.0002% \$3,930,000.00 \$2,805,187 \$32,600 \$6,767,787 \$338,389

EDAC Agenda Item #5
Meeting of March 16, 2017

Brief Description	Newport Midwest
Recommendation	Review the funding inquiry and refer it to a subcommittee

Background

On February 16 and March 6 the Planning Commission and City Council discussed the initial concept plan from Newport Midwest that is proposing the redevelopment of existing commercial properties at 10400, 10500, and 10550 Bren Road East.

The concept plan contemplates redevelopment of the existing office buildings to construct 240 units of rental housing on the 3.2 acre site. The proposed housing will provide a mix of unit types from studio to 3 bedroom units for a range of income levels. Plans include common-space amenities, outdoor recreational space, underground parking and a small surface parking lot.

It is planned that the one building will be entirely workforce housing consisting of 55 of the units available to households earning 50 percent AMI (\$42,900 for a family of four) or less. The other building is proposed to have 190 market rate units. Both buildings are proposed to have a mix of studio to three-bedroom apartments. The developer is anticipating separate ownership entities for each building due to the structure of the financing.

Both the planning commission and the city council discussed the height and density of the proposed building as well as the design, but in general felt that a multi-family development in this location is appropriate based on the comprehensive plan and the proximity to the proposed Southwest Light Rail station to the northwest of the property.

Current Concept and Funding Inquiry

The developer is in the process of redesigning the proposed building and working on finalizing all needed applications for city approvals. As noted above, 55 units of the development are available to households earning 50 percent of the AMI or less and 190 units are proposed to be market rate apartments. The developer anticipates making an application to Minnesota Housing in June for 9% housing tax credits. If tax credits are awarded, the developer foresees that there will still be a gap in the financing and has approached staff about potential funding to assist with the workforce housing component of the project. In addition, the developer applied for funding through Hennepin County for AHIF or HOME Funding, Hennepin County Transit Oriented Design Program (TOD) and is preparing to apply for the Metropolitan Council's Livable Communities Demonstration Account TOD Program in partnership with assistance from the city. The awards for these grant funding sources will be announced throughout 2017.

Initial review of the development proposal, establishment of a TIF district for this project does not seem to be appropriate because of the size of the project. Instead, staff believes use of TIF pooling funds is more appropriate at this time. If commissioners recall, by 2021, a total of \$6 million in TIF pooling funds will be available for tax-credit eligible affordable housing developments. To date, \$1.025 million has been used for The Ridge project and \$500,000 was committed to the Music Barn project. Council Policy 2.14, provides further guidance on the use of TIF pooling funds. Uses of the funds are intended to be strategically placed in projects to provide affordable housing.

Recommendation

Staff recommends the EDAC review the funding inquiry, provide comments and refer it to a subcommittee to review the funding request further.

Submitted through:

Julie Wischnack, AICP, Community Development Director

Originated by:

Alisha Gray, EDFP, Economic Development and Housing Manager

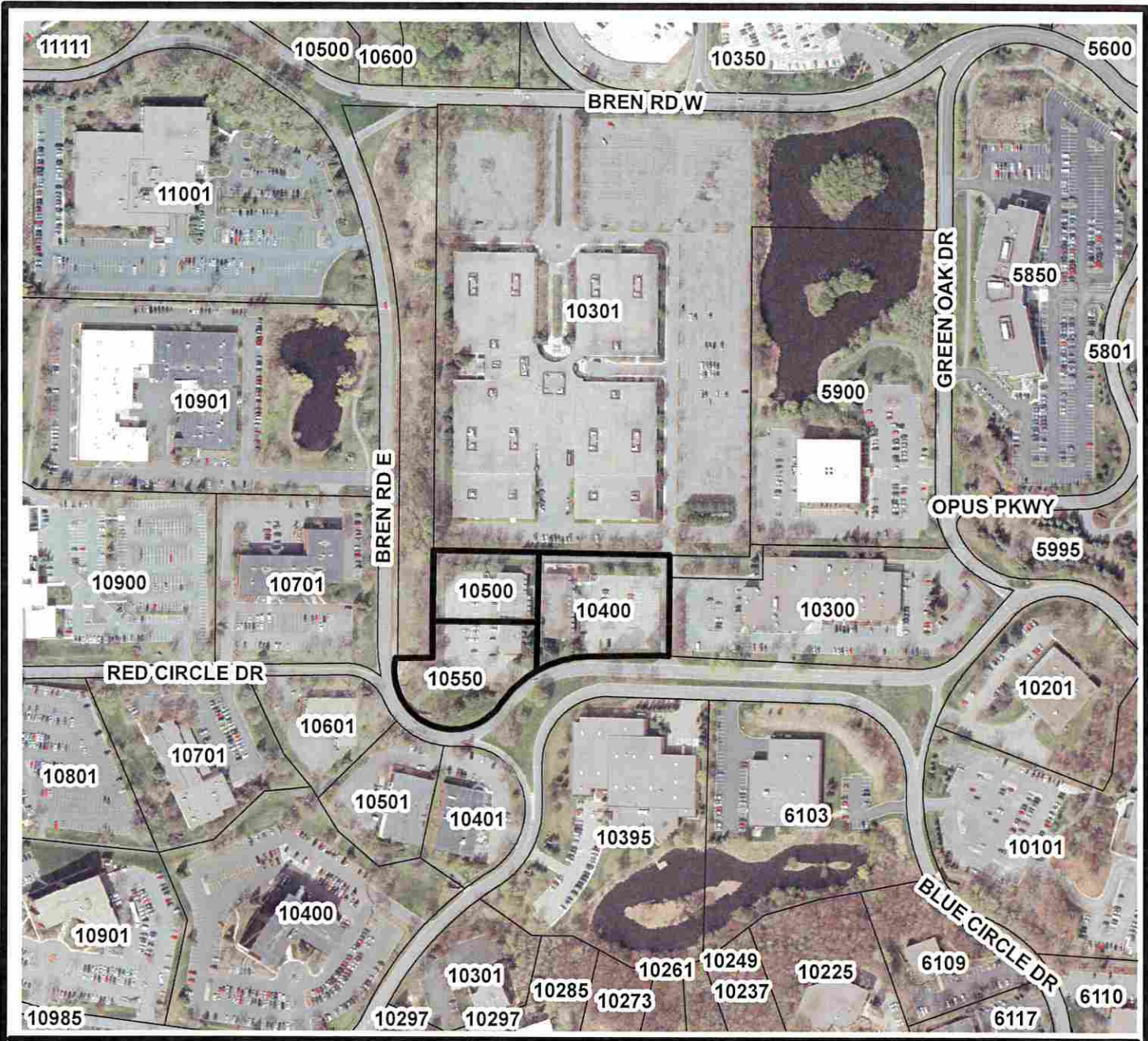
Additional Information

[March 6, 2017 City Council Staff Report](#)

[February 16, 2017 Planning Commission Report](#)

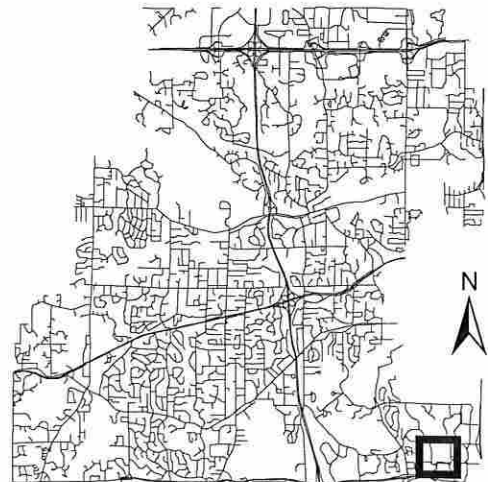
[Southwest LRT Corridor Housing Strategy](#)

[Southwest LRT Housing Gaps Analysis](#)



LOCATION MAP

Landon/Domus Group
 10400, 10500 and 10550 Bren Road East



This map is for illustrative purposes only.

Bren Road

Minnetonka, MN
FEB.08.2017



AERIAL VIEW NTS





Bren Road

Minnetonka, MN
FEB.08.2017

SITE PLAN



Bren Road

Minnetonka, MN
FEB.08.2017



WEST ELEVATION (EAST SIMILAR)



Collage | architects

Bren Road

Minnetonka, MN
FEB.08.2017



NORTH ELEVATION



Collage | architects

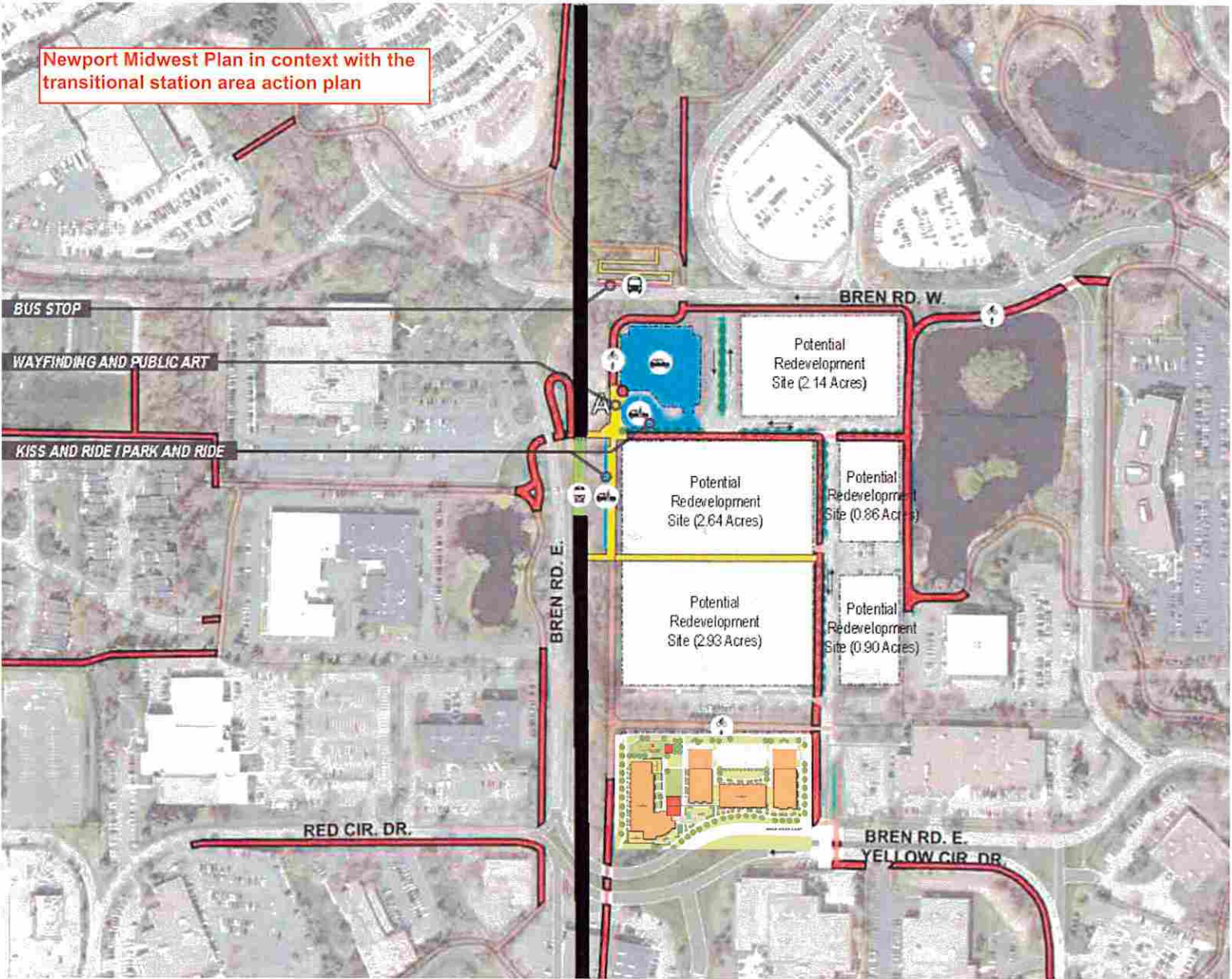
Bren Road

Minnetonka, MN
FEB.08.2017



SOUTH ELEVATION

Newport Midwest Plan in context with the transitional station area action plan



BUS STOP

WAYFINDING AND PUBLIC ART

KISS AND RIDE / PARK AND RIDE

BREN RD. E.

RED CIR. DR.

BREN RD. W.

Potential
Redevelopment
Site (2.14 Acres)

Potential
Redevelopment
Site (2.64 Acres)

Potential
Redevelopment
Site (2.93 Acres)

Potential
Redevelopment
Site (0.86 Acres)

Potential
Redevelopment
Site (0.90 Acres)

BREN RD. E.
YELLOW CIR. DR.

Policy Number 2.14
Tax Increment Financing Pooling Funds

Purpose of Policy: This policy establishes evaluation criteria that guide the city council in consideration of use of tax increment financing pooling funds

Introduction

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. The city may allow the pooling allowance to be increased to 35 percent, which can then go to finance certain affordable housing projects. The project may be located anywhere in the city, and not limited to the project area. Each financed project must be rental housing that is eligible for federal low income housing tax credits. The amount of the assistance is also limited to any amount that satisfies tax credit rules.

The council is aware that use of such TIF pooled funds may be of benefit to the city and will consider requests for pooled funds subject to this council policy. The council considers the use of these funds to be a privilege, not a right.

It is the judgment of the council that TIF pooled funds is to be used on a selective basis. It is the applicant's responsibility to demonstrate the benefit to the city, and that they should understand that although approval may have been granted previously by the city TIF pooled funds for a similar project, the council is not bound by that earlier approval.

Evaluation Criteria

The city will use the following criteria when evaluating a development proposal requesting the use of TIF pooled funds:

- The project supports reinvestment in an identified village center and addresses the goals set out in the comprehensive plan for that center.
- Priority will be provided for projects that are within a "regional" village center or support transit areas.
- Weight will be given when the proportion of affordability is greater than what is customary in other tax increment financed projects in the city, overall affordability of 20% of units (usually at 60% AMI for rental).
- The project may request both tax increment financing and pooling dollars as long as the project has provided data that "but for" the additional pooling dollars, this project would not occur.

- If the project is receiving funds from other sources, the pooled dollars would be the last source utilized unless it impacts other sources.

Other Provisions

- A project will not normally be given financing approval until all city planning and zoning requirements have been met. Planning and zoning matters may be considered simultaneously with preliminary approval of the financing.
- The city is to be reimbursed and held harmless for any out-of-pocket expenses related to the TIF pooling funds, but not limited to, legal fees, financial analyst fees, bond counsel fees, and the city's administrative expenses in connection with the application. The applicant must execute a letter to the city undertaking to pay all such expenses.
- The applicant will be required to enter into a development agreement with the city outlining the terms of the use of TIF pooled funds.

Adopted by Resolution No. 2011-039
Council Meeting of May 16, 2011

EDAC Agenda Item #6
Meeting of March 16, 2017

Brief Description 2018-2022 Economic Improvement Program

Recommendation Review draft EIP and provide feedback

Background

Annually, the EDAC has reviewed the Economic Improvement Program (EIP). The EIP was originally created to consolidate programming relating to economic development, housing, transportation and development tools. The document grew out of a conversation to combine programs and strategies into one document, which allowed for a future projection of investment and potential funding sources. The document contains metrics for programming and 10 year estimates for revenues to fund specific programs.

The city council will be reviewing a draft at their April 17 study session prior to adoption, which is scheduled for June.

EIP Review

The draft of the 2018-2022 EIP (pages 1 to 75) has been updated. The updates include new metrics for the past year and projections into future years; program changes or potential conceptual programs.

Components of the 2018-2022 EIP include:

- EIP Policy page (page 1 Defines what funding categories the different programs will fall under, and also details the funding principles.
- EIP Program Pages (pages 3-68). Each of the city's existing and potential future economic development efforts has its own program page. The program page will detail the program description, purpose, goals, budget impacts, schedule, and key measures. Additionally, it will outline the funds needed to develop or sustain the program over a period of years.
- Funding Sources and Expenditure Projections Pages (pages 53-69). A series of funding sources, expenditures and TIF district fund balance sheets are included.
- Affordable Housing Goals Page (pages 71-75). This section focuses on how the city's affordable housing goals are being met through these programs is included.

Recommendation

Staff recommends the EDAC review the draft 2018-2022 EIP and provide feedback.

The schedule for approval is as follows:

- March 16 EDAC — Review draft of the EIP and provide feedback.
- April 17 City Council Study Session — Review EIP and provide feedback.
- April 27 EDAC — Finalize full EIP document and make recommendation to the city council.
- June 12 City Council meeting — Review and approve EIP.

Originated by:

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



2018-2022 ECONOMIC IMPROVEMENT PROGRAM

**ECONOMIC IMPROVEMENT PROGRAM
2018-2022**

CITY OF MINNETONKA

Adopted XXXX, 2017

**2018-2022
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 11 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 \$4,478,800

Program	2018	2019	2020	2021	2022	5-Year Total
CDBG Administration	6,000	4,000	2,000	0	0	\$12,000
Small Projects	80,000	40,000	20,000	0	0	\$140,000
Fair Housing	900	600	300	0	0	\$1,800
Homes Within Reach	100,000	100,000	25,000	25,000	25,000	\$275,000
Housing Improvement Areas	250,000	0	0	250,000	0	\$500,000
Minnetonka Home Enhancement	50,000	50,000	50,000	50,000	50,000	\$250,000
Public Services	12,000	10,000	8,000	0	0	\$30,000
Tax Exempt Conduit Debt	0	0	0	0	0	\$0
Affordable Housing via TIF Pooling	600,000	600,000	600,000	600,000	620,000	\$3,020,000
Welcome to Minnetonka	50,000	50,000	50,000	50,000	50,000	\$250,000
	\$1,148,900	\$854,600	\$755,300	\$975,000	\$745,000	\$4,478,800
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.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-01
Project Name CDBG Administration

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	2017(est)	2018	2019	2020	2021	2022
Program Admin Hours	127	105	109	118	221	210	100	70	50	25	0	0

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	6,000	4,000	2,000	0	0	12,000
Total	6,000	4,000	2,000	0	0	12,000

Funding Sources	2018	2019	2020	2021	2022	Total
CDBG	6,000	4,000	2,000	0	0	12,000
Total	6,000	4,000	2,000	0	0	12,000

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 In 2015 the city took back the implementation of the Small Projects Program in house resulting in an increase of time to administer the program.
 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 2022.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-03
Project Name Small Projects Program

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 2017. 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	2017(est)	2018	2019	2020	2021	2022
Households Assisted	16	6	10	24	47	31	20	10	7	5	N/A	N/A

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	80,000	40,000	20,000	0	0	140,000
Total	80,000	40,000	20,000	0	0	140,000

Funding Sources	2018	2019	2020	2021	2022	Total
CDBG	80,000	40,000	20,000	0	0	140,000
Total	80,000	40,000	20,000	0	0	140,000

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

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-04
Project Name Fair Housing

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. The city is working with Hennepin County Consortium to coordinate a collaborate fair housing strategy.
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	2017(est)	2018	2019	2020	2021	2022
Education/Info Sessions	14	7	10	10	10	10	10	10	10	10	N/A	N/A

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	900	600	300	0	0	1,800
Total	900	600	300	0	0	1,800

Funding Sources	2018	2019	2020	2021	2022	Total
CDBG	900	600	300	0	0	1,800
Total	900	600	300	0	0	1,800

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

2018 *thru* 2022

Department 1-Housing
Contact Community Development
Type Program
Useful Life
Category Housing
Priority Red

City of Minnetonka, Minnesota

Project # Housing-05
Project Name Homes Within Reach

Key Measures HWR units in Minnetonka **Key Measures**
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	2017(est)	2018	2019	2020	2021	2022
Total HWR units in Mtka	46	48	51	53	54	55	56	57	58	58	58	58

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	100,000	100,000	25,000	25,000	25,000	275,000
Total	100,000	100,000	25,000	25,000	25,000	275,000

Funding Sources	2018	2019	2020	2021	2022	Total
HRA Levy	100,000	100,000	25,000	25,000	25,000	275,000
Total	100,000	100,000	25,000	25,000	25,000	275,000

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. In 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

2018 *thru* 2022

Department 1-Housing
Contact Community Development
Type Maintenance
Useful Life N/A
Category Housing
Priority Yellow

City of Minnetonka, Minnesota

Project # Housing-06
Project Name Housing Improvement Areas

Key Measures Units Assisted **Key Measures**
Key Measures **Key Measures**

Description

Minnesota law provides a mechanism termed Housing Improvement Area (HIA) which allows cities to help arrange and finance rehabilitation on owner-occupied residential buildings, such as condominiums or townhouses.

SCHEDULING AND PROJECT STATUS
 The council adopted an HIA policy in November 2011. The first HIA was adopted in early 2012. It is expected that interest in this program will grow as condo and townhouse developments age. State legislation for HIAs sunsets on June 30, 2028.

Justification

The program is intended to serve aging multi-family housing by providing a financing structure to address major building investments. The program would also ensure, going forward, that the association is able to correct the financing of long-term capital expenditures.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Continue to collaborate with lenders or other agencies that offer programs for home rehabilitation.
 Strategic Plan-Initiating 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	2017(est)	2018	2019	2020	2021	2022
Units Assisted	N/A	180	0	0	0	0	164	80	0	0	80	0

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance	250,000	0	0	250,000	0	500,000
Total	250,000	0	0	250,000	0	500,000

Funding Sources	2018	2019	2020	2021	2022	Total
Development Fund	250,000	0	0	250,000	0	500,000
Revenue Bonds	0	0	0	0	0	0
Total	250,000	0	0	250,000	0	500,000

Budget Impact/Other

The HIA program is administered by staff who works on various parts of the project ranging from program information to HIA requests. Once an HIA request is received staff time is committed to preparing a resolution, ordinance, development agreement, and determining fees. Costs to cover staff time for the HIA application are covered through an application fee and through a per unit administrative fee for time in administering the assessment.

A risk of the HIA program is pay-back of the assessment. However, because it is assessed on the property taxes, it will be paid back even if there is foreclosure of the property.

Staff is currently working with the Cloud 9 association that is in the process of applying for an HIA of up to \$3.8 million in 2017. In a situation such as this, bonding or a city investment, rather than the development account would be utilized to finance the project.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-08
Project Name Minnetonka Home Enhancement

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 for housing valued at \$300,000 or less. 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	2017	2018(est)	2019	2020	2021	2022
Pre-Apps Received	16	6	39	62	15	26	30	60	60	60	60	50
Pre-Apps Qualified	12	2	36	55	7	6	10	55	55	55	55	25
Loans Made	0	0	4	8	5	4	8	10	10	10	10	10
Loans Defaulted	0	0	0	0	0	0	0	0	0	0	0	0

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	2018	2019	2020	2021	2022	Total
HRA Levy	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

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 \$100,000 was added in 2017 (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

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-10
Project Name Public Services

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	2017(est)	2018	2019	2020	2021	2022
Individuals Assisted	1228	1168	1089	609	696	508	550	550	550	550	N/A	N/A

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

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	12,000	10,000	8,000	0	0	30,000
Total	12,000	10,000	8,000	0	0	30,000

Funding Sources	2018	2019	2020	2021	2022	Total
CDBG	12,000	10,000	8,000	0	0	30,000
Total	12,000	10,000	8,000	0	0	30,000

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

2018 *thru* 2022

Department 1-Housing
Contact Community Development
Type Program
Useful Life N/A
Category Housing
Priority Green

City of Minnetonka, Minnesota

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

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	2017(est)	2018	2019	2020	2021	2022
Projects Considered	2	1	0	2	2	2	2	2	2	1	2	2
Projects Implemented	1	1	0	2	2	2	2	1	1	1	2	
Business projects	1	1	0	1	2	0	1	0	0	1	0	2
Housing projects	0	0	0	1	0	2	1	1	1	0	0	0

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2018	2019	2020	2021	2022	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

2018 *thru* 2022

Department 1-Housing
Contact Community Development
Type Construction
Useful Life N/A
Category TIF
Priority Green

City of Minnetonka, Minnesota

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

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 2017-2021 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 \$6.44 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	2017(est)	2018	2019	2020	2021	2022
Projects Considered	N/A	1	1	0	1	0	1	2	1	1	1	1	1
Projects Assisted	N/A	0	1	0	0	0	1	2	0	1	1	1	1
Affordable Units	N/A	0	52	0	0	0	27	109	0	45	40	30	30

Expenditures	2018	2019	2020	2021	2022	Total
Other	600,000	600,000	600,000	600,000	620,000	3,020,000
Total	600,000	600,000	600,000	600,000	620,000	3,020,000

Funding Sources	2018	2019	2020	2021	2022	Total
TIF Pooling	600,000	600,000	600,000	600,000	620,000	3,020,000
Total	600,000	600,000	600,000	600,000	620,000	3,020,000

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

2018 *thru* 2022

Department 1-Housing
Contact Community Development
Type Program
Useful Life N/A
Category TIF
Priority Yellow

City of Minnetonka, Minnesota

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

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	2017	2018	2019	2020	2021	2022
Pre-Apps Received	12	9	7	4	2	19	5	5	5	5	5	5
Pre-Apps Moved Forward	2	1	1	1	2	9	1	1	1	1	1	1
Loans Made	1	1	1	1	1	5	1	1	1	1	1	0
Loans Defaulted	0	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	2018	2019	2020	2021	2022	Total
Program Cost	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	2018	2019	2020	2021	2022	Total
HRA Levy	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

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 \$100,000 was added in 2017 (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

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-14
Project Name Employer-Assisted Housing

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	2017	2018	2019	2020	2021	2022
Households Assisted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2018	2019	2020	2021	2022	Total
Unfunded	0	0	0	0	0	0
Total	0	0	0	0	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

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-15
Project Name Next Generation Program

Key Measures Households Assisted **Key Measures**
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% AMI.

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	2016	2017	2018	2019	2020	2021	2022
Households Assisted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2018	2019	2020	2021	2022	Total
Unfunded	0	0	0	0	0	0
Total	0	0	0	0	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 2018-2022 Economic Improvement Program, there are nine business programs, and another two under conceptual review.

- The total five-year estimated cost of the programs is \$2,340,000.

Program	2018	2019	2020	2021	2022	5-Year Total
Fire Sprinkler Retrofit	0	50,000	0	0	0	\$50,000
Pass-Through Grants	200,000	200,000	200,000	200,000	200,000	\$1,000,000
CommonBond/Ind Rev	0	0	0	0	0	\$0
GreaterMSP	25,000	25,000	25,000	25,000	25,000	\$125,000
MIF/JCF	500,000	0	200,000	0	300,000	\$1,000,000
Open to Business	15,000	15,000	15,000	15,000	15,000	\$75,000
Outreach	25,000	0	25,000	0	25,000	\$75,000
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
	\$768,000	\$293,000	\$468,000	\$243,000	\$568,000	\$2,340,000
Conceptual Programs						
Economic Gardening						\$0
Special Service Districts						\$0
SAC/REC Deferral 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

- 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

2018 *thru* 2022

Department 2-Business
Contact Community Development
Type Construction
Useful Life N/A
Category Business
Priority Yellow

City of Minnetonka, Minnesota

Project # Business-01
Project Name Fire Sprinkler Retrofit

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	2017	2018	2019	2020	2021	2022
Businesses Assisted	0	0	0	0	0	0	0	1	1	0	0	1

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance	0	50,000	0	0	50,000	100,000
Total	0	50,000	0	0	50,000	100,000

Funding Sources	2018	2019	2020	2021	2022	Total
Special Assessment	0	50,000	0	0	0	50,000
Construction Fund						
Total	0	50,000	0	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

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-02
Project Name Grants

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	2017(est)	2018	2019	2020	2021	2022
Projects Assisted	2	3	1	0	1	1	1	1	1	0	1	1
Business projects	2	2	1	0	0	1	0	0	1	0	0	1
Housing projects	0	1	0	0	1	0	1	1	0	0	1	0
Housing units	0	64	0	0	30	0	45	60	0	0	60	0

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

Expenditures	2018	2019	2020	2021	2022	Total
Other	200,000	200,000	200,000	200,000	200,000	1,000,000
Total	200,000	200,000	200,000	200,000	200,000	1,000,000

Funding Sources	2018	2019	2020	2021	2022	Total
Development Fund	200,000	200,000	200,000	200,000	200,000	1,000,000
Total	200,000	200,000	200,000	200,000	200,000	1,000,000

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

2018 *thru* 2022

Department 2-Business
Contact Community Development
Type Program
Useful Life N/A
Category Business
Priority Yellow

City of Minnetonka, Minnesota

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

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	2017	2018	2019	2020	2021	2022
Business Contacts	0	0	0	0	0	XX	0	1	0	0	0	
Businesses Assisted	0	0	0	0	0	XX	0	0	0	0	0	0

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	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

2018 *thru* 2022

Department 2-Business

City of Minnetonka, Minnesota

Contact Community Development

Project #	Business-04
Project Name	GreaterMSP

Type Program

Useful Life N/A

Category Business

Priority Green

Key Measures Business Contacts

Key Measures

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	2017	2018	2019	2020	2021	2022
Business Projects	0	1	1	0	4	3	2	2	2	1	1	2
Media Headlines	N/A	N/A	N/A	32	25	35	35	40	40	40	40	40

Expenditures	2018	2019	2020	2021	2022	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	2018	2019	2020	2021	2022	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.

Economic Improvement Program

2018 *thru* 2022

Department 2-Business
Contact Community Development
Type Program
Useful Life N/A
Category Business
Priority Yellow

City of Minnetonka, Minnesota

Project # Business-06
Project Name MIF/JCF Projects

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. The city and EDA authority may each authorize one application per year for the programs.

SCHEDULING AND PROJECT STATUS
 The city has received four MIF awards, one each for Cargill, Nestle and IMRIS, and NatureWorks. Two additional applications were submitted to DEED in 2016 but the applicants decided to withdraw the applications.

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	2017	2018	2019	2020	2021	2022
Applications Submitted	0	1	0	0	1	3	2	1	0	0	0	0
Businesses Assisted	0	0	0	1	0	1	2	1	0	0	0	0

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance	500,000	0	200,000	0	300,000	1,000,000
Total	500,000	0	200,000	0	300,000	1,000,000

Funding Sources	2018	2019	2020	2021	2022	Total
Development Fund	500,000	0	200,000	0	300,000	1,000,000
Total	500,000	0	200,000	0	300,000	1,000,000

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

2018 *thru* 2022

Department 2-Business

City of Minnetonka, Minnesota

Contact Community Development

Project #	Business-07
Project Name	Open to Business

Type Program

Useful Life N/A

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 PROJECT 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	2017(est)	2018	2019	2020	2021	2022
Businesses Assisted	45	24	32	38	36	33	45	47	49	50	50	50
Tech. Assist. Hours	140	95	218	168	125	157	160	175	175	175	175	175
Loans Made	1	1	6	2	1	0	4	4	4	4	4	4

Expenditures	2018	2019	2020	2021	2022	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	2018	2019	2020	2021	2022	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.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-08
Project Name Outreach

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	2017 (est)	2018	2019	2020	2021	2022
Business Contacts	N/A	N/A	N/A	N/A	N/A	25	30	35	40	40	40	40

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	25,000		25,000		25,000	75,000
Total	25,000		25,000		25,000	75,000

Funding Sources	2018	2019	2020	2021	2022	Total
HRA Levy	25,000		25,000		25,000	75,000
Total	25,000		25,000		25,000	75,000

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

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-09
Project Name Property Assessed Clean Energy

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	2017(est)	2018	2019	2020	2021	2022
Businesses Assisted	N/A	N/A	N/A	0	0	0	1	1	0	0	0	0

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2018	2019	2020	2021	2022	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

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-10
Project Name Economic Development Infrastructure Fund

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	2017 (est)	2018	2019	2020	2021	2022
Businesses Assisted	N/A	N/A	N/A	N/A	N/A	0	1	0	0	0	0	0

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2018	2019	2020	2021	2022	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.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-11
Project Name TwinWest Chamber of Commerce

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 2017 2018 2019 2020 2021 2022
Minnetonka businesses

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	3,000	3,000	3,000	3,000	4,000	16,000
Total	3,000	3,000	3,000	3,000	4,000	16,000

Funding Sources	2018	2019	2020	2021	2022	Total
General Fund	3,000	3,000	3,000	3,000	4,000	16,000
Total	3,000	3,000	3,000	3,000	4,000	16,000

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

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-12
Project Name Economic Gardening

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	2017(est)	2018	2019	2020	2021	2022
Businesses Assisted	N/A	N/A	N/A	N/A	N/A	0	1	0	0	1	0	0

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2018	2019	2020	2021	2022	Total
Unfunded	0	0	0	0	0	0
Total	0	0	0	0	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.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # **Business-13**
Project Name **Special Service District**

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 a 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	2016	2017(est)	2018	2019	2020	2021	2022
SSDs Established	0	0	0	0	0	0	0	1	0	0	0	0

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

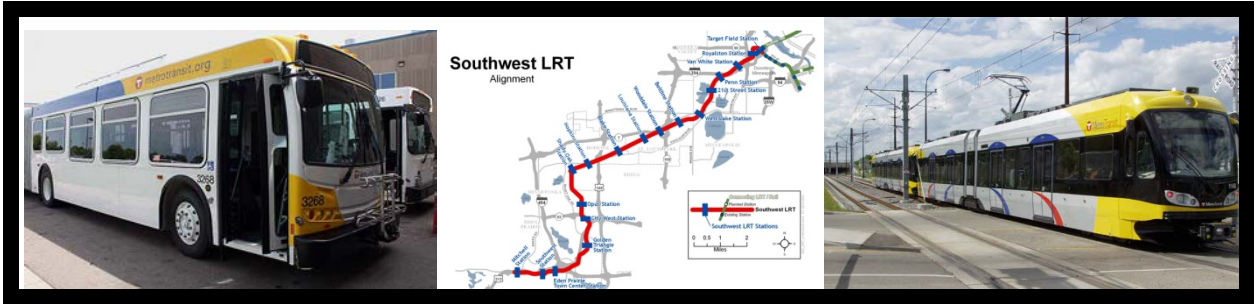
Funding Sources	2018	2019	2020	2021	2022	Total
Development Fund	0	0	0	0	0	0
Total	0	0	0	0	0	0

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.

Placeholder for SAC/REC Deferral Program



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.

Program	2018	2019	2020	2021	2022	5-Year Total
Commuter Services (494)	12,000	12,000	12,000	12,000	12,000	\$60,000
Transit Improvements	0	0	0	0	0	\$0
	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$60,000

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 was extended in 2016 and will be renegotiated in 2017, closer to opening day of LRT service.

Economic Improvement Program

2018 *thru* 2022

Department 3-Transit
Contact Community Development
Type Program
Useful Life N/A
Category Transit
Priority Green

City of Minnetonka, Minnesota

Project # Transit-01
Project Name Commuter Services

Key Measures Business Contacts **Key Measures**
Key Measures Commuters Assisted **Key Measures**

Description
 Commuter Services is an outreach program of the I-494 Corridor Commission, which the city is a member of. The program seeks to reduce traffic congestion and promote alternative transportation options. Other cities include Bloomington, Richfield, Eden Prairie, and Edina.
SCHEDULING AND PROJECT STATUS
 This is an ongoing program.

Justification
 Commuter Services provides programs, such as commuter fairs, carpool facilitation, and other information on alternative transportation choices to Minnetonka residents and businesses.
PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Anticipate, plan for and collaborate with other agencies for local and regional transportation improvements and programs to lessen the impacts of congestion.
 Strategic Plan-Pursuing shared sub-regional transit solutions with neighboring communities to improve service within the area.
KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017(est)	2018	2019	2020	2021	2022
Business Contacts	140	145	132	150	182	XXX	180	185	190	190	190	190
Commuters Assisted	273	269	421	450	433	XXX	425	425	450	450	450	450

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	12,000	12,000	12,000	12,000	12,000	60,000
Total	12,000	12,000	12,000	12,000	12,000	60,000

Funding Sources	2018	2019	2020	2021	2022	Total
General Fund	12,000	12,000	12,000	12,000	12,000	60,000
Total	12,000	12,000	12,000	12,000	12,000	60,000

Budget Impact/Other
 One councilmember and one city staff member attend monthly meetings of the I-494 Corridor Commission. With preparation time, this is approximately 40 hours of staff time. Additionally, the city is required to be the treasurer of the Commission for two years, which commits additional finance staff time. This happens every 10 years as it rotates between member cities.
 Commuter Services is staffed separately, but coordinates with the city on events, such as the city-wide open house to promote their services.
 The city's fee is a formula based on population.

Economic Improvement Program

2018 *thru* 2022

City of Minnetonka, Minnesota

Department 3-Transit
Contact Community Development
Type Program
Useful Life N/A
Category Transit
Priority Green

Project # Transit-02
Project Name Transit Improvements

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	2017(est)	2018	2019	2020	2021	2022
Annual Bus Trips	100,421	100,166	109,715	110,225	110,938	XXX	111,500	111,500	112,500	114,000	115,000	115,000

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0
Funding Sources	2018	2019	2020	2021	2022	Total
MVST Revenue	0	0	0	0	0	0
Total	0	0	0	0	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 2018-2022 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 \$625,000.

Program	2018	2019	2020	2021	2022	5-Year Total
Predevelopment	50,000	50,000	50,000	50,000	50,000	\$250,000
Village Center/Comp Pla	0	0	0	0	0	\$0
LRT & Station Areas	75,000	75,000	75,000	75,000	75,000	\$375,000
	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$625,000
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.

Economic Improvement Program

2018 *thru* 2022

Department 4-Development & Redevelop

City of Minnetonka, Minnesota

Contact Community Development

Project #	Dev/Redev-01
Project Name	Pre-Development

Type Program

Useful Life N/A

Category Develop/Redevelopment

Priority Green

Key Measures Projects Assisted

Key Measures

Key Measures Projects Continued

Key Measures

Description

The initial stages of development or redevelopment require extensive analysis, by the developer and the city, to determine if a project is viable. Analysis by the city includes financial readiness, design assistance, geotechnical data gathering, and preliminary work for TIF/tax abatement.

SCHEDULING AND PROJECT STATUS
 This is an on-going program. Staff determines when it is appropriate to use for a potential redevelopment project. For example, initial TIF runs were done for the Tonka on the Creek project to determine if a TIF district would be feasible. Once it was determined that it was, and the developer moved forward as such, the developer was then responsible for paying all legal counsel and financial consultant expenses.

Justification

Predevelopment activities make the city development ready by preparing property for development or redevelopment.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Support existing commercial areas and encourage new development techniques that contribute to the vitality and diversity of the area.

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	2017	2018	2019	2020	2021	2022
Projects Assisted	2	1	4	2	2	3	4	3	2	2	2	2
Projects Continued after Assistance	0	1	2	1	1	2	2	2	1	1	1	1

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	2018	2019	2020	2021	2022	Total
Development Fund	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Budget Impact/Other

Development projects can be time intensive for staff. The range per year is 500 to 1,000 hours depending on the request, number of meetings and type of assistance requested. The predevelopment funds will be used to hire consultants or others to complete work outside of staff's expertise.

Economic Improvement Program

2018 *thru* 2022

Department 4-Development & Redevelop

City of Minnetonka, Minnesota

Contact Community Development

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

Type Program

Useful Life N/A

Category Develop/Redevelopment

Priority Green

Key Measures Village Centers Studied

Key Measures

Key Measures Comprehensive Plan update

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	2017	2018	2019	2020	2021	2022
Village Centers Studied	2	0	1	1	1	N/A	TBD	TBD	TBD	TBD	TBD	TBD

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2018	2019	2020	2021	2022	Total
HRA Levy	0	0	0	0	0	0
Total	0	0	0	0	0	0

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.

Economic Improvement Program

2018 *thru* 2022

Department 4-Development & Redevelop

City of Minnetonka, Minnesota

Contact Community Development

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

Type Construction

Useful Life N/A

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	2018	2019	2020	2021	2022	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	2018	2019	2020	2021	2022	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

2018 *thru* 2022

Department 4-Development & Redevelop

City of Minnetonka, Minnesota

Contact Community Development

Project #	Dev/Redev-04
Project Name	Strategic Marketing

Type Conceptual

Useful Life N/A

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	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	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

2018 *thru* 2022

Department 4-Development & Redevelop

City of Minnetonka, Minnesota

Contact Community Development

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

Type Conceptual

Useful Life

Category Develop/Redevelopment

Priority n/a

Key Measures

Key Measures

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	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	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**

Economic Improvement Program

2018 *thru* 2022

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

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

Type Program

Useful Life N/A

Category TIF

Priority Green

Key Measures TIF Districts

Key Measures

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	2017	2018	2019	2020	2021	2022
Active TIF Districts	4	4	4	4	6	6	6	6	7	7	6	6

Expenditures	2018	2019	2020	2021	2022	Total
Other	120,000	140,000	140,000	120,000	100,000	620,000
Total	120,000	140,000	140,000	120,000	100,000	620,000

Funding Sources	2018	2019	2020	2021	2022	Total
Development Fund	120,000	140,000	140,000	120,000	100,000	620,000
Total	120,000	140,000	140,000	120,000	100,000	620,000

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

2018 *thru* 2022

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project #	TIF-02
Project Name	Beacon Hill TIF District

Type Program

Useful Life N/A

Category TIF

Priority Yellow

Key Measures Affordable Units

Key Measures

Key Measures

Key Measures

Description
<p>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).</p> <p>SCHEDULING AND PROJECT STATUS This TIF district was approved in 1994 and will expire in 2021.</p> <p>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.</p>

Justification																										
<p>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.</p> <p>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.</p> <p>Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.</p> <p>KEY MEASURES</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Affordable Units</td> <td>62</td> <td>62</td> <td>62</td> <td>62</td> <td>62</td> <td>62</td> <td>62</td> <td>62</td> <td>62</td> <td>62</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Affordable Units	62	62	62	62	62	62	62	62	62	62	N/A	N/A
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022														
Affordable Units	62	62	62	62	62	62	62	62	62	62	N/A	N/A														

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	0	0	0	0	0	0
Total	0	0	0	0	0	0

Funding Sources	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Budget Impact/Other
<p>Staff, with occasional consultant assistance, oversees the administration of the TIF district.</p> <p>A portion of the tax increment is retained to cover administrative costs.</p> <p>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.</p>

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # TIF-03
Project Name Boulevard Gardens TIF District

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	2022
Affordable Units	185	185	185	185	185	185	185	185	185	185	185	185

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	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

2018 *thru* 2022

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project #	TIF-04
Project Name	Glenhaven TIF District

Type Program

Useful Life N/A

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	2022
Affordable Units	13	13	13	43	43	43	43	43	43	43	43	43

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	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

2018 *thru* 2022

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

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

Type Program

Useful Life N/A

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	2022
Affordable Units	N/A	N/A	N/A	N/A	N/A	20	20	20	20	20	20	20

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	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

2018 *thru* 2022

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project # TIF-07
Project Name Applewood Pointe TIF District

Type Program

Useful Life

Category TIF

Priority Green

Key Measures Affordable Units

Key Measures

Key Measures

Key Measures

Description

The Applewood Pointe TIF district is a redevelopment TIF district approved August 2014. An 89-unit senior cooperative building, containing 9 affordable units will be constructed as part of the project.

SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2014 and will end in 2041. Construction began in late 2015 and will be completed in 2016.

Justification

The Applewood Pointe TIF District was established to assist in the development of an 89-unit senior cooperative building, of which 9 units will be affordable.

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	2022
Affordable Units	N/A	N/A	N/A	N/A	N/A	9	9	9	9	9	9	9

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	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.

Economic Improvement Program

2018 *thru* 2022

Department 5-TIF Districts
Contact Community Development
Type Program
Useful Life
Category TIF
Priority Green

City of Minnetonka, Minnesota

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

Key Measures Affordable Units **Key Measures**
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	2022
Affordable Units	N/A	N/A	N/A	N/A	N/A	21	21	21	21	21	21	21

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	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
IMPROVEMENT
PROGRAM**

Economic Improvement Program

2018 *thru* 2022

Department 6-Tax Abatement
Contact Community Development
Type Improvement
Useful Life N/A
Category Tax Abatement
Priority Green

City of Minnetonka, Minnesota

Project # Abatement-1
Project Name Ridgedale

Key Measures Property Value Increase **Key Measures**
Key Measures Property Levy **Key Measures**

Description
 The Ridgedale Tax Abatement was approved in connection with the Ridgedale Mall expansion and pertains to the Macys, Nordstrom and mall properties. The funds are to be used for transportation improvements around the mall site and with public amenities on the site.
 SCHEDULING AND PROJECT STATUS
 The Ridgedale Tax Abatement project was approved in Spring 2013.

Justification
 The Ridgedale Tax Abatement will assist in financing the transportation and other public improvements that must be completed due to the Ridgedale Mall expansion.
 PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Manage the impact of new development upon the local transportation system and encourage the use of Transportation Demand Management (TDM) and other traffic management techniques.
 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	2017(est)	2018	2019	2020	2021	2022
Property Value Increase	N/A	N/A	N/A	N/A	5.5%	5.3%	3.8%	INFORMATION WILL BE AVAILABLE BY JUNE				
Property Levy	N/A	N/A	N/A	N/A	0	\$26,000						

Expenditures	2018	2019	2020	2021	2022	Total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Budget Impact/Other
 Staff, with occasional consultant assistance, oversees the administration of the Tax Abatement.
 A portion of the abatement is retained to cover administrative costs.



FUNDING SOURCES AND EXPENDITURE PROJECTIONS



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

FUND DESCRIPTIONS

Development Fund (2018 estimated beginning fund balance: \$2,772,051)

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 (2018 estimated beginning fund balance: \$250,000)

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: \$175,000

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 (2018 estimated beginning fund balance: \$3,120,120)

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 2018
Expenditures by Category & Fund

Category	Program	Total	Fund						
			CDBG	Devpt Fund	HRA Levy	Livable Com Fund	TIF	TIF Pooling	Other
Housing:									
	CDBG Admin	\$ 6,000	\$ 6,000						
	Small Projects Program	\$ 80,000	80,000						
	Employer Assisted Hsg	\$ -							
	Fair Housing	\$ 900	900						
	Homes Within Reach	\$ 100,000			100,000				
	Housing Improvement Areas			250,000					
	Mtka Home Enhancement	\$ 50,000			50,000				
	Owner Occup Rehab Pgm	\$ -							
	Public Services	\$ 12,000	12,000						
	Next Generation Pgm	\$ -							
	Tax Exempt Conduit Debt	\$ -							
	Affordable housing via TIF Poolir	\$ 600,000						600,000	
	Welcome to Minnetonka	\$ 50,000			50,000				
	<i>Subtotal</i>	<u>\$ 1,148,900</u>	<u>\$ 98,900</u>	<u>\$ 250,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ -</u>
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	\$ 500,000		500,000					
	Open to Business	\$ 15,000		15,000					
	Outreach	\$ 25,000		25,000					
	PACE	\$ -							
	Special Service Districts	\$ -							
	TwinWest	\$ 3,000							\$ 3,000
	<i>Subtotal</i>	<u>\$ 768,000</u>	<u>\$ -</u>	<u>\$ 765,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>
Transit:									
	Commuter Services	\$ 12,000							12,000
	Transit Improvments	\$ -							
	<i>Subtotal</i>	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,000</u>
Devpt & Redeopt:									
	Predevelopment	\$ 50,000		\$ 50,000					
	Village Center/Comp Plan	\$ -							
	LRT and Station Area	\$ 75,000		\$ 75,000					
	<i>Subtotal</i>	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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	\$ -							
	<i>Subtotal</i>	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Tax Abatement:									
	Ridgedale	\$ -							
	<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTALS		<u>\$ 2,173,900</u>	<u>\$ 98,900</u>	<u>\$ 1,260,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ 15,000</u>

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Development Fund										
Beginning Balance	2,689,829	2,031,929	2,171,429	1,910,929	1,820,429	1,499,929	1,504,429	1,508,929	1,513,429	1,517,929
Revenues and Other Fund Sources										
<i>Revenue</i>										
Boulevard Gardens Returned Levy Proceeds	200,000	200,000	200,000	200,000	200,000	0	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	0
Grants	200,000	200,000	0	200,000	0	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	0
TIFAdmin Revenue	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	0
Total	569,500	569,500	369,500	569,500	369,500	169,500	169,500	169,500	169,500	0
Total Revenues and Other Fund Sources	569,500	569,500	369,500	569,500	369,500	169,500	169,500	169,500	169,500	0
Total Funds Available	3,259,329	2,601,429	2,540,929	2,480,429	2,189,929	1,669,429	1,673,929	1,678,429	1,682,929	1,517,929
Expenditures and Uses										
<i>Capital Projects & Equipment</i>										
<u>1-Housing</u>										
Housing Improvement Areas	<i>Housing-06</i>	(250,000)	0	0	(250,000)	0	0	0	0	0
Total		(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)	(200,000)	(200,000)	0	0	0	0
GreaterMSP	<i>Business-04</i>	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	0	0	0	0
MIF/JCF Projects	<i>Business-06</i>	(500,000)	0	(200,000)	0	(300,000)	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)	0
Special Service District	<i>Business-13</i>	0	0	0	0	0	0	0	0	0
Total		(740,000)	(240,000)	(440,000)	(240,000)	(540,000)	(15,000)	(15,000)	(15,000)	0
<u>4-Development & Redevelopment</u>										
Pre-Development	<i>Dev/Redev-01</i>	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	0
Total		(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	0
<u>5-TIF Districts</u>										
Development Agreement and TIF Administration	<i>TIF-01</i>	(120,000)	(140,000)	(140,000)	(120,000)	(100,000)	(100,000)	(100,000)	(100,000)	0

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Development Fund										
<i>Total</i>	(120,000)	(140,000)	(140,000)	(120,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	0
<i>Other Uses</i>										
Indirect Allocation (Transfers Out)	(67,400)	0	0	0	0	0	0	0	0	0
<i>Total</i>	(67,400)	0	0	0	0	0	0	0	0	0
Total Expenditures and Uses	(1,227,400)	(430,000)	(630,000)	(660,000)	(690,000)	(165,000)	(165,000)	(165,000)	(165,000)	0
Change in Fund Balance	(657,900)	139,500	(260,500)	(90,500)	(320,500)	4,500	4,500	4,500	4,500	0
Ending Balance	2,031,929	2,171,429	1,910,929	1,820,429	1,499,929	1,504,429	1,508,929	1,513,429	1,517,929	1,517,929

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HRA Levy										
Change in Fund Balance	(163,000)	(188,000)	(138,000)	(113,000)	(138,000)	(13,000)	(38,000)	(13,000)	37,000	0
Ending Balance	(163,000)	(351,000)	(489,000)	(602,000)	(740,000)	(753,000)	(791,000)	(804,000)	(767,000)	(767,000)

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Livable Communities Fund										
Beginning Balance	270,456	270,456	270,456	270,456	270,456	270,456	270,456	270,456	270,456	270,456
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	270,456	270,456	270,456	270,456	270,456	270,456	270,456	270,456	270,456
Change in Fund Balance	0	0	0	0	0	0	0	0	0	0
Ending Balance	270,456	270,456	270,456	270,456	270,456	270,456	270,456	270,456	270,456	270,456

City of Minnetonka, Minnesota
Economic Improvement Program
 2018 thru 2027

SOURCES AND USES OF FUNDS

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
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	88,900	44,600	20,300	0	0	0	0	0	0	0
program income	10,000	10,000	10,000	0	0	0	0	0	0	0
<i>Total</i>	98,900	54,600	30,300	0	0	0	0	0	0	0
Total Revenues and Other Fund Sources	98,900	54,600	30,300	0	0	0	0	0	0	0
Total Funds Available	98,900	54,600	30,300	0	0	0	0	0	0	0
<u>Expenditures and Uses</u>										
<i>Capital Projects & Equipment</i>										
<u>1-Housing</u>										
CDBG Administration <i>Housing-01</i>	(6,000)	(4,000)	(2,000)	0	0	0	0	0	0	0
Small Projects Program <i>Housing-03</i>	(80,000)	(40,000)	(20,000)	0	0	0	0	0	0	0
Fair Housing <i>Housing-04</i>	(900)	(600)	(300)	0	0	0	0	0	0	0
Public Services <i>Housing-10</i>	(12,000)	(10,000)	(8,000)	0	0	0	0	0	0	0
<i>Total</i>	(98,900)	(54,600)	(30,300)	0	0	0	0	0	0	0
Total Expenditures and Uses	(98,900)	(54,600)	(30,300)	0	0	0	0	0	0	0

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
TIF Pooling										
Beginning Balance	2,003,802	2,053,802	2,103,802	2,153,802	2,203,802	2,233,802	2,233,802	2,233,802	2,233,802	2,233,802
Revenues and Other Fund Sources										
<i>Revenue</i>										
Pooled TIF Funds	650,000	650,000	650,000	650,000	650,000	0	0	0	0	0
<i>Total</i>	650,000	650,000	650,000	650,000	650,000	0	0	0	0	0
Total Revenues and Other Fund Sources	650,000	650,000	650,000	650,000	650,000	0	0	0	0	0
Total Funds Available	2,653,802	2,703,802	2,753,802	2,803,802	2,853,802	2,233,802	2,233,802	2,233,802	2,233,802	2,233,802
Expenditures and Uses										
<i>Capital Projects & Equipment</i>										
<i>1-Housing</i>										
Affordable Housing via TIF Pooling	(600,000)	(600,000)	(600,000)	(600,000)	(620,000)	0	0	0	0	0
<i>Total</i>	(600,000)	(600,000)	(600,000)	(600,000)	(620,000)	0	0	0	0	0
Total Expenditures and Uses	(600,000)	(600,000)	(600,000)	(600,000)	(620,000)	0	0	0	0	0
Change in Fund Balance	50,000	50,000	50,000	50,000	30,000	0	0	0	0	0
Ending Balance	2,053,802	2,103,802	2,153,802	2,203,802	2,233,802	2,233,802	2,233,802	2,233,802	2,233,802	2,233,802

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
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

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
General Fund											
Beginning Balance	0	(15,000)	(30,000)	(45,000)	(60,000)	(76,000)	(80,000)	(84,000)	(88,000)	(88,000)	
Revenues and Other Fund Sources											
<i>Revenue</i>											
No Funds	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	0	(15,000)	(30,000)	(45,000)	(60,000)	(76,000)	(80,000)	(84,000)	(88,000)	(88,000)	
Expenditures and Uses											
<i>Capital Projects & Equipment</i>											
<i>2-Business</i>											
TwinWest Chamber of Commerce	<i>Business-11</i>	(3,000)	(3,000)	(3,000)	(3,000)	(4,000)	(4,000)	(4,000)	(4,000)	0	0
<i>Total</i>		(3,000)	(3,000)	(3,000)	(3,000)	(4,000)	(4,000)	(4,000)	(4,000)	0	0
<i>3-Transit</i>											
Commuter Services	<i>Transit-01</i>	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	0	0	0	0	0
<i>Total</i>		(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	0	0	0	0	0
Total Expenditures and Uses		(15,000)	(15,000)	(15,000)	(15,000)	(16,000)	(4,000)	(4,000)	(4,000)	0	0
Change in Fund Balance		(15,000)	(15,000)	(15,000)	(15,000)	(16,000)	(4,000)	(4,000)	(4,000)	0	0
Ending Balance		(15,000)	(30,000)	(45,000)	(60,000)	(76,000)	(80,000)	(84,000)	(88,000)	(88,000)	

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HRA Levy										
Beginning Balance	0	(163,000)	(351,000)	(489,000)	(602,000)	(740,000)	(753,000)	(791,000)	(804,000)	(767,000)
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	0
Investment Interest	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	0
Loan paybacks	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0
Total	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000	0
Total Revenues and Other Fund Sources	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000	0
Total Funds Available	187,000	24,000	(164,000)	(302,000)	(415,000)	(553,000)	(566,000)	(604,000)	(617,000)	(767,000)
Expenditures and Uses										
<i>Capital Projects & Equipment</i>										
<u>1-Housing</u>										
Homes Within Reach <i>Housing-05</i>	(100,000)	(100,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	0
Minnetonka Home Enhancement <i>Housing-08</i>	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	0	0	0	0	0
Welcome to Minnetonka Loan Program <i>Housing-13</i>	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	0	0	0	0	0
Total	(200,000)	(200,000)	(125,000)	(125,000)	(125,000)	(25,000)	(25,000)	(25,000)	(25,000)	0
<u>2-Business</u>										
Outreach <i>Business-08</i>	(25,000)	0	(25,000)	0	(25,000)	0	(25,000)	0	(25,000)	0
Total	(25,000)	0	(25,000)	0	(25,000)	0	(25,000)	0	(25,000)	0
<u>4-Development & Redevelopment</u>										
Village Center Studies and Comprehensive Plan <i>Dev/Redev-02</i>	0	0	0	0	0	0	0	0	0	0
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)	0	0
Future HRA Levy projects <i>Dev/Redev-06</i>	(50,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	0
Total	(125,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(100,000)	0
Total Expenditures and Uses	(350,000)	(375,000)	(325,000)	(300,000)	(325,000)	(200,000)	(225,000)	(200,000)	(150,000)	0

EIP 2017-2026
All Categories
Funding Sources and Expenditure Projections

	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Funding Sources										
Development Account	\$ 660,000	\$ 430,000	\$ 230,000	\$ 460,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 2,605,000
Livable Communities Account	100,000	100,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	\$ 375,000
Federal Grant	88,900	44,600	20,300	-	-	-	-	-	-	\$ 153,800
Ad Valorem Tax Levy	325,000	350,000	225,000	200,000	225,000	200,000	225,000	200,000	150,000	\$ 2,100,000
Pooled TIF Funds	600,000	600,000	600,000	600,000	620,000	-	-	-	0	\$ 3,020,000
Revenue Bonds										\$ -
Total Funding Sources	\$ 1,773,900	\$ 1,524,600	\$ 1,100,300	\$ 1,285,000	\$ 1,035,000	\$ 390,000	\$ 415,000	\$ 390,000	\$ 340,000	\$ 8,253,800
Expenditures										
Housing	\$ 1,148,900	\$ 854,600	\$ 755,300	\$ 975,000	\$ 745,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 4,578,800
Business	768,000	293,000	468,000	243,000	568,000	19,000	44,000	19,000	44,000	\$ 2,466,000
Transit	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	\$ 108,000
Development/Redevelopment	125,000	125,000	125,000	125,000	125,000	50,000	50,000	50,000	50,000	\$ 825,000
TIF Projects	120,000	140,000	140,000	120,000	100,000	100,000	100,000	100,000	100,000	\$ 1,020,000
Total Expenditures	\$ 2,173,900	\$ 1,424,600	\$ 1,500,300	\$ 1,475,000	\$ 1,550,000	\$ 206,000	\$ 231,000	\$ 206,000	\$ 231,000	\$ 8,766,800

City of Minnetonka
Housing TIF District No. 2 Beacon Hill

DISTRICT INFORMATION				
	ORIGINAL	HSS	Geo. Enlargement	
District Type	Housing			
Project Area	Glen Lake Station			
Fiscal Disparities	A Election			
County Number	1458			
Frozen Rate	UTA #1 132.577%	0.000%	0.000%	
	UTA #2 0.000%			
	UTA #3 0.000%			

ASSUMPTIONS	
Interest Income	0.50%
Admin Expense	3.00%

RECOMMENDATIONS			
1) Discuss with attorney regarding the use of increment for housing after obligation is finished			
2) May need a budget modification before the district expires			
3) Admin. Expense is currently:	for year 2016	8.5%	At or Under Limit

Current Year 2016

TIF PLAN BUDGET ANALYSIS																		
	First Receipt	City Approved	Cert Request	Certified	Decertifies		Revenues			Expenditures						Total Budget		
					Legal Term	Expected Term	Tax Increment	Interest Income	TOTAL REVENUES	Project	Affordable Housing	Paygo	Interfund Loan	Admin Expense	Outside District		TOTAL EXPENSE	
Original Budget	1996	2/14/1994	4/19/1994	9/19/1994	12/31/2021	12/31/2021												
Cumulative Modified							4,256,000		4,256,000	2,106,000	100,000	1,400,000		350,000			3,956,000	3,956,000
End of District Projected Actual Total							4,236,308		2,582	4,238,890	-	1,065,000	2,838,031	-	332,949	-	4,235,980	4,235,980
Under / (Over) Budget							19,692		(2,582)	17,110	2,106,000	(965,000)	(1,438,031)	-	17,051	-	(279,980)	(279,980)

CASH FLOW PROJECTIONS ROLL UP																			
TIF Year	Year	TAX CAPACITY					Revenues				Expenditures								Ending Balance
		Base	Current	Fiscal Disparities	Captured	Current Local Tax Rate	Tax Increment	Housing Rehab Loan Repayments	Interest Income	TOTAL REVENUES	Project	Affordable Housing	Paygo	Interfund Loan	Admin Expense	Outside District	TOTAL EXPENSE		
18	2013			-		0.000%	2,549,940		(2,303)	2,547,637			2,283,428		190,234		2,473,662	73,975	
19	2014	8,647	150,489	-	141,842	132.233%	186,887		560	187,447			165,553		18,689		184,242	77,180	
20	2015	8,647	161,889	-	153,242	124.605%	190,260		85	190,345			160,204		19,026		179,230	88,295	
21	2016	8,647	190,389	-	181,742	120.496%	218,203		441	218,645		100,000	152,475		15,000		267,475	39,465	
22	2017	8,647	190,389	-	181,742	120.496%	218,203		197	218,401		100,000	76,371		15,000		191,371	66,494	
23	2018	8,647	190,389	-	181,742	120.496%	218,203		332	218,536		150,000			15,000		165,000	120,030	
24	2019	8,647	190,389	-	181,742	120.496%	218,203		600	218,804		150,000			15,000		165,000	173,834	
25	2020	8,647	190,389	-	181,742	120.496%	218,203		869	219,073		200,000			15,000		215,000	177,907	
26	2021	8,647	190,389	-	181,742	120.496%	218,203		890	219,093		200,000			15,000		215,000	182,000	
27	2022	-	-	-	-	0.000%	-		910	910		165,000			15,000		180,000	2,910	
Total							4,236,308		2,582	4,238,890	-	1,065,000	2,838,031	-	332,949	-	4,235,980		



City of Minnetonka
Housing TIF District No. 2 Beacon Hill

Pursuant to M.S. 469.176 Subd. 3:

Admin limit is based on: Expenses

ADMINISTRATIVE EXPENSE TEST		
TEST 1:	Admin per TIF Plan	\$350,000
TEST 2:	Estimated TIF Admin Allowable (10%)	\$360,600
	Estimated Total TIF Expenses per TIF Plan	\$3,606,000
TEST 3:	Cumulative TIF Admin Allowable (10%)	\$390,303
	Total TIF Expenses for the Project	\$3,903,031
RESULTS:	Admin per TIF Plan	\$350,000
	Actual Admin Expenses	\$332,949
	Available Admin	\$17,051
	Actual Percentage	8.5%

Pursuant to M.S. 469.1763 Subd. 2:

District Type: Housing
 Does this section apply? Yes
 Certification Request Date: 4/19/1994
 Does TIF Plan Specify Assisting Housing Outside Project Area? No
 If so, What is the Additional % Allowed in TIF Plan (Up to 10%): 0%
 Total Pooling %: 25%

		ADMINISTRATIVE EXPENSE CALCULATION				POOLING CALCULATION (25% Outside of District)							EXCESS INCREMENT					
		Accumulated Totals			Tax Increment													
TIF Year	Year	Admin. Expenses	Total	% Allowable	Current Year	Cummulative	Admin Costs	25% for Qualified Costs	Spent Outside	Cummulative	Available for Pooling	Increment Generated	Costs Authorized	Required?	Increment returned	Net Retained	P&I Due after year end	Excess (Not Excess)
18	2013	190,234	2,283,428	8.3%	2,549,940	2,549,940	190,234	447,251	-	447,251	73,975	2,547,637	3,956,000	no		0	0	(1,408,363)
19	2014	208,923	2,448,981	8.5%	186,887	2,736,827	208,923	475,284	-	475,284	77,180	2,735,084	3,956,000	no		0	0	(1,220,916)
20	2015	227,949	2,609,185	8.7%	190,260	2,927,087	227,949	503,823	-	503,823	88,295	2,925,429	3,956,000	no		0	0	(1,030,571)
21	2016	242,949	2,861,660	8.5%	218,203	3,145,290	242,949	543,374	-	543,374	39,465	3,144,074	3,956,000	no		0	0	(811,926)
22	2017	257,949	3,038,031	8.5%	218,203	3,363,494	257,949	582,924	-	582,924	66,494	3,362,475	3,956,000	yes		3,362,475	0	(593,525)
23	2018	272,949	3,188,031	8.6%	218,203	3,581,697	272,949	622,475	-	622,475	120,030	3,581,010	3,956,000	yes		3,581,010	0	(374,990)
24	2019	287,949	3,338,031	8.6%	218,203	3,799,901	287,949	662,026	-	662,026	173,834	3,799,814	3,956,000	yes		3,799,814	0	(156,186)
25	2020	302,949	3,538,031	8.6%	218,203	4,018,104	302,949	701,577	-	701,577	177,907	4,018,887	3,956,000	yes		4,018,887	0	62,887
26	2021	317,949	3,738,031	8.5%	218,203	4,236,308	317,949	741,128	-	741,128	182,000	4,237,980	3,956,000	yes		4,237,980	0	281,980
27	2022	332,949	3,903,031	8.5%	-	4,236,308	332,949	726,128	-			4,238,890	3,956,000	yes		4,238,890	0	282,890



City of Minnetonka
TIF District 1-2 Boulevard Gardens

DISTRICT INFORMATION				ASSUMPTIONS		RECOMMENDATIONS		
District Type	ORIGINAL	HSS	Geo. Enlargement	Interest Income	0.50%			
Project Area	Redevelopment			Admin Expense	4.00%			
Fiscal Disparities	Development District No 1			3) Admin. Expense is currently: 8.5% At or Under Limit				
County Number	A Election							
Frozen Rate	1460							
	UTA #1	134.726%	0.000%					
	UTA #2	0.000%	0.000%					
	UTA #3	0.000%						
Current Year	2016							

TIF PLAN BUDGET ANALYSIS																			
Decertifies							Revenues				Expenditures								
	First Receipt	City Approved	Cert Request	Certified	Legal Term	Expected Term	Tax Increment	Bonds	Interest Income	TOTAL REVENUES	Project	Paygo	Admin Expense	County Admin	Affordable Housing	Outside District	Other Expense	TOTAL EXPENSE	Total Budget
Original Budget	1997	12/11/1995	6/11/1996	7/2/1996	12/31/2022	12/31/2022													
Cumulative Modified							37,300,000	19,300,000	350,000	56,950,000	10,564,578	26,650,000	2,335,422		6,400,000		11,000,000	56,950,000	56,950,000
End of District Projected Actual Total							39,491,518		188,802	39,680,321	100,000	16,692,812	1,975,176	5,601	6,445,000	290,352	14,171,379	39,680,321	39,680,321
Under / (Over) Budget							(2,191,518)		161,198	17,269,679	10,464,578	9,957,188	360,246	(5,601)	(45,000)	(290,352)	(3,171,379)	17,269,679	17,269,679

CASH FLOW PROJECTIONS ROLL UP																		
		TAX CAPACITY				Current Local	Revenues			Expenditures						Increment	TOTAL EXPENSE	Ending Balance
TIF Year	Year	Base	Current	Fiscal Disparities	Captured	Tax Rate	Tax Increment	Interest Income	TOTAL REVENUES	Project	Paygo	Admin Expense	County Admin	Affordable Housing	Outside District	Returned		
16	2012	-	-	-	-	0.000%	1,627,601	8,491	1,636,092			143,414	5,601	1,025,000		950,000	2,124,015	290,352
17	2013					0.000%	1,779,294	(6,936)	1,772,358			173,989				950,000	1,123,989	938,721
18	2014					131.818%	1,831,293	10,588	1,841,881			89,030				991,000	1,080,030	1,700,572
19	2015	72,750	1,573,468	-	1,500,718	124.388%	1,855,744	14,057	1,869,801			90,674				949,000	1,039,674	2,530,699
20	2016	72,750	1,623,624	-	1,550,874	120.460%	1,860,541	12,653	1,873,194			74,422				1,209,352	1,283,773	3,120,120
21	2017	72,750	1,623,624	-	1,550,874	120.460%	1,861,457	15,601	1,877,058			74,458		2,400,000	290,352	1,209,947	3,974,758	1,022,421
22	2018	72,750	1,623,624	-	1,550,874	120.460%	1,861,457	5,112	1,866,569			74,458		600,000		1,209,947	1,884,406	1,004,584
23	2019	72,750	1,623,624	-	1,550,874	120.460%	1,861,457	5,023	1,866,480			74,458		600,000		1,209,947	1,884,406	986,659
24	2020	72,750	1,623,624	-	1,550,874	120.460%	1,861,457	4,933	1,866,391			74,458		600,000		1,209,947	1,884,406	968,644
25	2021	72,750	1,623,624	-	1,550,874	120.460%	1,861,457	4,843	1,866,301			74,458		600,000		1,209,947	1,884,406	950,539
26	2022	72,750	1,623,624	-	1,550,874	120.460%	1,861,457	4,753	1,866,210			74,458		620,000		1,209,947	1,904,406	912,344
27	2023	-	-	-	-	0.000%	-	-	-			-		-		912,344	912,344	(0)
28	2024	-	-	-	-	0.000%	-	-	-			-		-		-	-	(0)
Total							39,491,518	188,802	39,680,321	100,000	16,692,812	1,975,176	5,601	6,445,000	290,352	14,171,379	39,680,321	



City of Minnetonka
TIF District 1-2 Boulevard Gardens

Pursuant to M.S. 469.176 Subd. 3:
Admin limit is based on:

Expenses

ADMINISTRATIVE EXPENSE TEST	
TEST 1: Admin per TIF Plan	\$2,335,422
TEST 2: Estimated TIF Admin Allowable (10%)	\$5,461,458
Estimated Total TIF Expenses per TIF Plan	\$54,614,578
TEST 3: Cumulative TIF Admin Allowable (10%)	\$3,770,514
Total TIF Expenses for the Project	\$37,705,144
RESULTS: Admin per TIF Plan	\$2,335,422
Actual Admin Expenses	\$1,975,176
Available Admin	\$360,246
Actual Percentage	5.2%

Pursuant to M.S. 469.1763 Subd. 2:

District Type:	Redevelopment
Does this section apply?	Yes
Certification Request Date:	6/11/1996
Does TIF Plan Specify Assisting Housing Outside Project Area?	Yes
If so, What is the Additional % Allowed in TIF Plan (Up to 10%):	10%
Total Pooling %:	35%

TIF Year	Year	ADMINISTRATIVE EXPENSE CALCULATION			POOLING CALCULATION (35% Outside of District)								EXCESS INCREMENT								
		Admin. Expenses	Total	% Allowable	Current Year	Cummulative	Admin Costs	25% for Qualified Costs*	Spent Outside	Qualified Redevelopment Costs	Available for Pooling	35% Available for Affordable Housing	Affordable Housing	Affordable Housing	Increment Generated	Costs Authorized	Required?	Increment returned	Net Retained	P&I Due after year end	Excess (Not Excess)
16	2012	1,100,312	17,894,043	6.1%	1,627,601	20,995,902	1,100,312	4,148,664	-	15,049,330	290,352	850,839	1,025,000								
17	2013	1,274,301	17,894,043	7.1%	1,779,294	22,775,196	1,274,301	290,352	-	290,352	290,352	1,299,603	-	274,603	1,772,358	56,950,000	no		0	0	(55,177,642)
18	2014	1,363,331	17,894,043	7.6%	1,831,293	24,606,489	1,363,331	290,352	-	290,352	290,352	1,851,525	-	826,525	3,614,239	56,950,000	no	991,000	0	0	(53,335,761)
19	2015	1,454,005	17,894,043	8.1%	1,855,744	26,462,233	1,454,005	290,352	-	290,352	290,352	2,410,362	-	1,385,362	5,484,040	56,950,000	no	949,000	0	0	(51,465,960)
20	2016	1,528,427	17,894,043	8.5%	1,860,541	28,322,774	1,528,427	290,352	-	290,352	290,352	2,987,129	-	1,962,129	7,357,234	56,950,000	no	1,209,352	0	0	(49,592,766)
21	2017	1,602,885	20,584,395	7.8%	1,861,457	30,184,231	1,602,885	290,352	290,352	-	-	3,564,181	2,400,000	139,181	9,234,292	56,950,000	no	1,209,947	0	0	(47,715,708)
22	2018	1,677,343	21,184,395	7.9%	1,861,457	32,045,689	1,677,343	-	-	-	-	4,141,233	600,000	116,233	11,100,862	56,950,000	no	1,209,947	0	0	(45,849,138)
23	2019	1,751,802	21,784,395	8.0%	1,861,457	33,907,146	1,751,802	-	-	-	-	4,718,285	600,000	93,285	12,967,342	56,950,000	no	1,209,947	0	0	(43,982,658)
24	2020	1,826,260	22,384,395	8.2%	1,861,457	35,768,603	1,826,260	-	-	-	-	5,295,336	600,000	70,336	14,833,733	56,950,000	no	1,209,947	0	0	(42,116,267)
25	2021	1,900,718	22,984,395	8.3%	1,861,457	37,630,061	1,900,718	-	-	-	-	5,872,388	600,000	47,388	16,700,033	56,950,000	no	1,209,947	0	0	(40,249,967)
26	2022	1,975,176	23,604,395	8.4%	1,861,457	39,491,518	1,975,176	-	-	-	-	6,449,440	620,000	4,440	18,566,244	56,950,000	no	1,209,947	0	0	(38,383,756)
27	2023	1,975,176	23,604,395	8.4%	-	39,491,518	1,975,176	-	-	-	-	6,449,440	-	4,440	18,566,244	56,950,000	no	912,344	0	0	(38,383,756)
28	2024	1,975,176	23,604,395	8.4%	-	39,491,518	1,975,176	-	-	-	-	6,449,440	-	4,440	18,566,244	56,950,000	no	0	0	0	(38,383,756)



DISTRICT INFORMATION				ASSUMPTIONS		RECOMMENDATIONS			
	ORIGINAL	HSS	Geo. Enlargement						
District Type	Renewal and Renovation			Interest Income	0.50%	1)			
Project Area	Glen Lake Station			Admin Expense	4.00%	2)			
Fiscal Disparities	B Election					3) Admin. Expense is currently: for year 2016 8.2% At or Under Limit			
County Number	1463								
Frozen Rate	UTA #1 99.282%	0.000%	0.000%						
	UTA #2 0.000%								
	UTA #3 0.000%								
Current Year	2016								

TIF PLAN BUDGET ANALYSIS																				
Decertifies							Revenues				Expenditures									
Original Budget	First Receipt	City Approved	Cert Request	Certified	Legal Term	Expected Term	Tax Increment	Bond	Interest Income	TOTAL REVENUES	Paygo	Project	Interfund Loan	Bond	Bond Discount	Admin Expense	Outside District	Other Expense	TOTAL EXPENSE	Total Budget
	2007	1/23/2006	4/3/2006	6/2/2006	12/31/2029	12/31/2029														
Cumulative Modified							13,300,000	7,000,000		20,300,000	1,500,000	5,770,000	2,000,000	9,700,000		1,330,000			20,300,000	20,300,000
End of District Projected Actual Total							8,070,155	-	45,685	9,997,557	5,612,272	360,895	218	4,031,465	59,500	392,556	-	-	9,474,656	10,456,906
Under / (Over) Budget							5,229,845	7,000,000	(45,685)	10,302,443	(4,112,272)	5,409,105	1,999,782	5,668,535	(59,500)	937,444	-	-	10,825,344	9,843,094

CASH FLOW PROJECTIONS ROLL UP																				
TAX CAPACITY					Revenues										Expenditures					
TIF Year	Year	Base	Current	Fiscal Disparities	Captured	Current Local Tax Rate	Tax Increment	Bond	Interest Income	TOTAL REVENUES	Paygo	Project	Interfund Loan	Bond	Bond Discount	Admin Expense	Outside District	Increment Returned	TOTAL EXPENSE	Ending Balance
10	2013	-	-	-	-	0.000%	645,745	2,380,000	5,224	3,030,969	2,212,272			240,437	59,500	92,285			2,604,494	426,475
11	2014	117,677	484,211	25,541	340,993	132.233%	330,181		4,167	334,348		360,895		220,713		16,509			598,117	162,706
12	2015	117,677	521,982	32,251	372,054	124.605%	359,928		2,829	362,757				220,900		19,096			239,996	285,467
13	2016	117,677	573,209	31,696	423,836	120.496%	419,278		1,427	420,705	300,000			220,813		16,771			537,802	168,370
14	2017	117,677	573,209	31,696	423,836	120.496%	419,278		842	420,120	200,000			220,450		16,771			437,221	151,269
15	2018	117,677	645,578	31,696	496,205	120.496%	490,869		756	491,625	175,000			219,813		19,635			414,448	228,446
16	2019	117,677	645,578	31,696	496,205	120.496%	490,869		1,142	492,011	175,000			218,901		19,635			413,536	306,922
17	2020	117,677	645,578	31,696	496,205	120.496%	490,869		1,535	492,403	150,000			217,713		19,635			387,348	411,977
18	2021	117,677	645,578	31,696	496,205	120.496%	490,869		2,060	492,929	200,000			216,250		19,635			435,885	469,021
19	2022	117,677	645,578	31,696	496,205	120.496%	490,869		2,345	493,214	200,000			219,375		19,635			439,010	523,225
20	2023	117,677	645,578	31,696	496,205	120.496%	490,869		2,616	493,485	200,000			216,750		19,635			436,385	580,325
21	2024	117,677	645,578	31,696	496,205	120.496%	490,869		2,902	493,770	200,000			218,350		19,635			437,985	636,111
22	2025	117,677	645,578	31,696	496,205	120.496%	490,869		3,181	494,049	250,000			219,350		19,635			488,985	641,175
23	2026	117,677	645,578	31,696	496,205	120.496%	490,869		3,206	494,075	300,000			214,900		19,635			534,535	600,715
24	2027	117,677	645,578	31,696	496,205	120.496%	492,642		3,004	495,646	300,000			215,000		19,706			534,706	561,655
25	2028	117,677	645,578	31,696	496,205	120.496%	492,642		2,808	495,451	300,000			214,500		19,706			534,206	522,900
26	2029	117,677	645,578	31,696	496,205	120.496%	492,642		2,615	495,257	300,000			213,400		15,000			528,400	489,757
27	2030	-	-	-	-	0.000%	-		2,449	2,449	150,000			303,850		-			453,850	38,356
28	2031	-	-	-	-	0.000%	-		192	192				-		-			-	38,548
29	2032	-	-	-	-	0.000%	-		193	193				-		-			-	38,740
30	2033	-	-	-	-	0.000%	-		194	194				-		-			-	38,934



Pursuant to M.S. 469.176 Subd. 3:

Admin limit is based on: Revenues

ADMINISTRATIVE EXPENSE TEST		
TEST 1:	Admin per TIF Plan	\$1,330,000
TEST 2:	Estimated TIF Admin Allowable (10%)	\$1,330,000
	Estimated Total TIF Revenues per TIF Plan	\$13,300,000
TEST 3:	Cumulative TIF Admin Allowable (10%)	\$811,584
	Total TIF Revenues for the Project	\$8,115,840
RESULTS: Cumulative TIF Admin Allowable (10%)		
		\$811,584
	Actual Admin Expenses	\$392,556
	Available Admin	\$419,028
	Actual Percentage	4.8%

Pursuant to M.S. 469.1763 Subd. 2:

District Type: Renewal and Renovation
 Does this section apply? Yes
 Certification Request Date: 4/3/2006
 Does TIF Plan Specify Assisting Housing Outside Project Area? No
 If so, What is the Additional % Allowed in TIF Plan (Up to 10%): 0%
 Total Pooling %: 20%

		ADMINISTRATIVE EXPENSE CALCULATION				POOLING CALCULATION (20% Outside of District)						EXCESS INCREMENT								
		Accumulated Totals				Tax Increment		20% for Qualified				Available for	Increment			Increment			P&I Due after	Excess (Not
TIF Year	Year	Admin. Expenses	Total	% Allowable	Current Year	Cummulative	Admin Costs	Costs	Spent Outside	Cummulative	Pooling	Generated	Costs Authorized	Required?	returned	Net Retained	year end	Excess)		
10	2013	92,285	650,969	14.2%	645,745	645,745	92,285	36,864	-	36,864	36,864	3,030,969	20,300,000	no	0	0	0	(17,269,031)		
11	2014	108,794	985,317	11.0%	330,181	975,926	108,794	86,391	-	86,391	86,391	3,365,317	20,300,000	no	0	0	0	(16,934,683)		
12	2015	127,890	1,348,074	9.5%	359,928	1,335,854	127,890	139,281	-	139,281	139,281	3,728,074	20,300,000	no	0	0	0	(16,571,926)		
13	2016	144,661	1,768,779	8.2%	419,278	1,755,132	144,661	206,365	-	206,365	168,370	4,148,779	20,300,000	no	0	0	0	(16,151,221)		
14	2017	161,432	2,188,899	7.4%	419,278	2,174,410	161,432	273,450	-	273,450	151,269	4,568,899	20,300,000	no	0	0	0	(15,731,101)		
15	2018	181,067	2,680,524	6.8%	490,869	2,665,279	181,067	351,989	-	351,989	228,446	5,060,524	20,300,000	no	0	0	0	(15,239,476)		
16	2019	200,702	3,172,535	6.3%	490,869	3,156,147	200,702	430,528	-	430,528	306,922	5,552,535	20,300,000	no	0	0	0	(14,747,465)		
17	2020	220,336	3,664,939	6.0%	490,869	3,647,016	220,336	509,067	-	509,067	411,977	6,044,939	20,300,000	no	0	0	0	(14,255,061)		
18	2021	239,971	4,157,867	5.8%	490,869	4,137,885	239,971	587,606	-	587,606	469,021	6,537,867	20,300,000	no	0	0	0	(13,762,133)		
19	2022	259,606	4,651,081	5.6%	490,869	4,628,754	259,606	666,145	-	666,145	523,225	7,031,081	20,300,000	no	0	0	0	(13,268,919)		
20	2023	279,241	5,144,566	5.4%	490,869	5,119,622	279,241	744,684	-	744,684	580,325	7,524,566	20,300,000	no	0	0	0	(12,775,434)		
21	2024	298,875	5,638,336	5.3%	490,869	5,610,491	298,875	823,223	-	823,223	636,111	8,018,336	20,300,000	no	0	0	0	(12,281,664)		
22	2025	318,510	6,132,386	5.2%	490,869	6,101,360	318,510	901,762	-	901,762	641,175	8,512,386	20,300,000	no	0	0	0	(11,787,614)		
23	2026	338,145	6,626,460	5.1%	490,869	6,592,229	338,145	980,301	-	980,301	600,715	9,006,460	20,300,000	no	0	0	0	(11,293,540)		
24	2027	357,851	7,122,106	5.0%	492,642	7,084,871	357,851	1,059,124	-	1,059,124	561,655	9,502,106	20,300,000	no	0	0	0	(10,797,894)		
25	2028	377,556	7,617,557	5.0%	492,642	7,577,513	377,556	1,137,946	-	1,137,946	522,900	9,997,557	20,300,000	no	0	0	0	(10,302,443)		
26	2029	392,556	8,112,813	4.8%	492,642	8,070,155	392,556	1,221,475	-	1,221,475	489,757	10,492,813	20,300,000	no	0	0	0	(9,807,187)		
27	2030	392,556	8,115,262	4.8%	-	8,070,155	392,556	1,221,475	-	-	-	-	-	-	-	-	-	-		
28	2031	392,556	8,115,454	4.8%	-	8,070,155	392,556	1,221,475	-	-	-	-	-	-	-	-	-	-		
29	2032	392,556	8,115,647	4.8%	-	8,070,155	392,556	1,221,475	-	-	-	-	-	-	-	-	-	-		
30	2033	392,556	8,115,840	4.8%	-	8,070,155	392,556	1,221,475	-	-	-	-	-	-	-	-	-	-		





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	21	Rowland Housing TIF
Cherrywood Pointe*	2017	8	N/A

*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	106	Rowland Housing TIF
Applewood Pointe	2017	89	Applewood Pointe TIF
Lecesse*	2017	32	N/A
Cherrywood Pointe*	2017	2	N/A
Zvago*	2017	54	Glenhaven 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

2017 AFFORDABLE HOUSING INCOME LIMITS
(INSERT CHART) – AVAILABLE MID-MARCH

AFFORDABLE HOUSING GOALS

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 #7
Meeting of March 16, 2017**

Brief Description

Staff Report

Transit

Green Line Extension (Southwest LRT)

- On February 14, 2017 the Metropolitan Council issued an invitation to bid on the civil contract of the Southwest LRT project. Additional information can be found at <https://metro council.org/About-Us/Organization/DoingBusiness/Contracting-Opportunities.aspx>.
- The Pre-Bid/Disadvantaged Business Enterprises (DBE) Mixer was held in Minnetonka last Friday, March 3. Over 200 people attended.
- SPO described the transition from Committee groups to Construction Information Workgroups (CIWs) at the last BAC/CAC meetings. For this and other information on SWLRT's Construction Outreach/Communication Plan see this link: <https://metro council.org/getdoc/4060ada0-8bfe-451d-8aa7-ddd2341904ff/Presentation.aspx> (starting with Slide 12).
- Various property and easement acquisitions discussions have begun.

Metro Transit

- Community Development staff continued to meet with Metro Transit on a quarterly basis. Most of the time has been devoted to new development connections and preparing for the LRT opening. The contract with Metro Transit will be re-negotiated in 2017.
- Metro Transit is considering changes to Route 9. The Recommended Plan is scheduled to be presented for approval to Metropolitan Council's Transportation Committee on April 10. For Minnetonka, the principal change are as follows:
 - More weekday trips between Greenbrier and the West End—a 60%+ increase, going from 15 to 25
 - A weekday trip leaving downtown for Greenbrier after 10 p.m. (still looking to see if we can do a weekend trip)
 - For the first time—direct service between the West End and the Ridgedale area began
 - A slower trip time to downtown for Route 675 riders—approximately four minutes longer

- Starting Saturday, March 4, Metro Transit eliminated trips on Routes 652 and 672. The routes were modified due to low ridership. The changes for each route are as follows:

Route 652

- Last daily inbound trip, which leaves Plymouth Road park-ride at 8:22 a.m.
- An outbound trip from the University of Minnesota—Twin Cities at 4:30 p.m.
- Both trips do not operate during school breaks or summer session.
- Note – Alternative trips are available within 10 minutes of these trips that run throughout the year and have available capacity.

Route 672

- The 6:25 a.m. route headed west from downtown Minneapolis
- The 6:01 p.m. from Wayzata to downtown Minneapolis
- The 3:04 p.m. trip from downtown Minneapolis
- Note – Alternative service is available on Route 675.

More Information

- Visit the [Metro Transit Route website](#) to find alternative trips and learn more

Business Development

Staff advertised the Business Recycling Grant available through Hennepin County through the city's email software. The grant can be used to purchase recycling containers, start hauling services or improve onsite recycling infrastructure. Grants up to \$50,000 are available. Additional information can be found on the County's website: <http://www.hennepin.us/businessrecycling>

Businesses Now Open:

- Ridgedale Mall
 - Escape Room
- Apres Rental – 5801 Clearwater Drive
- Associated Bank – 6000 Clearwater Drive

Businesses Opening Soon

- United Builders Credit Union – 5757 Sanibel Drive
- Unmapped Brewery – 14625 Excelsior Blvd
- Cocard – 12800 Whitewater Drive
- Twin Cities Orthopedics – 15450 State Hwy 7
- Nellie Nails – 5810 Baker Rd

Development Updates

Under Construction

- Prestige Preschool, 14730 Excelsior Blvd
- Highland Bank, Redevelopment, 1700 Plymouth Road
- Cherrywood Pointe, 2004 Plymouth Road
- Zvago, 14217 Stewart Lane
- At-Home Apartments, 5709 Rowland Rd
- Minnetonka High School Ice Arena, 18313 State Hwy 7
- Unmapped Brewing, Excelsior Boulevard

Under Review/Other

PROJECT	DESCRIPTION	LOCATION	PLANS	STATUS
Odom Health and Wellness	CUP amendment for expansion of existing medical office	10653 Wayzata Blvd	http://tinyurl.com/10653WayzataBlvd	Under Review
Newport Midwest	Concept plan for rental building	10400, 10500 & 10550 Bren Rd E	http://tinyurl.com/newportmidwest	NA
Pump and Meter	Site and building plan review for an addition to an existing building	11303 Excelsior Blvd	http://tinyurl.com/Pump-Meter	Under Review
Cheesecake Factory	New restaurant in Ridgedale Mall proper	12401 Wayzata Blvd	http://tinyurl.com/CF12401WayzataBlvd	Under Review
Restaurant Pads	New restaurant pad sites in the NW corner of the Ridgedale Mall property	12415 Wayzata Blvd	not yet posted	Under Review
City of Mtna Recreational Improvements	New trails and soccer lights at Civic Center Campus	3391 Williston Rd	https://tinyurl.com/CityRecreationalImprovements	Under Review
Hopkins Ballfields	CUP for installation of lighting on existing fields	2400 Lindberg Drive	not yet posted	Under Review
Sign Ordinance	Part 2 of ordinance update	City Wide	N/A	N/A
Telecommunication Ordinance	Update ordinance as it pertains to use of ROW	City Wide	N/A	N/A

Solar Ordinance	Update of setback requirements pertaining to groundmounted arrays	City Wide	N/A	N/A
Shady Oak Road Redevelopment	Redevelopment of city-owned parcel	4312 Shady Oak Road	http://eminnetonka.com/current-projects/planning-projects/1490-shady-oak-rd-redevelopment	waiting for revised concept plan
Crest Ridge Senior Housing	Items concerning a senior rental building	10955 Wayzata Blvd	http://tinyurl.com/CrestRidgeSH	Waiting for grading permit application
Lecesse	Multiple items for construction of a 322-unit apartment building	10101 Bren Road East	http://tinyurl.com/lecesse	Waiting for grading permit application
Ridgedale Corner Shoppes	Multiple items for redevelopment of the existing TCF bank site.	1801 Plymouth Road	http://tinyurl.com/ridgedale-TCF	Grading Permit Issued
Highland Bank	6 story mixed use building	1700 Plymouth Road	http://eminnetonka.com/current-projects/planning-projects/1131-highland-bank-redevelopment	Under Construction

Housing

CDBG

The city received the HUD annual review of performance report for the 2015 program year. The review of the city's programs concluded that the overall progress is satisfactory and that the city has continuing capacity to implement these programs. Some specific accomplishments during the year included:

- The city's fund was expended in a timely manner
- The city also complied with the Public Services and Administration expenditure limits
- Four activities (CAPSH, Senior Community Services, First Time Homebuyers and Housing Rehabilitation) exceeded their goals

Small Projects Program

All of the 2016 funds have been committed to 25 approved homeowners and several of the projects are still underway. HUD requires that a minimum percentage of the city's total CDBG funds be spent by May and Minnetonka has met that amount. The application window will open again in April and has been advertised in the Minnetonka Memo and on the city website.

Minnetonka Home Enhancement and Welcome to Minnetonka

City staff continues to receive pre-applications for both The Minnetonka Home Enhancement Loan program and the Welcome to Minnetonka. In 2016, there were four home enhancement loans issued and five down-payment loans issued. The fund balance is approximately \$154,000 (including the new 2017 dollars) for the two programs.

2017 West Metro Home Remodeling Fair

This year was the 25th anniversary for the West Metro Home Remodeling Fair which is sponsored by Minnetonka along with Golden Valley, St. Louis Park and Hopkins. Attendance was up to 1,300 compared to 800 in 2016. Minnetonka residents accounted for over 1/3 of the door prize entries and almost half of the design booth visitors.

Shady Oak Road Redevelopment

The concept plan for the property was reviewed at a neighborhood meeting and by the planning commission and city council. The city council held a closed negotiation session on March 6 to discuss the sale of the property.

Staff anticipates that there are items related to the Shady Oak Road Redevelopment project which will be brought forward to the EDAC for consideration.

EDAC Commission Updates

Melissa Johnston and Lee Jacobsohn were appointed to the board in February. Congratulations on your board appointments!

Upcoming Events

Wednesday, March 29

SLUC – Vehicle Technologies
11:30 am. to 1:30 pm
DoubleTree Park Place
1500 Park Place Blvd
St. Louis Park, Minnesota 55416

Monday, April 10

ULI MN
Climate Change – Meteorologist Paul Douglas
11:15 am to 1:30 pm
Dorsey & Whitney
50 S. 6th Street, Suite 1500
Minneapolis, MN 55402

Thursday, April 27

EDAC Meeting
Council Chambers
6:00 p.m.

Attachments

- 2017 Work Plan

Originated by:

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

2017 EDAC Meetings
Updated March 7, 2017

Meeting Date Meetings at 6:00pm unless otherwise noted	Item Description	Room/Special Notes
Thursday, January 26	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> • Cloud 9 Condominiums - HIA
Thursday, February 23	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> • <i>2016 Annual Activity Report</i>
Thursday, March 16	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> • <i>2018-2022 EIP Introduction</i> • <i>Cloud 9</i> • <i>Newport Partners</i>
Thursday, April 27	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> • <i>Draft 2018-2022 EIP Review</i> • <i>SAC/REC Deferral Program</i>
Thursday, May 25	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> • <i>2018-2022 EIP recommendation</i>
Thursday, June 29	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> • <i>2018 Budget and HRA Levy</i>
Thursday, July 27	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> • <i>2018 Budget and HRA Levy</i>
Thursday, August 3	Joint EDAC/Planning Commission	TBD
Thursday, August 17	Regular EDAC Meeting	Council Chambers
Thursday, October 19	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> • <i>2018 non-profit funding requests</i>
Thursday, December 7	Regular EDAC Meeting	Council Chambers

**Note: This schedule is tentative and subject to change.

Other Potential Agenda Items

- Continuous updates: Southwest LRT, Community Works, Development Updates
- Shady Oak Road Redevelopment
- SWLRT Redevelopment
- Business Development Newsletter and Business Retention Visit Plan
- Metro Transit Cooperative Agreement