

AGENDA
CITY OF MINNETONKA
ECONOMIC DEVELOPMENT ADVISORY COMMISSION
Thursday, April 27, 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 March 16, 2017 minutes

BUSINESS ITEMS

4. Transit Cooperation Agreement

Recommendation: Review the draft agreement and provide feedback

5. Metropolitan Council Sewer Availability Charge and City Residential Equivalency Charge Payment Deferral Program

Recommendation: Review the draft program and make a recommendation for the city council to approve the program

6. Staff Report

7. Other Business

•The next EDAC meeting is scheduled for **Thursday, May 25 at 6:00 p.m.**

8. 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**

**March 16, 2017
6 p.m.**

1. Call to Order

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

2. Roll Call

EDAC commissioners present: Michael Happe, Lee Jacobsohn, Jerry Knickerbocker, Charlie Yunker, and Ken Isaacson were present. Jacob Johnson and Melissa Johnston were absent.

Staff present: Community Development Director Julie Wischnack and consultant Julie Eddington, an attorney with Kennedy and Graven.

Chair Isaacson welcomed Jacobsohn to the commission.

3. Approval of January 26, 2017 Minutes

Happe moved, Knickerbocker seconded a motion to recommend that the EDAC approve the minutes from the January 26, 2017 meeting as included in the agenda. Happe, Knickerbocker, Yunker, and Isaacson voted yes. Jacobsohn abstained. Johnson and Johnston were absent. Motion passed.

4. Cloud Nine Condominiums Housing Improvement Area Request

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

Wischnack stated that the city council is scheduled to conduct a public hearing for this item April 10, 2017.

Happe asked what would happen with the funds gained from the sale of the parking ramp. Eddington said that the funds could be used as prepayment. Chair Isaacson clarified that his intent at the last meeting was to provide the city with an opportunity to allow prepayment, not require it to be done. The amount of the reserves would be considered at that time. Eddington explained that the association has not had an opportunity yet to review the contract and provide comments. It would be up to the board and the city to determine what the covenant should cover.

Happe asked why the applicant would be required to provide financial statements. Eddington explained that it would allow the city to see that the applicant is solvent and things are progressing as expected during the term of the obligation. Wischnack explained the HIA policy. The city has a responsibility to make sure things are being operated and managed properly. Eddington reviewed the default parameters and remedies. A professional manager would be required.

Doug Strandness, representing the homeowner's association, stated that Cloud Nine had a difficult start. The reserve started out with nothing and the amount of dues was not sufficient to meet the future needs. The reserve contribution has gone up significantly since then. It was unable to catch up to fund the curtain wall. The current finances of the association are very good. There are no owners delinquent on dues.

Requiring an audit to the city would allow the responsible voices in the association to be followed. The HIA structure is secured by the assessment to the property taxes. State law requires every association to have an "adequate" reserve and to do a formal, for-the-record evaluation every three years. The city always has the option to take control of the finances of the association.

Mr. Strandness stated that the parking structure provides 5.5 parking stalls for every unit in the building. The parking structure has not been maintained and needs \$1.5 million of work. A sale of the ramp needs to provide enough funds to construct a new parking structure for the association. That provision will need more attention in the future.

Mr. Strandness estimated the current monthly dues to be \$434 per month.

Chair Isaacson was in favor of a provision that would ensure that the city would have the leverage to make sure that the remaining proceeds from the sale would be adequately preserved to ensure that the reserves would be adequately funded going forward. Wischnack noted that would be a change to Article Section 6.12 on Page 20.

Eddington reviewed that the proceeds from the sale of the parking ramp must be used to fund a new parking structure and the city would have control to decide for what any remainder could be used. Chair Isaacson was less concerned with paying down the debt than making sure that there would be an adequate reserve.

Knickerbocker noted that the city has done this type of contract before. There are a series of provisions to protect the city's interest.

Knickerbocker moved, Yunker seconded a motion to recommend that the city council approve the contract for private development for Cloud 9 Condominiums' Housing Improvement Area request. Jacobsohn, Knickerbocker, Yunker, and Isaacson voted yes. Happe voted no. Johnson and Johnston were absent. Motion passed.

5. Newport Midwest

Wischnack reported.

Becky Landon, with the applicant Newport Midwest, stated that:

- The proposal is for a mix of affordable and market-rate units. There would be two different buildings financed separately, but the buildings would look, function, and be managed the same.
- There would be 55 affordable units with a mix of studio, 1-bedroom, 2-bedroom, and 3-bedroom units. There would be a total of 190 units.
- The applicant would apply to the MN HFA for funding by June 15, 2017 and the Metropolitan Council a month or two before that.
- The applicant should receive award notification from Hennepin County in early May 2017.
- The goal would be to start construction in 2018.
- The development entity is a joint venture between herself and Newport Partners which has a large portfolio of tax-credit housing on the west coast. Her partner came to Minnesota eight years ago to construct a solar manufacturing plant on the iron range. He has been doing affordable rental units for 30 years. She has been doing affordable housing in Minnesota for over 20 years. They have several other sites in the metropolitan area. They will be the joint managing owners for both properties.

Knickerbocker asked how confident she was that the other funding applied for would be awarded. Ms. Landon stated that the biggest factor would be to obtain the nine percent tax credits. Without that, it would be hard to make the proposal work. Sometimes it takes two years to receive tax credits. Based on the location, the application's score is currently extremely low. The application would score higher if funding would be secured before June 15, 2017.

Wischnack will email an article that was in the *Minneapolis Star Tribune* regarding tax credits to commissioners.

Knickerbocker asked Ms. Landon if she had a range of the amount of money she would request from the city. Ms. Landon estimated \$500,000 to \$1 million. The construction pricing would be completed this week and provide a better idea.

Chair Isaacson invited two or three commissioners to participate on a subcommittee. Jacobsohn, Yunker, and Isaacson volunteered. Wischnack stated that the subcommittee would meet to go over detailed financials including the amount of the ask.

Chair Isaacson noted that a tentative commitment should have a sunset provision.

6. 2018-2022 EIP

Wischnack reported.

Chair Isaacson noted that in the second paragraph of Page 5, in regard to the CDBG Small Projects Program, “more emphasis will be placed on this program” needs to be changed to “less emphasis will be placed on this program.” Wischnack agreed.

Knickerbocker asked if the city would have to pay more money to add a MTC bus route in Minnetonka. Wischnack answered in the negative. The investment fare revenue that the city pays would remain the same to add a route. Convincing the MTC that the route would have sufficient ridership would be the prompt to add a route. It is hard to change or delete routes since it would impact current riders.

Knickerbocker asked how often the EIP is used as a reference. Wischnack replied that she refers to it regularly, especially during budget time.

7. Staff Report

Wischnack reported:

- The SWLRT projects are out for bid. Construction will begin in Minnetonka by November.
- A pre-bid meeting for the Disadvantaged Business Enterprises was held March 3, 2017. Over 200 people attended.
- Staff has been meeting with MTC to renegotiate the 2017 contract and discuss potential changes to Route 9 which includes week-day trips from Greenbriar to the west end. The route has had an increase in ridership. Adding a route to operate after 10 p.m. is being considered.
- The city provided grants of up to \$15,000 to businesses to be used for recycling.
- Unmapped Brewing is expected to open in June.
- Twin Cities Orthopedics on Highway 7 and a nail salon on Baker Road will be opening soon.
- Prestige Preschool, Highland Bank, Cherrywood Pointe, and At-Home Apartments are under construction.
- The Cheesecake Factory is looking to locate in Ridgedale Center.
- Lighting will be added to the soccer fields located on the city hall campus.
- Lecessé in Opus will be closing at the end of April.
- The city received a positive review on its use of CDBG funds. The Small Projects Loan Program met its required spend down of CDBG funds in December. The Minnetonka Home Enhancement and Welcome to Minnetonka programs had four loans close in 2016 and five down-payment assistant loans in 2016. With the 2017 money added to it, the fund has \$154,000 left.
- The West Metro Home Remodeling Fair was well attended with 1,300 visitors.

8. Other Business

The next SLUC luncheon will be on the last Wednesday of the month. The presentation will be on vehicle technologies.

The next EDAC meeting is scheduled for Thursday, April 27, 2017 at 6 p.m.

9. Adjournment

Knickerbocker moved, Happe seconded a motion to adjourn the meeting at 7:50 p.m.
Motion passed unanimously.

**EDAC Agenda Item #4
Meeting of April 27, 2017**

Brief Description	Transit Cooperation Agreement
Recommendation	Review the draft Transit Cooperative Agreement and provide feedback

Background

On August 1, 2013 the City of Minnetonka entered into a Transit Cooperative Agreement with the Metropolitan Council to provide bus transit services to the city through Metro Transit. In April 2016, the city council approved an amendment to the agreement to extend the term to expire on July 31, 2017.

The extension request allowed staff to gain a better understanding of LRT operations, as well as the feeder bus network changes necessary to serve the LRT stations. A major re-evaluation is already planned as part of the Southwest LRT project.

History

Bus transit service has been available in Minnetonka dating back for many years. This service has been provided by Metro Transit, as a service of the Metropolitan Council. The service in Minnetonka has and continues to be focused on express route (very few stops), peak service to downtown Minneapolis and the University of Minnesota, with limited local and midday routes. Much of the transit design is directly related to the low density of the city.

In 2000, Minnetonka was granted authority, by the state, to opt-out of the Metro Transit system. In 2002, Minnetonka exercised its opt-out authority; however, it was determined to be in the best interest of the city to have Metro Transit continue providing transit service for the community. At that time, the city and the Metropolitan Council entered a Transit Cooperation Agreement for transit service and continued that agreement until 2013, when the new contract was renegotiated.

In 2010 and 2011 the city conducted a transit study. The purpose of the study was to better understand the transit services provided to, and available to, the city; whether the city's residents and businesses were receiving transit service levels similar to other communities; and to provide an analysis of options for future transit service that will best meet the needs of the city's residents and businesses, including looking at what happens when LRT becomes operational. The study determined that the city is receiving its money's worth for transit; however, it may not be fully responsive to the needs of the community. It was recommended that a new contract with Metro Transit/Metropolitan Council be negotiated with enhanced local service.

In 2012, Metro Transit conducted a sector study, in cooperation with the city. The purpose of the study was to ensure transit access to affordable housing, seniors and people with disabilities; improve local access circulation; and maintain the integrity of the regional system. The final report was presented to the city council in November 2012 and several transit system changes were implemented in 2013 as part of the study.

Key points of the current agreement (adopted in 2013):

- The length of the agreement is for three years; either party may terminate the Agreement with 12 months advanced notice.
 - The Agreement was renegotiated in 2013. The agreement was extended and will expire on July 31, 2017.
- The current document identifies the city's calculated transit funds and then the Metropolitan Council performs the service to the city based on that amount.
 - The chart below depicts the fare revenues and MVST funding for 2016. In 2016, Metro Transit received a total of \$5,240,652 to provide transit services in Minnetonka.
- Minnetonka will receive transit service that is at least comparable to and commensurate with Metro Transit Service provided to other cities in the Metro Transit System.
- The city and Metro Transit will meet quarterly to review issues.
 - Minnetonka staff continue to meet quarterly to discuss transit services and plan for future Southwest Light Rail Transit connections.
- Minnetonka may request re-evaluation of the routes and service levels when there is a major change in land use which may affect transit. This includes the construction of a light rail line or major re-development.
 - In 2016, staff coordinated with Metro Transit to evaluate moving the bus stops on Plymouth road in front of Target and Lunds & Byerlys as part of the road reconstruction project. As a result, the stop will be moved closer to Highland Bank, which will provide safer pedestrian access to the stop and will include a new bus pad.
 - Staff continues to discuss Southwest Light Rail Transit connectivity opportunities and opening day plans.
- Metro Transit will maintain its capital infrastructure in Minnetonka in a condition comparable to its other infrastructure in the region.
 - Staff met with Greg Williams of Metro Transit at the Park and Ride at I394 and Country Road 73 and the State Fair parking lot last summer. Staff discussed maintenance concerns regarding long grass, scrub trees, security, and replacing trees at these locations. Metro Transit addressed

these maintenance concerns.

- Minnetonka must notify Metro Transit when planning for public improvements that have the potential to impact transit service.
 - Staff is coordinating with Metro Transit on the road reconstruction project on Plymouth Road and the bridge and overlay projects planned in Opus. In addition, staff continues to coordinate with Metro Transit on new Opus developments and Southwest Light Rail.
- Metro Transit will provide Minnetonka staff the opportunity to review marketing and communication materials and distribution plans affecting Minnetonka before they are finalized.
 - Staff continues to coordinate with Metro Transit to review marketing and communication materials. In addition, staff communicates any proposed route changes on the city's social media outlets. Recent examples included the expanded services on Route 9 and Route 615.

Transit System Changes

Several changes were made to the transit system in Minnetonka as a result of the 2013 Metro Transit study and increased/decreased ridership demand. Some of the changes included:

- Expanded weekend service hours on Route 9—Route 9 is a local route serving eastern Minnetonka, St. Louis Park, and south Minneapolis. Two additional round trips (4 total) were added each weekday. This change was implemented in August 2013.
- Expanded weekday service hours on Route 615—Route 615 is a local route running from the Ridgedale area through Hopkins and onto St. Louis Park. The service hours were expanded to include more evening hours. This change was effective August 2013.
- New local route— A new weekday and Saturday local route, Route 614, from Minnetonka Heights in the southwest sector of the city to Ridgedale was implemented in late August 2013. Ridership has not been strong on this route, and likely will need changes.
- Express Bus Service— There were minor changes to the express bus service network (outside of the I-394 corridor) beginning in August 2013.
- In 2013, weekday midday service on Route 675 was increased from 60 to 30 minutes. Route 675 operates Monday through Sunday along I-394 serving Ridgedale, Wayzata, Mound and park-rides along I-394.

- In 2014, an outbound trip was added to Route 672--a I-394 weekday express route serving Plymouth Road park-ride, Carlson Center, Wayzata, Long Lake and Orono.
- In 2015, one outbound and two inbound weekday trips were added to Route 12-- a local route on Hennepin, Lake Street, Excelsior Boulevard, 11th Avenue South serving downtown Minneapolis, Uptown, St. Louis Park, Hopkins and the Opus area of Minnetonka Monday through Sunday.
- In 2015, due to low ridership, Saturday service on Route 614 was discontinued, its service hours were reinvested on Route 615.
- In 2015, Saturday service hours operated on Route 614 were reinvested on Route 615 to increase service frequency from 60 to 30 minutes.
- Route 568 which operated between downtown Minneapolis and Opportunity Workshop via Nicollet Avenue and 50th Street was eliminated March 19, 2016 due to low ridership. It was replaced by extending a Route 46 morning trip and afternoon trip to Opportunity Workshop. Route 46 is a crosstown route that operates between St. Paul's Highland Park neighborhood and 50th Street in Edina.

Funding

In 2002, Minnetonka exercised its opt-out authority; however, it was determined to be in the best interest of the city to have Metro Transit continue providing transit service for the community. This service is funded through the Motor Vehicle Sales Tax (MVST) and through fare revenues that are collected through ridership. The chart below depicts the fare revenue estimate and MVST that were prepared as part of the 2010 Minnetonka Transit Study and the 2015/2016 estimated Minnetonka fare revenue.

Annual Bus Trips, Estimated Ridership Fare Revenue, and MVST Revenue

	2015	2015	2016
Annual Scheduled Bus Trips*	102,716	110,938	110,938
Annual Estimated Ridership*	590,200	625,262	615,630
Annual Fare Revenue*	\$1,273,394	\$1,193,134	\$1,367,932
Annual MVST Estimate	\$2,623,000	\$3,600,859	\$3,872,720
Total Annual Revenue Estimate	\$3,896,394	\$4,793,993	\$5,240,652

*Based on Fall pick data

Ridership

Annual ridership has risen slightly since 2008. However, there was a large jump in ridership between 2012 and 2013 because of additional local service for routes 9 and 615 that were part of the West Suburban Service Changes project. In addition, there were additional weekly trips added to route 675 to connect midday service between downtown and Ridgedale.

Annual Transit Bus Trips Serving Minnetonka

Year	Weekday	Saturday	Sunday	Annual Total
2008	92,055	8,112	3,306	103,473
2009	89,760	7,852	5,104	102,716
2010	89,760	7,852	5,104	102,716
2011	87,465	7,852	5,104	100,421
2012	87,210	7,852	5,104	100,166
2013	96,135	8,476	5,104	109,715
2014	96,645	8,476	5,104	110,225
2015	97,410	8,424	5,104	110,938
2016	97,410	8,424	5,104	110,938

Recommendation

The attached draft agreement reflects the same agreement that was reviewed and approved by the Metropolitan Council and was effective on August 1, 2013, then later extended to July 31, 2017.

Staff recommends the EDAC provide feedback on the Transit Cooperation Agreement.

Submitted through:

Geralyn Barone, City Manager
Julie Wischnack, AICP, Community Development Director

Originated by:

Alisha Gray, Economic Development and Housing Manager

Additional Resources

[City of Minnetonka Transit Study - 2010](#)

[Governance of Transit](#) – Office of the Legislative Auditors – 2011

- History of Suburban “opt out” communities: pages 24-26

[City of Minnetonka Transit Study -2012](#)

[West Suburban Service Changes Final Plan - 2013](#)

June 24, 2013 City Council Report - attached

April 25, 2016 City Council Report - attached

**INTERGOVERNMENTAL AGREEMENT
BETWEEN THE METROPOLITAN COUNCIL
AND THE CITY OF MINNETONKA
RELATING TO TRANSIT COOPERATION**

This Agreement is between the Metropolitan Council (“Council”), a public corporation and political subdivision of the State of Minnesota, and the City of Minnetonka (“Minnetonka”), a Minnesota municipal corporation.

Background

Pursuant to 2000 Minn. Laws, Ch. 493, Sec. 21, the 2000 Minnesota Legislature gave Minnetonka the authority to opt-out of the metropolitan transit system (“Metro Transit”) and participate in the transit replacement service program under Minn. Stat. §473.388. Minnetonka has exercised this option and applied to the Council for the assistance. Minnetonka has also decided that rather than operate an independent transit system, it prefers to contract with the Council to provide transit services. The parties have the authority to cooperate together pursuant to Minn. Stat. 471.59 and have negotiated the terms of a cooperative partnership to provide transit services in Minnetonka, which are set forth in this Agreement. The parties previously entered into a Transit Cooperation Agreement, dated July 25, 2002 (“Initial Agreement”), which the parties wish to replace with this new agreement to effectuate the assistance authorized by §473.388.

Therefore, the parties agree as follows:

1. Statement of Intent

As responsible regional citizens, Minnetonka and the Council recognize the value of continuing their long-term, cooperative relationship in delivering quality transit service to Minnetonka citizens and businesses. This Agreement is intended to meet Minnetonka’s transit vision of increasing transit ridership through enhanced mobility and accessibility and continue and build on the strong partnership that both parties currently enjoy. The parties agree that this Agreement terminates and replaces the Initial Agreement.

2. Term

- a. The initial length of this Agreement is for three years after the effective date. Either party may terminate the Agreement with 12 months advance, written notice.
- b. If Minnetonka chooses to terminate the Agreement, Minnetonka will be responsible for maintaining the integrity of the regional system by providing service that connects with regional services.

3. Funding

- a. At Minnetonka's request, the Council will calculate the amount of annual operating funds that would be allocated to Minnetonka under state law and allocation formulas. The Council must provide the results of the calculation to Minnetonka within 30 days. Minnetonka will allow all such funds to remain with the Council as long as this Agreement is in effect.
- b. During the term of this Agreement, Minnetonka will not apply for any other transit capital assistance from local, state or federal sources. If requested, Minnetonka will assist the Council with securing capital funding or operating funding or operating funding for transit service in Minnetonka.

4. Services

- a. The Council is responsible for all activities related to providing transit service to Minnetonka including planning, operations and capital investments.
- b. The parties agree that Minnetonka will continue to receive service commensurate with, and comparable to, other cities in accordance with regional transit service design and performance standards contained in the Council's Transportation Policy Plan (as may be updated or amended), funding levels and Metro Transit's regional standards for productivity. Except in the case of regional service reductions or service that does not meet regional performance standards, current service levels in Minnetonka will continue under this Agreement.
- c. Minnetonka may request a re-evaluation of the routes and service levels in its boundaries when there has been a major change in land use which may affect transit, such as construction of a light rail line or a major re-development of an area. Metro Transit agrees to promptly conduct such a re-evaluation upon Minnetonka's request. Such a re-evaluation may not be requested more than once every three years.
- d. At Minnetonka's request, staff from the parties will meet quarterly beginning August 1, 2013, to review the Council's performance under this Agreement and to share concerns and future plans.
- e. If the Council anticipates a major change to transit service in Minnetonka, as defined in the attached **Exhibit A**, Council staff must meet and confer with Minnetonka staff at least 180 days before planned implementation of the change. If a major service change is necessary to address regional service reductions or service that does not meet regional performance standards, the Council will consult with Minnetonka to identify potential alternatives that best meet Minnetonka's needs and will consider the City's preferences in its decisions. No other change in service can take place without Minnetonka's approval.
- f. The Council will annually provide to Minnetonka its plans to construct or de-activate capital improvements and infrastructure (such as park & ride sites, transit centers,

and shelters) within Minnetonka no later than January 1 of each year. The Council must meet and confer with Minnetonka regarding the locations and plans for the actions at least 60 days before planned implementation. Capital improvements by the Council will be subject to all Minnetonka ordinances, including zoning regulations.

- g. The Council will maintain its capital infrastructure in Minnetonka in a condition comparable to the condition that it maintains similar infrastructure throughout the region. In addition, the Council must correct a substandard situation within 10 days after notice of the deficiency from Minnetonka, or such longer period as is reasonably necessary to achieve compliance, as determined by Minnetonka.
- h. Minnetonka must notify the Council when it plans public improvements that have the potential of impacting transit service. The notification must take place when the plans for a project have been prepared.
- i. The Council will provide Minnetonka staff the opportunity to review marketing and communication materials and distribution plans affecting Minnetonka before they are finalized. This includes marketing campaigns, promotions, and customer communications and outreach to residents and businesses in Minnetonka and adjacent communities, but does not include regional materials and plans that are not specifically focused on Minnetonka.
- j. Staff contacts for notice and implementation of this Agreement are:
 - i. For Minnetonka: Community Development Director Julie Wischnack, 14600 Minnetonka Blvd, Minnetonka, MN 55345.
 - ii. For the Council: Metro Transit Service Department Director John Levine, 560 6th Avenue North, Minneapolis, MN 55411.

5. Dispute Resolution Process

- a. **Informal Dispute Resolution.** The parties will use their best efforts to informally resolve disputes that arise between the parties under this Agreement in a timely and expeditious manner. The parties will first endeavor to resolve any dispute by having staff discuss the matter. If staff cannot resolve the dispute, their respective senior management will discuss the dispute. Senior management for purposes of this section are the Council's General Manager for Metro Transit and Minnetonka's City Manager, or such other senior managers as the respective parties designate. The parties will acknowledge and respond to notices of dispute without undue delay.
- b. **Mediation.** If the Informal Resolution Process is unsuccessful, the parties may participate in good faith, non-binding mediation through the use of a mutually acceptable neutral mediator. The parties will share equally in the cost of the mediator. Each party will be responsible for its own costs relate to such mediation.

- c. Exception to the Dispute Resolution Process. If Minnetonka notifies the Council that it considers routine maintenance of certain capital infrastructure to be substandard in comparison to other infrastructure in the region, and the Council acknowledges this fact in writing and then fails to correct the substandard condition within 10 days or such longer period as is necessary to achieve compliance as determined by the parties, Minnetonka may immediately take steps necessary to mitigate the condition without engaging in the processes set forth above. The Council will reimburse Minnetonka for its reasonable and identifiable expenses in doing so within 30 days after Minnetonka sends a written invoice to the Council.
- d. Termination. A party may choose to terminate the Agreement under Section 2 even if informal dispute resolution or mediation is pending.

6. Effective Date

This Agreement is effective on _____.

CITY OF MINNETONKA

By _____
Terry Schneider
Its Mayor

And _____
Geraldyn R. Barone
Its City Manager

Date _____

METROPOLITAN COUNCIL

By _____
Patrick Born
Its Regional Administrator

Date _____

TRANSPORTATION SERVICE CHANGES AND RESTRUCTURING

Section/Number: 1-3-a	Total Pages: 4
Dept. Responsible: Metro Transit and Metropolitan Council Transportation Planning	Effective Date: 1/25/99
Special Note:	Last Revision Date:
	Last Review Date:
	Revision No. 2-8/01/13

I. Policy

It is the policy of the Metropolitan Council to plan effective regional transportation services and facilities, coordinate regional transportation priorities and to invest transportation resources in a cost-effective manner. Transit and transportation planners and providers are to deliver necessary services to help implement the 2030 Regional Development Framework. Staff are expected to ensure that planning and operating of transit services are more compatible with different land use patterns and socioeconomic conditions to meet the growing and changing transit needs of the region. Staff will also coordinate transit service for all travel markets including regular route, paratransit and travel demand management. Staff will regularly evaluate the performance of the regional transportation system for purposes of policy plan updates and redirecting transportation resource investments. These policy plans will be prepared with the involvement of local officials and participation of citizens.

II. Procedure

In order for transit service is to meet the expectations of the public and the transit needs of the communities, a strong customer and community involvement process is required. Improved public feedback mechanisms, a more informed public on regional issues, local partnerships and increased advocacy for transit will bring about better designed and utilized transit, sounder decision-making, quality checks on performance and improved accountability for transit improvements. The Council's local procedural process for solicitation and consideration of public comment and feedback is defined in Policy 2-1, Accountability to the Public. The local process is documented in procedures 2-1a Public Participation, 2-1b Public Hearings and 1-3c Ongoing Public Involvement in the Planning Process.

In addition, a public hearing is required when certain major service changes are proposed. Major service changes requiring a public hearing include:

- a) One or more net decreases within a 12 month period of more than a 25% change in the daily in-service hours (minimum 3,500 annual in-service hours)
- b) The elimination of a transit route without alternate fixed route service replacement
- c) The restructuring of transit service throughout a sector or sub-area of the region as defined by Metro Transit

The following service changes do not necessitate a public hearing process:

- a) Seasonal service changes
- b) Route number or branch letter designation
- c) Any change or discontinuation of a demonstration route within the first 24 months of operation

- d) Service changes on special service routes, such as State Fair, sporting events and special events
- e) Creation of new routes or increases in service on existing routes
- f) Route changes caused by an emergency. Emergencies include, but are not limited to, inadequate fuel supplies, major road construction, major rail construction, bridge collapse and labor strikes
- g) Any service change which does not meet the conditions of a major service change as defined above.

Improved Public Feedback

An effective transit system is important to the region not only for the service it provides but for its balanced transportation network. Continual changes and growth within the metropolitan area require transit to be adaptable. Moving from a “product-oriented” view of the transit business as providers of transit services to a “customer-oriented” perspective as providers of transportation solutions will benefit the public. Transit service must fit local needs within the framework of a regional system. The optimal level of community involvement depends on who will be involved, how and when they will be used, and what tools will be used to solve the problem or maximize the opportunity. The transit customer and the community can offer critical input in design and operation. Improved public feedback will lead to more responsive planning and delivery of transit services. Increased public feedback requires transit providers to respond to customer needs more frequently. Expanded grass-roots support can influence how to provide transit in different markets, including:

1. Major Changes - such as corridor restructuring or route elimination.
2. Minor Changes - such as schedule or bus stop adjustments.
3. Monitoring and Feedback - to insure the system continues to meet the needs of a changing environment.

The tools used to solicit community involvement are dependent on:

1. Customer Feedback - used primarily for problem identification. Tools used to gather customer feedback include customer satisfaction surveys, comment cards, Listening Post, Customer Relations Department staff, Customer Advocates and drivers. An annual “report card” in which customers rate all aspects of regional transit service should be implemented.
2. Task Forces and Advisory Committees - used primarily to develop alternatives for transit delivery options within one or more communities. Community representatives, transit customers and other interested parties would be formed to identify needs and propose preferred options.
3. Project-Specific Solicitation - used primarily for analysis and evaluation of developed alternatives. This may take the form of opinion surveys, focus groups or customer interviews.
4. Public Hearings - used to gain community and customer feedback on recommended action. This process should be designed to solicit feedback from individuals or groups which have not been part of the formalized steps above.

This more timely and responsive process which seeks input from riders, non-riders and community leaders will make service design more effective. Community planning should be consistent with local transportation goals and objectives.

A More Informed Public

Consumers in the 1990's have become more educated and discerning with more options than ever before. The metropolitan area has a comparatively affluent population, with relatively little traffic congestion or parking problems. People use options which most conveniently meet their needs. Surveys indicate one in three residents have used transit at least once in the past twelve months. The

reasons cited most often by non-riders who have been transit customers are related to convenience and better options--namely cars becoming available. Thirty-eight percent of non-riders report that they might ride if the system were easier to understand. To solicit customer input and approval for service development issues, the process relies heavily on the traditional public hearing and assorted peer-review techniques. Communities must understand the relationship between concentrated land use development, transit's effectiveness within varying types of development patterns, and the appropriate levels and types of service. Transit customers and communities need to gain a better understanding of the service evaluation process. Metropolitan Council planning, marketing and communication staff and others who deal with the public will need to provide information on these regional issues to customers, potential customers, local officials and businesses.

The public needs to understand the costs associated with providing transit service and the limited resources available. As local decision makers and riders examine transportation options, costs must be incorporated into the debate and evaluation process.

Maintaining relationships is necessary for continued involvement in the planning and operations of transit services. For transit services to remain viable beyond initial implementation, service expectations, performance results and ongoing needs should be shared among service providers, customers and communities.

Partnerships with Communities and Local Government

Communities must take an active role in the ownership and management of the transit system. The Metropolitan Council must be proactive in developing strong partnerships with local governments for input on transit planning as it relates to the needs of the local communities, current and future development and other issues that impact transit usage.

The composition of the community involvement team is dependent upon the type and magnitude of problems or opportunities which need to be addressed. The ultimate team will include:

1. Customers
2. Community Stakeholders
3. Employers and Businesses
4. Transit Providers
5. Metropolitan Council members, staff and other public officials

Increased Advocacy For Transit

Advocacy involves the community as partners and provides equity and "ownership" in the system. As a result of increased community involvement, support for transit will improve. The opportunity to incorporate community involvement can be found at several phases of the service development process:

1. Problem Identification
2. Analysis and Evaluation of Alternatives
3. Recommendations
4. Implementation
5. Follow-Up Evaluation
6. Partnership

Customer input will be solicited sooner and more often in this local process, with more evaluation checkpoints throughout the course of transit planning and development

CTIB, created in 2008, provides a reliable funding source for transit in the region.

Twin Cities region were authorized to levy a one-quarter cent sales tax, levy a \$20 per motor vehicle excise tax, and form a joint-powers board to fund transit improvements and provide a reliable funding source for transit in the region. As outlined in law, CTIB must allocate grant awards only for the following transit purposes:

- (i) capital improvements to transit ways, including, but not limited to, commuter rail rolling stock, light rail vehicles, and transit way buses;
- (ii) capital costs for park-and-ride facilities . . . ;
- (iii) feasibility studies, planning, alternatives analyses, environmental studies, engineering, property acquisition for transit way purposes, and construction of transit ways; and
- (iv) operating assistance for transit ways.²⁹

Currently, five of the seven metropolitan counties have joined CTIB (Anoka, Dakota, Hennepin, Ramsey, and Washington). These five counties have all levied the one-quarter cent sales tax and have voting representation on the Board. The chair of the Met Council is also a voting member of the Board. CTIB has a weighted voting system that ensures representation based on both sales tax revenue and population. The two metropolitan-area counties that did not levy the sales tax, Carver and Scott counties, are nonvoting members of the Board.

By law, the Counties Transit Improvement Board must establish a Grant Evaluation and Ranking System (GEARS) committee, which must include: (1) one county commissioner from each county on CTIB, (2) one elected city representative from each county on CTIB, (3) an additional elected city representative from each county for every additional 400,000 in population, and (4) the chair of the Metropolitan Council’s Transportation Committee.³⁰ The committee is required to evaluate grant applications according to criteria established by CTIB and make recommendations to the Board.

Suburban Transit Providers

In 1981, the Minnesota Legislature allowed certain communities that felt they were not receiving adequate transit services to “opt out” of the regional regular-route transit services on the condition that they provide alternative transit services. Twelve communities have chosen to opt out of Metro Transit’s

²⁹ *Minnesota Statutes* 2010, 297A.992, subd. 6. “Transitways” is not defined in law, and there are different interpretations of its meaning, as further discussed in Chapter 4.

³⁰ *Minnesota Statutes* 2010, 297A.992, subd. 5(c).

Six suburban transit providers serve 12 communities that have “opted out” of Metro Transit bus service.

services, and these communities are currently served by six suburban transit providers.³¹

The opt-out communities receive funding through a formula outlined in law and determine the level of transit service provided in their communities. All six of the suburban transit providers offer express bus service from their communities to downtown Minneapolis; several also offer express service to the University of Minnesota. One suburban provider, the Minnesota Valley Transit Authority, offers express bus service to downtown St. Paul and service to the Mall of America. The suburban providers also offer a range of local bus service.

GOVERNANCE RESPONSIBILITIES

The term “governance” implies a range of responsibilities. In this report, we consider the governance of transit to include the following: (1) planning for the development of transit lines, which includes identifying potential corridors for new transit; (2) developing and building transit, which includes conducting analyses to determine optimal routes and transit modes; (3) providing transit; (4) generating revenue for transit, typically through imposing a levy or tax or collecting passenger fares; (5) allocating revenue for transit; and (6) measuring the performance of transit. Table 1.5 identifies the governance responsibilities of the transit entities in the Twin Cities region.

As Table 1.5 illustrates:

- **Multiple entities have overlapping responsibilities for transit governance in the Twin Cities region.**

We identified six functions involved in governance of transit.

For every transit governance role outlined in Table 1.5, there are several organizations in the Twin Cities region with responsibility for that function. For example, the Counties Transit Improvement Board, the county boards, the county regional railroad authorities, the Metropolitan Council (through Metropolitan Transportation Services), the transit corridor commissions, and the Transportation Advisory Board all have a role in planning transit in the region. They each help to identify potential corridors where transit could be developed or fund the process for identifying potential transit corridors. Similarly, the region has several transit providers: the Metropolitan Council (through Metro Transit and Metropolitan Transportation Services), private contractors, and the six suburban transit providers. Notably, the Council—through Metropolitan Transportation Services—is the only entity that has responsibility for all six transit governance areas.

³¹ The six suburban transit providers and the communities they serve are: Maple Grove Transit (Maple Grove); the Minnesota Valley Transit Authority (Apple Valley, Burnsville, Eagan, Rosemount, and Savage); Plymouth Metrolink (Plymouth); Prior Lake Transit (Prior Lake); Shakopee Transit (Shakopee); and SouthWest Transit (Chanhassen, Chaska, and Eden Prairie). As permitted through one-time legislation, Minnetonka elected to have “opt-out” status in 2002. However, Minnetonka entered into a service agreement with, and continues to receive bus service from, Metro Transit. The suburban transit providers are discussed in depth in Chapter 3.

Table 1.5: Transit Governance Responsibilities in the Twin Cities Region, by Entity

	Planning Transitways	Developing Transitways	Providing Transit	Generating Revenue	Allocating Funds	Measuring Performance
Counties Transit Improvement Board (CTIB) ^a	√	√		√	√	
County Boards	√	√				
County Regional Railroad Authorities	√	√		√	√	
Federal Transit Administration		√			√	
Metropolitan Council – Metro Transit ^b		√	√	√		√
Metropolitan Council – Metropolitan Transportation Services	√	√	√	√	√	√
Private Contractors			√			
Suburban Transit Providers ^b		√	√	√		√
Transit Corridor Commissions	√					
Transportation Advisory Board (TAB)	√				√	

NOTES: “Planning Transitways” includes identifying potential corridors for new transitways. “Developing Transitways” includes building transitways and conducting or directing analyses to determine optimal corridors and transit modes. Generating revenue is typically achieved through imposing a levy or tax or collecting passenger fares.

^a CTIB’s role is limited to funding the planning and development of transitways.

^b Metro Transit and the suburban transit providers can be designated as the lead on components of transitway development.

SOURCE: Office of the Legislative Auditor.

HISTORY OF TRANSIT IN THE TWIN CITIES REGION

Knowing the history of transit in the Twin Cities area is important to understanding the current transit governance structure in the region. In this section, we discuss the changes that have occurred in transit and the governance of transit over the past four decades.

In 1967, the Minnesota Legislature created the Met Council and the Metropolitan Transit Commission.³² When they were first created, the Council and the Commission were separate entities with distinct responsibilities. As stated in the enacting law, the role of the Met Council was to “coordinate the planning and

³² *Laws of Minnesota* 1967, chapters 892 and 896.

**City Council Agenda Item #14_
Meeting of June 24, 2013**

Brief Description Transit Cooperation Agreement

Recommendation Approve the agreement

Background

Bus transit service has been available in Minnetonka dating back for many years. This service has been provided by Metro Transit, as a service of the Metropolitan Council. The service in Minnetonka has and continues to be focused on express route (very few stops), peak service to downtown Minneapolis and the University of Minnesota, with limited local and midday routes. Much of the transit design is directly related to the low density of the city.

In 2000, Minnetonka was granted authority, by the state, to opt-out of the Metro Transit system. In 2002, Minnetonka exercised its opt-out authority; however, it was determined to be in the best interest of the city to have Metro Transit continue providing transit service for the community. At that time, the city and the Metropolitan Council entered a Transit Cooperation Agreement for transit service. The agreement has three key points:

- The original agreement is a minimum of six years, after which negotiations, amendments, or cancellation is allowed. The original agreement is still in place at this time. The current document identifies the city's calculated transit funds and then the Metropolitan Council performs the service to the city based on that amount. The intent was to continue to work together on transit services well into the future. .
- Minnetonka will receive transit service that is at least comparable to and commensurate with Metro Transit Service provided to other cities in the Metro Transit System.
- The city and Metro Transit will meet and confer each year and prepare a memorandum of understanding that describes and updates a five-year work plan.

In 2010 and 2011 the city conducted a transit study. The purpose of the study was to better understand the transit services provided to, and available to, the city; whether the city's residents and businesses were receiving transit service levels similar to other communities; and to provide an analysis of options for future transit service that will best meet the needs of the city's residents and businesses, including looking at what happens when LRT becomes operational. The study determined that the city is receiving its money's worth for transit; however, it may not be fully responsive to the

needs of the community. It was recommended that a new contract with Metro Transit/Metropolitan Council be negotiated with enhanced local service.

In 2012, Metro Transit conducted a study, in cooperation with the city. The purpose of the study was to ensure transit access to affordable housing, seniors and people with disabilities; improve local access circulation; and maintain the integrity of the regional system. The final report was presented to the city council in November 2012.

Transit System Changes

As a result of the Metro Transit study, several changes have been or will be made to the transit system in Minnetonka. These changes include:

- Expanded weekend service hours on Route 9—Route 9 is a local route serving eastern Minnetonka, St. Louis Park, and south Minneapolis. Two additional trips will be added each weekday. This change will be implemented August 2013.
- Expanded service hours on Route 615—Route 615 is a local route running from the Ridgedale area through Hopkins and onto St. Louis Park. The service hours will be expanded to include more evening hours. This change will be effective August 2013.
- New local route—A new local route, Route 614 (page A1), will be implemented in late August 2013. This route from Minnetonka Heights to Ridgedale will run from 6:30 a.m.-6:30 p.m. Monday-Friday and 9:30 a.m.-3:30 p.m. on Saturdays. This change will be implemented August 2013. Staff and the Metropolitan Council are already working on the marketing of this route.
- Express Bus Service—There will be minor changes to the express bus service network (outside of the I-394 corridor) beginning in August 2013.

Transit Cooperation Agreement

One of the recommendations from the city's transit study conducted in 2010 and 2011 was to revise the existing agreement with the Metropolitan Council/Metro Transit. After the completion of the Metro Transit study in November 2012, the city attorney drafted a new Transit Cooperation Agreement. The details of the new agreement (pages A2-A5) have been agreed to and include the following:

- Term—The initial term is now three years, and can be terminated with 12 months' notice. The intent is that a new or amended agreement, or a contract with a new provider, will be put into place prior to the opening of light rail transit. At that time, the city will have a better understanding of LRT operations, as well as the feeder bus network necessary to serve the LRT stations.

- Funding—All funding for operations that the city would normally receive as an opt-out community will continue to flow to the Metropolitan Council as a provider of the service. Annually, the city can request the Metropolitan Council to calculate the amount of funds that would be available to the city.
- Services—This is the majority of the agreement as it has been significantly added to since the first agreement.
 - Metropolitan Council will be responsible for transit service, and that Minnetonka will continue to receive service comparable to other similar cities.
 - The city may ask for a re-evaluation of services once every three years (similar to the process that was just completed). A major re-evaluation is already planned as part of the Southwest LRT project.
 - The city and Metropolitan Council will meet quarterly.
 - No major service changes, unless necessary because of regional service reductions or services not meeting regional performance standards, can take place without Minnetonka's approval. The city must be notified at least 180 days before the planned implementation.
 - Capital transit improvements and infrastructure will be reviewed annually.
 - All capital infrastructure must be maintained in a comparable condition to other infrastructure throughout the region. The Metropolitan Council will have 10 days to correct any deficiencies found by the city.

Recommendation

Staff recommends the city council approve the Transit Cooperation Agreement (pages A2 to A5). The agreement was reviewed and approved by the Metropolitan Council Transportation Committee on June 10, 2013, and will be reviewed and acted on by the full Metropolitan Council on June 26, 2013. It will become effective August 1, 2013.

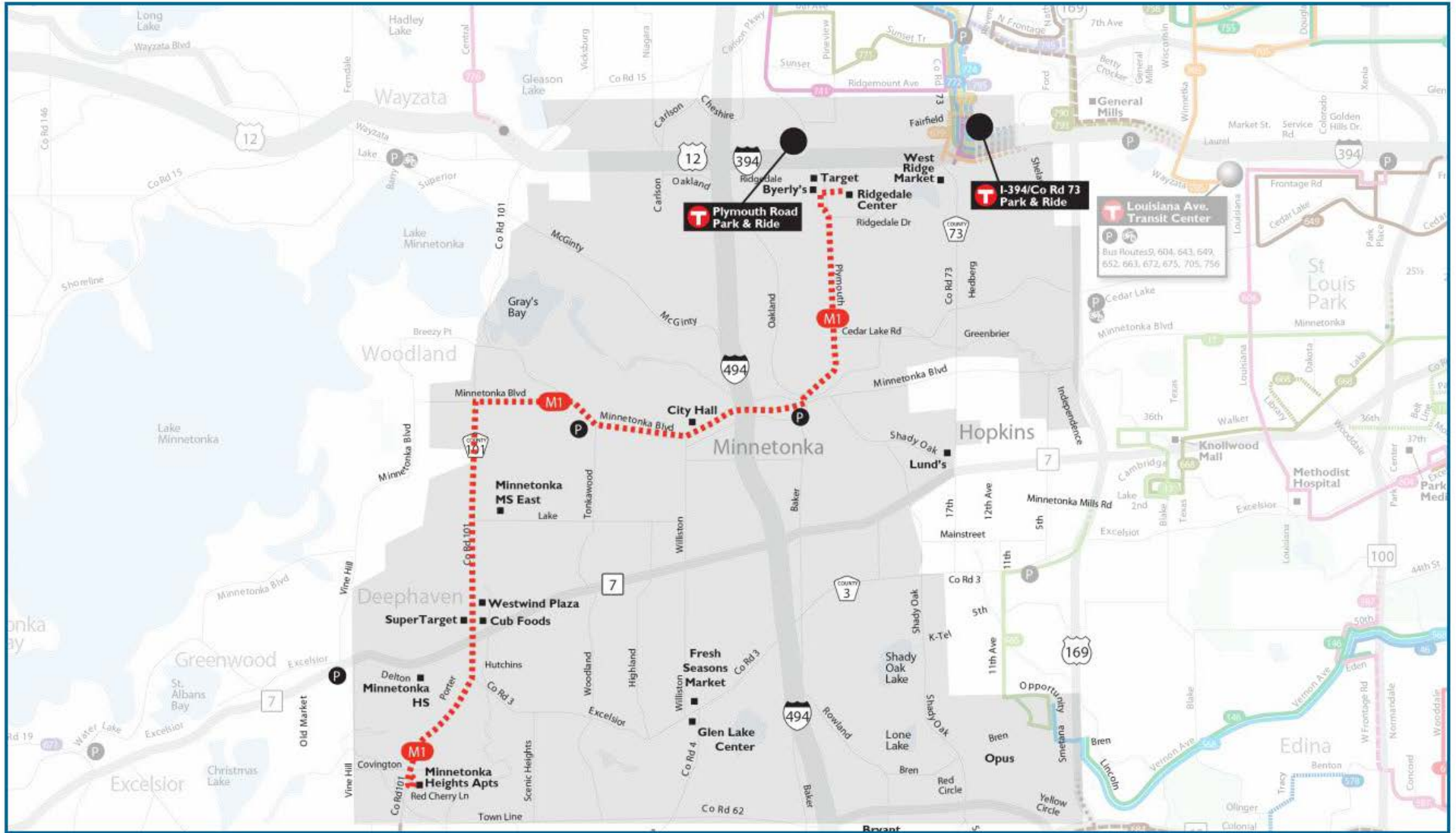
Submitted through:

Geralyn Barone, City Manager
Julie Wischnack, AICP, Community Development Director

Originated by:

Elise Durbin, AICP, Community Development Supervisor

ROUTE 614



**INTERGOVERNMENTAL AGREEMENT
BETWEEN THE METROPOLITAN COUNCIL
AND THE CITY OF MINNETONKA
RELATING TO TRANSIT COOPERATION**

THIS AGREEMENT is between the Metropolitan Council (“Council”), a public corporation and political subdivision of the State of Minnesota, and the City of Minnetonka (“Minnetonka”), a Minnesota municipal corporation.

BACKGROUND

Pursuant to 2000 Minn. Laws, ch. 493, § 21, the 2000 Minnesota Legislature gave Minnetonka the authority to opt-out of the metropolitan transit system (“Metro Transit”) and participate in the transit replacement service program under Minn. Stat. § 473.388. Minnetonka has exercised this option and applied to the Council for the assistance. Minnetonka has also decided that rather than operate an independent transit system, it prefers to contract with the Council to provide transit services. The parties have the authority to cooperate together pursuant to Minn. Stat. § 471.59 and have negotiated the terms of a cooperative partnership to provide transit services in Minnetonka, which are set forth in this Agreement. The parties previously entered into a Transit Cooperation Agreement, dated July 25, 2002 (“Initial Agreement”), which the parties wish to replace with this new agreement to effectuate the assistance authorized by § 473.388.

THEREFORE, the parties agree as follows:

1. Statement of Intent.

As responsible regional citizens, Minnetonka and the Council recognize the value of continuing their long-term, cooperative relationship in delivering quality transit service to Minnetonka citizens and businesses. This Agreement is intended to meet Minnetonka’s transit vision of increasing transit ridership through enhanced mobility and accessibility and continue and build on the strong partnership that both parties currently enjoy. The parties agree that this Agreement terminates and replaces the Initial Agreement.

2. Term.

a. The initial length of this Agreement is for three years after the effective date. Either party may terminate the Agreement with 12 months advance, written notice.

b. If Minnetonka chooses to terminate the Agreement, Minnetonka will be responsible for maintaining the integrity of the regional system by providing service that connects with regional services.

3. Funding.

a. At Minnetonka's request, the Council will calculate the amount of annual operating funds that would be allocated to Minnetonka under state law and allocation formulas. The Council must provide the results of the calculation to Minnetonka within 30 days. Minnetonka will allow all such funds to remain with the Council as long as this Agreement is in effect.

b. During the term of this Agreement, Minnetonka will not apply for any other transit capital assistance from local, state or federal sources. If requested, Minnetonka will assist the Council with securing capital funding or operating funding for transit service in Minnetonka.

4. Services.

a. The Council is responsible for all activities related to providing transit service to Minnetonka including planning, operations and capital investments.

b. The parties agree that Minnetonka will continue to receive service commensurate with, and comparable to, other cities in accordance with regional transit service design and performance standards contained in the Council's Transportation Policy Plan (as may be updated or amended), funding levels, and Metro Transit's regional standards for productivity. Except in the case of regional service reductions or service that does not meet regional performance standards, current service levels in Minnetonka will continue under this Agreement.

c. Minnetonka may request a re-evaluation of the routes and service levels in its boundaries when there has been a major change in land use which may affect transit, such as construction of a light rail line or a major re-development of an area. Metro Transit agrees to promptly conduct such a re-evaluation upon Minnetonka's request. Such a re-evaluation may not be requested more than once every three years.

d. At Minnetonka's request, staff from the parties will meet quarterly beginning August 1, 2013, to review the Council's performance under this Agreement and to share concerns and future plans.

e. If the Council anticipates a major change to transit service in Minnetonka, as defined in the attached **Exhibit A**, Council staff must meet and confer with Minnetonka staff at least 180 days before planned implementation of the change. If a major service change is necessary to address regional service reductions or service that does not meet regional performance standards, the Council will consult with Minnetonka to identify potential alternatives that best meet Minnetonka's needs and will consider the City's preferences in its decisions. No other major change in service can take place without Minnetonka's approval.

f. The Council will annually provide to Minnetonka its plans to construct or de-activate capital improvements and infrastructure (such as park & ride sites, transit centers, and shelters) within Minnetonka no later than January 1 of each year. The Council must meet and confer with Minnetonka regarding the locations and plans for the actions at least 60 days before planned implementation. Capital improvements by the Council will be subject to all Minnetonka ordinances, including zoning regulations.

g. The Council will maintain its capital infrastructure in Minnetonka in a condition comparable to the condition that it maintains similar infrastructure throughout the region. In addition, the Council agrees to keep paved and landscaped areas substantially free of weeds. The Council must correct a substandard situation within 10 days after notice of the deficiency from Minnetonka, or such longer period as is reasonably necessary to achieve compliance, as determined by Minnetonka.

h. Minnetonka must notify the Council when it plans public improvements that have the potential of impacting transit service. The notification must take place when the plans for a project have been prepared.

i. The Council will provide Minnetonka staff the opportunity to review marketing and communications materials and distribution plans affecting Minnetonka before they are finalized. This includes marketing campaigns, promotions, and customer communications and outreach to residents and businesses in Minnetonka and adjacent communities, but does not include regional materials and plans that are not specifically focused on Minnetonka.

Staff contacts for notice and implementation of this Agreement are:

i. For Minnetonka: Community Development Director Julie Wischnack, 14600 Minnetonka Blvd, Minnetonka, MN 55345.

ii. For the Council: Metro Transit Service Development Director John Levin, 560 6th Avenue North, Minneapolis, MN 55411.

5. Dispute Resolution Process.

a. Informal Dispute Resolution. The parties will use their best efforts to informally resolve disputes that arise between the parties under this Agreement in a timely and expeditious manner. The parties will first endeavor to resolve any dispute by having staff discuss the matter. If staff cannot resolve the dispute, their respective senior management will discuss the dispute. Senior management for purposes of this section are the Council's General Manager for Metro Transit and Minnetonka's City Manager, or such other senior managers as the respective parties designate. The parties will acknowledge and respond to notices of dispute without undue delay.

b. Mediation. If the Informal Resolution Process is unsuccessful, the parties may participate in good faith, non-binding mediation through the use of a mutually acceptable neutral mediator. The parties will share equally in the cost of the mediator. Each party will be responsible for its own costs related to such mediation.

c. Exception to the Dispute Resolution Process. If Minnetonka notifies the Council that it considers routine maintenance of certain capital infrastructure to be substandard in comparison to other infrastructure in the region, and the Council acknowledges this fact in writing and then fails to correct the substandard condition within 10 days or such longer period as is necessary to achieve compliance as determined by the parties, Minnetonka may immediately take steps necessary to mitigate the condition without engaging in the processes set forth above. The Council will reimburse Minnetonka for its reasonable and identifiable expenses in doing so within 30 days after Minnetonka sends a written invoice to the Council.

d. Termination. A party may choose to terminate the Agreement under Section 2 even if informal dispute resolution or mediation is pending.

6. Effective Date.

This Agreement is effective on August 1, 2013.

CITY OF MINNETONKA

By: _____

Terry Schneider

Its: Mayor

Date: _____

By: _____

Geralyn R. Barone

Its: City Manager

Date: _____

METROPOLITAN COUNCIL

By: _____

Patrick P. Born

Its: Regional Administrator

Date: _____

**City Council Agenda Item #14_
Meeting of April 25, 2016**

Brief Description Transit Cooperation Agreement Amendment

Recommendation Approve the amendment

Background

On August 1, 2013 the City of Minnetonka entered into a Transit Cooperative Agreement with the Metropolitan Council to provide bus transit services to the city through Metro Transit. The current term of the agreement is set to expire on August 1, 2016. The proposed action extends the current agreement from August 1, 2016 until December 31, 2016.

The extension request will allow staff to gain a better understanding of LRT operations, as well as the feeder bus network changes necessary to serve the LRT stations. A major re-evaluation is already planned as part of the Southwest LRT project.

History

Bus transit service has been available in Minnetonka dating back for many years. This service has been provided by Metro Transit, as a service of the Metropolitan Council. The service in Minnetonka has and continues to be focused on express route (very few stops), peak service to downtown Minneapolis and the University of Minnesota, with limited local and midday routes. Much of the transit design is directly related to the low density of the city.

In 2000, Minnetonka was granted authority, by the state, to opt-out of the Metro Transit system. In 2002, Minnetonka exercised its opt-out authority; however, it was determined to be in the best interest of the city to have Metro Transit continue providing transit service for the community. At that time, the city and the Metropolitan Council entered a Transit Cooperation Agreement for transit service and continued that agreement until 3 years ago, when the new contract was negotiated.

In 2010 and 2011 the city conducted a transit study. The purpose of the study was to better understand the transit services provided to, and available to, the city; whether the city's residents and businesses were receiving transit service levels similar to other communities; and to provide an analysis of options for future transit service that will best meet the needs of the city's residents and businesses, including looking at what happens when LRT becomes operational. The study determined that the city is receiving its money's worth for transit; however, it may not be fully responsive to the needs of the community. It was recommended that a new contract with Metro Transit/Metropolitan Council be negotiated with enhanced local service.

In 2012, Metro Transit conducted a sector study, in cooperation with the city. The purpose of the study was to ensure transit access to affordable housing, seniors and people with disabilities; improve local access circulation; and maintain the integrity of the regional system. The final report was presented to the city council in November 2012.

The current agreement (adopted in 2013) has three key points:

- The current document identifies the city's calculated transit funds and then the Metropolitan Council performs the service to the city based on that amount.
- Minnetonka will receive transit service that is at least comparable to and commensurate with Metro Transit Service provided to other cities in the Metro Transit System.
- The city and Metro Transit will meet quarterly to review issues.

Transit System Changes

As a result of the Metro Transit study in 2012, several changes were made to the transit system in Minnetonka. Some of these changes included:

- Expanded weekend service hours on Route 9—Route 9 is a local route serving eastern Minnetonka, St. Louis Park, and south Minneapolis. Two additional round trips (4 total) were added each weekday. This change was implemented in August 2013.
- Expanded weekday service hours on Route 615—Route 615 is a local route running from the Ridgedale area through Hopkins and onto St. Louis Park. The service hours were expanded to include more evening hours. This change was effective August 2013.
- New local route— A new weekday and Sunday local route, Route 614, from Minnetonka Heights in the southwest sector of the city to Ridgedale was implemented in late August 2013. Ridership has not been strong on this route, and likely will need changes.
- Express Bus Service— There were minor changes to the express bus service network (outside of the I-394 corridor) beginning in August 2013.
- Route 568 which operated between downtown Minneapolis and Opportunity Workshop via Nicollet Avenue and 50th Street was eliminated March 19th due to low ridership. It was replaced by extending a Route 46 morning trip and

afternoon trip to Opportunity Workshop. Route 46 is a crosstown route that operates between St. Paul's Highland Park neighborhood and 50th Street in Edina.

A more detailed list of changes will be included in the discussion to consider the 2017-2019 Transit Cooperative Agreement.

Recommendation

The current agreement in effect can be found on pages A1-A8. This document was reviewed and approved by the Metropolitan Council and was effective on August 1, 2013.

Staff recommends the city council approve the Transit Cooperation Agreement Amendment (page A9) extending the Term of the agreement until December 31, 2016. The extension will provide staff additional time to negotiate a new Transit Cooperation Agreement, re-evaluate current services, and analyze the feeder bus network necessary to serve the LRT stations.

Submitted through:

Geralyn Barone, City Manager
Julie Wischnack, AICP, Community Development Director

Originated by:

Alisha Gray, Economic Development and Housing Manager

**INTERGOVERNMENTAL AGREEMENT
BETWEEN THE METROPOLITAN COUNCIL
AND THE CITY OF MINNETONKA
RELATING TO TRANSIT COOPERATION**

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THEREFORE, the parties agree as follows:

1. Statement of Intent.

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2. Term.

a. The initial length of this Agreement is for three years after the effective date. Either party may terminate the Agreement with 12 months advance, written notice.

b. If Minnetonka chooses to terminate the Agreement, Minnetonka will be responsible for maintaining the integrity of the regional system by providing service that connects with regional services.

3. Funding.

a. At Minnetonka's request, the Council will calculate the amount of annual operating funds that would be allocated to Minnetonka under state law and allocation formulas. The Council must provide the results of the calculation to Minnetonka within 30 days. Minnetonka will allow all such funds to remain with the Council as long as this Agreement is in effect.

b. During the term of this Agreement, Minnetonka will not apply for any other transit capital assistance from local, state or federal sources. If requested, Minnetonka will assist the Council with securing capital funding or operating funding for transit service in Minnetonka.

4. Services.

a. The Council is responsible for all activities related to providing transit service to Minnetonka including planning, operations and capital investments.

b. The parties agree that Minnetonka will continue to receive service commensurate with, and comparable to, other cities in accordance with regional transit service design and performance standards contained in the Council's Transportation Policy Plan (as may be updated or amended), funding levels, and Metro Transit's regional standards for productivity. Except in the case of regional service reductions or service that does not meet regional performance standards, current service levels in Minnetonka will continue under this Agreement.

c. Minnetonka may request a re-evaluation of the routes and service levels in its boundaries when there has been a major change in land use which may affect transit, such as construction of a light rail line or a major re-development of an area. Metro Transit agrees to promptly conduct such a re-evaluation upon Minnetonka's request. Such a re-evaluation may not be requested more than once every three years.

d. At Minnetonka's request, staff from the parties will meet quarterly beginning August 1, 2013, to review the Council's performance under this Agreement and to share concerns and future plans.

e. If the Council anticipates a major change to transit service in Minnetonka, as defined in the attached **Exhibit A**, Council staff must meet and confer with Minnetonka staff at least 180 days before planned implementation of the change. If a major service change is necessary to address regional service reductions or service that does not meet regional performance standards, the Council will consult with Minnetonka to identify potential alternatives that best meet Minnetonka's needs and will consider the City's preferences in its decisions. No other major change in service can take place without Minnetonka's approval.

f. The Council will annually provide to Minnetonka its plans to construct or de-activate capital improvements and infrastructure (such as park & ride sites, transit

centers, and shelters) within Minnetonka no later than January 1 of each year. The Council must meet and confer with Minnetonka regarding the locations and plans for the actions at least 60 days before planned implementation. Capital improvements by the Council will be subject to all Minnetonka ordinances, including zoning regulations.

g. The Council will maintain its capital infrastructure in Minnetonka in a condition comparable to the condition that it maintains similar infrastructure throughout the region. In addition, the Council agrees to keep paved and landscaped areas substantially free of weeds. The Council must correct a substandard situation within 10 days after notice of the deficiency from Minnetonka, or such longer period as is reasonably necessary to achieve compliance, as determined by Minnetonka.

h. Minnetonka must notify the Council when it plans public improvements that have the potential of impacting transit service. The notification must take place when the plans for a project have been prepared.

i. The Council will provide Minnetonka staff the opportunity to review marketing and communications materials and distribution plans affecting Minnetonka before they are finalized. This includes marketing campaigns, promotions, and customer communications and outreach to residents and businesses in Minnetonka and adjacent communities, but does not include regional materials and plans that are not specifically focused on Minnetonka.

Staff contacts for notice and implementation of this Agreement are:

i. For Minnetonka: Community Development Director Julie Wischnack, 14600 Minnetonka Blvd, Minnetonka, MN 55345.

ii. For the Council: Metro Transit Service Development Director John Levin, 560 6th Avenue North, Minneapolis, MN 55411.

5. Dispute Resolution Process.

a. **Informal Dispute Resolution.** The parties will use their best efforts to informally resolve disputes that arise between the parties under this Agreement in a timely and expeditious manner. The parties will first endeavor to resolve any dispute by having staff discuss the matter. If staff cannot resolve the dispute, their respective senior management will discuss the dispute. Senior management for purposes of this section are the Council's General Manager for Metro Transit and Minnetonka's City Manager, or such other senior managers as the respective parties designate. The parties will acknowledge and respond to notices of dispute without undue delay.

b. **Mediation.** If the Informal Resolution Process is unsuccessful, the parties may participate in good faith, non-binding mediation through the use of a mutually acceptable neutral mediator. The parties will share equally in the cost of the mediator. Each party will be responsible for its own costs related to such mediation.

c. Exception to the Dispute Resolution Process. If Minnetonka notifies the Council that it considers routine maintenance of certain capital infrastructure to be substandard in comparison to other infrastructure in the region, and the Council acknowledges this fact in writing and then fails to correct the substandard condition within 10 days or such longer period as is necessary to achieve compliance as determined by the parties, Minnetonka may immediately take steps necessary to mitigate the condition without engaging in the processes set forth above. The Council will reimburse Minnetonka for its reasonable and identifiable expenses in doing so within 30 days after Minnetonka sends a written invoice to the Council.

d. Termination. A party may choose to terminate the Agreement under Section 2 even if informal dispute resolution or mediation is pending.

6. Effective Date.

This Agreement is effective on August 1, 2013.

CITY OF MINNETONKA

By: Terry Schneider
Terry Schneider

Its: Mayor

Date: 7/30/13

By: Geralyn R. Barone
Geralyn R. Barone

Its: City Manager

Date: 7-25-13

METROPOLITAN COUNCIL

By: Patrick P. Born
Patrick P. Born

Its: Regional Administrator

Date: 8.8.2013

Exhibit A

MC 131032
PROCEDURE

TRANSPORTATION SERVICE CHANGES AND RESTRUCTURING

Section/Number: 1-3-a	Total Pages: 4
Dept. Responsible: Metro Transit and Metropolitan Council Transportation Planning	Effective Date: 1/25/99
Special Note:	Last Revision Date:
	Last Review Date:
	Revision No. 1-11/10/00

I. Policy

It is the policy of the Metropolitan Council to plan effective regional transportation services and facilities, coordinate regional transportation priorities and to invest transportation resources in a cost-effective manner. Transit and transportation planners and providers are to deliver necessary services to help implement the 2030 Regional Development Framework. Staff are expected to ensure that planning and operating of transit services are more compatible with different land use patterns and socioeconomic conditions to meet the growing and changing transit needs of the region. Staff will also coordinate transit service for all travel markets including regular route, paratransit and travel demand management. Staff will regularly evaluate the performance of the regional transportation system for purposes of policy plan updates and redirecting transportation resource investments. These policy plans will be prepared with the involvement of local officials and participation of citizens.

II. Procedure

In order for transit service is to meet the expectations of the public and the transit needs of the communities, a strong customer and community involvement process is required. Improved public feedback mechanisms, a more informed public on regional issues, local partnerships and increased advocacy for transit will bring about better designed and utilized transit, sounder decision-making, quality checks on performance and improved accountability for transit improvements. The Council's local procedural process for solicitation and consideration of public comment and feedback is defined in Policy 2-1, Accountability to the Public. The local process is documented in procedures 2-1a Public Participation, 2-1b Public Hearings and 1-3c Ongoing Public Involvement in the Planning Process.

In addition, a public hearing is required when certain major service changes are proposed. Major service changes requiring a public hearing include:

- a) One or more net decreases within a 12 month period of more than a 25% change in the daily in-service hours (minimum 3,500 annual in-service hours)
- b) The elimination of a transit route without alternate fixed route service replacement
- c) The restructuring of transit service throughout a sector or sub-area of the region as defined by Metro Transit

The following service changes do not necessitate a public hearing process:

- a) Seasonal service changes
- b) Route number or branch letter designation
- c) Any change or discontinuation of a demonstration route within the first 24 months of operation

- d) Service changes on special service routes, such as State Fair, sporting events and special events
- e) Creation of new routes or increases in service on existing routes
- f) Route changes caused by an emergency. Emergencies include, but are not limited to, inadequate fuel supplies, major road construction, major rail construction, bridge collapse and labor strikes
- g) Any service change which does not meet the conditions of a major service change as defined above.

Improved Public Feedback

An effective transit system is important to the region not only for the service it provides but for its balanced transportation network. Continual changes and growth within the metropolitan area require transit to be adaptable. Moving from a "product-oriented" view of the transit business as providers of transit services to a "customer-oriented" perspective as providers of transportation solutions will benefit the public. Transit service must fit local needs within the framework of a regional system. The optimal level of community involvement depends on who will be involved, how and when they will be used, and what tools will be used to solve the problem or maximize the opportunity. The transit customer and the community can offer critical input in design and operation. Improved public feedback will lead to more responsive planning and delivery of transit services. Increased public feedback requires transit providers to respond to customer needs more frequently. Expanded grass-roots support can influence how to provide transit in different markets, including:

1. Major Changes - such as corridor restructuring or route elimination.
2. Minor Changes - such as schedule or bus stop adjustments.
3. Monitoring and Feedback - to insure the system continues to meet the needs of a changing environment.

The tools used to solicit community involvement are dependent on:

1. Customer Feedback - used primarily for problem identification. Tools used to gather customer feedback include customer satisfaction surveys, comment cards, Listening Post, Customer Relations Department staff, Customer Advocates and drivers. An annual "report card" in which customers rate all aspects of regional transit service should be implemented.
2. Task Forces and Advisory Committees - used primarily to develop alternatives for transit delivery options within one or more communities. Community representatives, transit customers and other interested parties would be formed to identify needs and propose preferred options.
3. Project-Specific Solicitation - used primarily for analysis and evaluation of developed alternatives. This may take the form of opinion surveys, focus groups or customer interviews.
4. Public Hearings - used to gain community and customer feedback on recommended action. This process should be designed to solicit feedback from individuals or groups which have not been part of the formalized steps above.

This more timely and responsive process which seeks input from riders, non-riders and community leaders will make service design more effective. Community planning should be consistent with local transportation goals and objectives.

A More Informed Public

Consumers in the 1990's have become more educated and discerning with more options than ever before. The metropolitan area has a comparatively affluent population, with relatively little traffic congestion or parking problems. People use options which most conveniently meet their needs. Surveys indicate one in three residents have used transit at least once in the past twelve months. The

reasons cited most often by non-riders who have been transit customers are related to convenience and better options--namely cars becoming available. Thirty-eight percent of non-riders report that they might ride if the system were easier to understand. To solicit customer input and approval for service development issues, the process relies heavily on the traditional public hearing and assorted peer-review techniques. Communities must understand the relationship between concentrated land use development, transit's effectiveness within varying types of development patterns, and the appropriate levels and types of service. Transit customers and communities need to gain a better understanding of the service evaluation process. Metropolitan Council planning, marketing and communication staff and others who deal with the public will need to provide information on these regional issues to customers, potential customers, local officials and businesses.

The public needs to understand the costs associated with providing transit service and the limited resources available. As local decision makers and riders examine transportation options, costs must be incorporated into the debate and evaluation process.

Maintaining relationships is necessary for continued involvement in the planning and operations of transit services. For transit services to remain viable beyond initial implementation, service expectations, performance results and ongoing needs should be shared among service providers, customers and communities.

Partnerships with Communities and Local Government

Communities must take an active role in the ownership and management of the transit system. The Metropolitan Council must be proactive in developing strong partnerships with local governments for input on transit planning as it relates to the needs of the local communities, current and future development and other issues that impact transit usage.

The composition of the community involvement team is dependent upon the type and magnitude of problems or opportunities which need to be addressed. The ultimate team will include:

1. Customers
2. Community Stakeholders
3. Employers and Businesses
4. Transit Providers
5. Metropolitan Council members, staff and other public officials

Increased Advocacy For Transit

Advocacy involves the community as partners and provides equity and "ownership" in the system. As a result of increased community involvement, support for transit will improve. The opportunity to incorporate community involvement can be found at several phases of the service development process:

1. Problem Identification
2. Analysis and Evaluation of Alternatives
3. Recommendations
4. Implementation
5. Follow-Up Evaluation
6. Partnership

Customer input will be solicited sooner and more often in this local process, with more evaluation checkpoints throughout the course of transit planning and development



AMENDMENT NUMBER ONE
To
Metropolitan Council Contract No. 131032

The **City of Minnetonka** and the **Metropolitan Council** agree that the Intergovernmental Agreement between the Metropolitan Council and the City of Minnetonka Relating to Transit Cooperation entered into on August 1, 2013 is amended in the following particulars:

1. **Section 2 Term** is deleted and the following is inserted in its place:

Section 2 Term.

- a. The term of this agreement shall run from August 1, 2013 until July 31, 2017. Either party may terminate the Agreement with 12 months advance written notice.
- b. If Minnetonka chooses to terminate the Agreement, Minnetonka will be responsible for maintain the integrity of the regional system by providing service that connects with regional services.

IN WITNESS WHEREOF, the parties have caused this amendment to be executed by their duly authorized representatives.

CITY OF MINNETONKA

METROPOLITAN COUNCIL

By: _____

By: _____

Regional Administrator

Date: _____

Its: Mayor _____

Date: _____

By: _____

City Manager

Date: _____

EDAC Agenda Item #5
Meeting of April 27, 2017

Brief Description	Metropolitan Council Sewer Availability and City Residential Equivalency Charge Payment Deferral Program
Recommendation	Review the draft program and make a recommendation for the city council to approve the program

Background

The Metropolitan Council charges a one-time Sewer Access Charge (SAC) fee when a business connects to the regional wastewater (sewer) system for the first time. The Council may also charge SAC when a business grows or changes the use of its space, which may create more potential demand on the system. If SAC is due the city will also require a city Residential Equivalency Charge (REC) fee to be paid before the issuance of a permit. The fee assists the Council and city with funding for wastewater pipes and treatment plants to serve current and future members.

New businesses or a business that is planning to occupy an existing tenant space must contact the Met Council to determine if the current SAC credits match the intended use of the space. If not, the Council will analyze business' space and use, apply any SAC credits, and provide the business with a letter with the additional SAC fees that are required. The current SAC fee for 2017 is \$2,485, the city's REC fee is \$2,852. Both fees are due to the city prior to obtaining a permit or license. The Council charges SAC to local governments, who pass the fee on to the property owner or business.

SAC is determined based on the maximum potential wastewater flow created by the activities at the location (food preparation, dishwashing, floor cleaning, manufacturing, restroom use, etc.) Some business types have higher water usage and therefore pay more in SAC fees. For example, a restaurant may choose to locate in a tenant space that was formerly occupied by a cell phone retailer. In this example, the change in use from a retail store to a restaurant would require an additional five SAC fees. The SAC fee, in combination with the city REC fee is \$5,337, multiplied by 5, totals \$26,685. The fee can be a surprise to new business owners and can lead to a delay in opening the business. In some instances, business owners are unable to pay the fee and must terminate its lease. The business owner should always contact the Met Council prior to signing a lease to discuss any available SAC credits and to receive an estimated SAC determination.

In order to minimize the impact of the payment of the Sewer and Water Residential Equivalency Charges (REC's) to new or expanding businesses within the city of Minnetonka, staff is proposing a deferral option to pay the REC fees over time versus at the time the building permit is issued. This program will be in conjunction with the Metropolitan Council's Sewer Availability Charge (SAC) Deferral Program adopted in

2013. The Metropolitan Council's program allows for the deferment of SAC fees for small businesses that receive a SAC determination of 25 SAC units or less prior to SAC credits being applied. The city's program will follow the same guidelines as the program established by the Metropolitan Council.

Proposed Program Guidelines

Under the new program, the city of Minnetonka will enter into an agreement with eligible business and/or property owners to defer a portion of the SAC and REC payments over a five year or ten term depending on the deferral amount. Under the new program, businesses will be required to pay 20% down at the time of application to be eligible to participate. The remaining 80% will be deferred over a period of five or ten years and property owners will be billed on a monthly basis. The interest rate will be fixed at 2.45% for 5 year deferrals and 3.30% for 10 year deferrals for the 2017 fiscal year. Annually by resolution, the council will determine the interest rate to be applied to deferred payments. The business owner and/or property owner must both agree to participate in the program and will be required to complete an application, and sign a Deferred Payment Agreement.

Deferral Structure

The structure of the deferral includes, but is not limited to the following requirements:

1. The SAC determination for the business is 25 units or less prior to SAC credits.
2. Deferral must be for 2 or more SAC/REC units.
3. A maximum of 25 of each SAC and REC units may be deferred.
4. The deferral term is 5 years if deferring between 2 and 15 units, or 10 years if deferring 15 to 25 units.
5. Interest rate will be fixed at 2.45% for 5 year deferrals and 3.30% for 10 year deferrals. This rate is current for the 2017 fiscal year and will be determined annually by the City Council.
6. A down payment, equal to 20% of the total fee for SAC and REC after credits are applied, is due at the time of application.
7. Property owners and/or businesses will be billed on a monthly basis.
8. Property owner and/or business owner must complete an application and execute the Deferred Payment Agreement to be eligible to participate in the program.
9. In the case of a business closure, the business or property owner must notify the city's Community Development Specialist. The city will verify the closure and future SAC and REC payment obligations will be waived as long as the city is notified immediately. Any outstanding SAC and REC fees accrued before notifying the city would be due immediately or assessed to the property.
10. In the event of a default, any outstanding REC payments will be assessed to the property and the property owner waives the right to contest the assessment.

11. SAC/ REC credits are non-transferable and are tied to the property to which they were applied.

Eligible Businesses

In order to be eligible, a business cannot include any residential component (i.e. housing, hotels, motels, camps) and must have a SAC determination of 25 or fewer units before any credits are applied. Commercial buildings, schools, hospitals, non-profits and churches are considered eligible, as are some industrial uses provided they do not discharge Industrial Wastewater as defined by the Metropolitan Council’s SAC Procedural Manual.

Ineligible Conditions

A business is not eligible for this program if:

- The fee owner’s property taxes are delinquent.
- The business is not in good standing with the State of Minnesota, or is in violation of Minnetonka City Code.
- The property is not located within the city of Minnetonka.
- The business does not meet the definition of eligible commercial properties in the Metropolitan Council’s SAC Deferral Program and the city of Minnetonka REC Deferral Program.

Sample Payment Schedule

Below is a sample payment schedule for an eligible small business with a determination of 5 SAC and 5 Sewer and Water REC units, before credits. Under the terms of the program, the property owner will pay to the city an initial payment of 20% of the total units, or \$5,337.11, at the time of the building permit. The remaining deferral payment will be repaid at a fixed rate of 2.45% over a 5 year term (deferrals for 16 or more units will be repaid over a 10 year term).

Fee	Calculation	Total Amount Due	Payable at time of application (20)%	Payable over 5 –year term (plus 2.45% interest)	Estimated monthly payment without interest
SAC Fee*	5 SAC units x \$2,485 (in 2017)	\$12,425	\$2,485	\$9,940	\$166
City REC Fees*	5 Sewer/Water REC units x \$2,852 (in 2017)	\$14,261	\$2,852	\$11,408	\$190
Total	5 SAC/REC units	\$26,686	\$5,337	\$21,348	\$356

*SAC and REC Fees are determined annually and are subject to change.

Budgetary/Fiscal Issues:

There is minimal risk to the city. In the event of a business closure, the business and/or property owner is not required to make future payments as long as the city is notified of the closure. The SAC/REC units that are paid in full will remain tied to the property for a future tenant. If a business and/or property owner becomes delinquent on payments while in operation the city will have the option of assessing the outstanding payments to the property. In the case of a change of ownership, the full amount of the deferral will be due upon sale. In the short term, it could mean slightly lower REC fee revenue since participants in the program would only pay 20% initially with the remainder paid over a period of 5 or 10 years.

Process Overview for the Proposed Program

1. The city will enter into an agreement with the Metropolitan Council to participate in their deferral program.
2. If a business is interested in participating in the program, they will submit an application to the city.
3. If the application is approved by city staff, a deferral agreement will be executed between the city and the business/property owner.
4. The business will be billed on a monthly basis for both their SAC and REC fees. The fees will be included with their water bill and processed through the Utility Fund.
5. The city will pay Metropolitan Council the SAC fees collected on an annual basis
6. In the event of a business closure, all future SAC and REC fees will be waived from the time that the city is notified of the closure. The credits that have been paid for will be applied to the property, including partial credits.
7. In the event of a default, any unpaid fees will be assessed to the property.

Steps needed to Implement Program

- City Council approves Council Policy Number 12.10 establishing the program and giving staff the authority to approve the deferrals administratively.
- City Council Amends Council Policy Number 12.4 to reference the program.
- City Council Approves the Ordinance amending Section 1200.025, subdivision 1 of the Minnetonka City Code to reference the program.
- City Council Adopts the Resolution establishing the program.

Approval Timeline

The proposed timeline for the Metropolitan Council Sewer Availability and City Residential Equivalency Charge Payment Deferral Program implementation:

- May 22, 2017 – Introduction of the ordinance to the City Council
- June 12, 2017 – Second reading of the ordinance to the City Council

There are several benefits to the program. Deferring the SAC and REC fees would make it easier for small businesses (who often have limited capital) to locate in Minnetonka. In particular, high water uses such as restaurants, daycares and hairdressers tend to be affected by the SAC and REC fees. The goal of this program is to incentivize business expansion and market for new businesses to locate in the city.

Recommendation

Staff recommends the EDAC review the draft program and make a recommendation for the city council to approve the program.

Submitted through:

Julie Wischnack, AICP, Community Development Director

Originated by:

Alisha Gray, Economic Development and Housing Manager
Celeste McDermott, Community Development Specialist

Supplemental Information

- Program Guidelines
- Metropolitan Council Deferral Agreement
- Minnetonka Deferral Agreement
- Proposed Amendment to Council Policy Number 12.4
- Proposed Council Policy Number 12.10
- Proposed Ordinance Amending Section 1200.025, subdivision 1 of the Minnetonka City Code

Met Council Sewer Availability Charge and City Residential Equivalency Charge Deferral Program Guidelines

In order to minimize the impact of the payment of the Met Council's Sewer Availability Charges (SAC's) and Minnetonka's Sewer and Water Residential Equivalency Charges (REC's) to new or expanding businesses within the city of Minnetonka, the city will provide a deferral option to pay the SAC and REC fees over time versus at the time the building permit is issued. This program will be in conjunction with the Metropolitan Council's Sewer Availability Charge (SAC) Deferral Program adopted in 2013. The Metropolitan Council's program allows for the deferral of SAC fees for small businesses that receive a SAC determination of 25 SAC units or less prior to SAC credits being applied. Under the deferral program, the city of Minnetonka will enter into an agreement with eligible business and property owners to spread the SAC and REC payments over a five or ten year term depending on how many units are being deferred. This program is established by city ordinance and is intended to parallel the Metropolitan program guidelines.

Deferral Structure

The structure of the deferral includes, but is not limited to the following requirements:

1. The SAC determination for the business is 25 units or less prior to SAC credits.
2. Deferral must be for 2 or more SAC/REC units.
3. A maximum of 25 of each SAC and REC units may be deferred.
4. The deferral term is 5 years if deferring between 2 and 15 units, or 10 years if deferring 16 to 25 units.
5. Interest rate will be fixed at 2.45% for 5 year deferrals and 3.30% for 10 year deferrals. This rate is current for the 2017 fiscal year.
6. A down payment, equal to 20% of the total fee for SAC and REC after credits are applied, is due at the time of application.
7. Property owners and/or businesses will be billed on a monthly basis.
8. Property owner and/or business owner must complete an application and execute the Deferred Payment Agreement to be eligible for the program.
9. In the case of a business closure, the business or property owner must notify the city's Community Development Specialist. The city will verify the closure and future SAC and REC payment obligations will be waived as long as the city is notified immediately. Any SAC and REC fees accrued before notifying the city would be assessed to the property.
10. In the event of a default, any outstanding REC payments will be assessed to the property and the property owner waives the right to contest the assessment.
11. SAC/ REC credits are non-transferable and are tied to the property to which they were applied.

Eligible Businesses

In order to be eligible, a business cannot include any residential component (i.e. housing, hotels, motels, camps, etc) and must have a SAC determination of 25 or fewer units before any credits are applied. Commercial buildings, schools, hospitals, non-profits and churches are considered eligible, as are some industrial uses provided they do not discharge Industrial Wastewater as defined by the Metropolitan Council's SAC Procedural Manual.

Ineligible Conditions

- The fee owner's property taxes are delinquent.
- The business is not in good standing with the State of Minnesota, or is in violation of Minnetonka City Code.
- The business does not meet the definition of eligible commercial properties in the Metropolitan Council's SAC Deferral Program and the city of Minnetonka REC Deferral Program.

Sample Payment Schedule

Below is a sample payment schedule for an eligible small business with a determination of 5 SAC and 5 Sewer and Water REC units, before credits. Under the terms of the program, the property owner will pay to the city an initial payment of 20% of the total units, or \$5,337.11, at the time of the building permit. The remaining deferral payment will be repaid at a fixed rate of 2.45% over a 5 year term (deferrals for 16 or more units will be repaid over a 10 year term).

Fee	Calculation	Total Amount Due	Payable at time of application (20)%	Payable over 5 –year term (plus 2.45% interest)	Estimated monthly payment without interest
SAC Fee*	5 SAC units x \$2,485 (in 2017)	\$12,425	\$2,485	\$9,940	\$165.67
City REC Fees*	5 Sewer/Water REC units x \$2,852.11 (in 2017)	\$14,260.55	\$2,852.11	\$11,408.44	\$190.14
Total	5 SAC/REC units	\$26,685.55	\$5,337.11	\$21,348.44	\$355.80

*SAC and REC Fees as well as interest rates are determined annually and are subject to change.

If you have any questions or would like to receive an application for the Metropolitan Council SAC Deferral Program or city of Minnetonka REC Deferral Program, please contact Celeste McDermott, Community Development Specialist, at cmcdermott@eminnetonka.com or 952-939-8234.

If you have questions regarding the building permits please contact the inspections division at 952-939-8394.

COMMUNITY: City of Minnetonka	No.
COMMUNITY ADDRESS: 14600 Minnetonka Blvd, Minnetonka, MN 55345	
CONTACT PERSON: Celeste McDermott	
COMMUNITY-WIDE SAC DEFERRED AMOUNT: 80%	
COMMUNITY-WIDE SAC DEFERMENT PERIOD: 5 or 10 years	
PAYMENT MONTH(S): September	

MASTER SAC DEFERRAL AGREEMENT

THIS MASTER SAC DEFERRAL AGREEMENT (“Agreement”) is entered into by and between the Metropolitan Council, a public corporation and political subdivision of the State of Minnesota, with business offices at 390 Robert Street North, Saint Paul, Minnesota 55101 (“Council”), and the local government unit identified above as the “Community.”

Recitals

1. The Council owns and operates the metropolitan disposal system. Under Minnesota Statutes section 473.517, subdivision 3, the costs of acquisition, betterment and debt service associated with the “reserve capacity” of the system must be allocated among and paid by the respective local government units in the metropolitan area through a sewer availability charge (“SAC”) for each new connection or increase in capacity demand to the metropolitan disposal system within each local government unit.
2. Individual property or business owners whose properties are either newly connected or increase capacity demand to the metropolitan disposal system do not pay SAC to the Council. However, local government units that pay SAC to the Council for new connections or increased capacity demands typically pass on those costs to property and business owners by assessing property and business owners a “Local SAC” which sometimes includes local add-on charges.
3. Minnesota Statutes section 473.517, subdivision 6 authorizes the Council to provide for the deferment of payment of all or part of the allocated costs which are allocated by the Council to a local government unit in any year pursuant to section 473.517, subdivision 3. The deferments are repayable at such time or times as the Council shall specify, with interest.
4. At its November 28, 2012 meeting, the Council adopted changes to its SAC program including a small business SAC deferral program. The changes became effective January 1, 2013. At its January 22, 2014 meeting, the Council adopted changes to the SAC deferral program that became effective immediately upon adoption.
5. The Council wants to encourage and help communities promote business development by deferring community SAC payment obligations pursuant to Minnesota Statutes section 473.517, subdivision 6, so participating communities may pass through to businesses the benefits of deferred SAC payments by the communities. The Council’s *Sewer Availability Charge Procedure Manual*

(January 2014) states that communities that want to participate in a SAC deferral program must execute a standard master SAC deferral agreement with the Council.

6. To obtain a deferment of a SAC payment obligation and provide assistance to businesses, communities will submit to the Council a signed master SAC deferral agreement. For the term of the master agreement, communities will have the option to note on their monthly SAC reporting, on forms as provided by the Council, the eligible SAC liabilities for which the communities are requesting a SAC payment deferment from the Council. For each such subject SAC liability the deferment will be effective as of the first day of the subsequent month (e.g., for an April building permit that is reported for SAC in May, the deferment will be effective as of June 1).

7. In order to define the rights and obligations of the Community and the Council and the relevant SAC deferral arrangements, the Community and the Council agree as follows:

Article 1 - Definitions

1.1 Definition of Terms. Unless otherwise provided or indicated by the context, the terms defined in this article have the meanings given them in this article. Capitalized terms or phrases used in this Agreement have the meanings given them in the most recent version of the Council's *Sewer Availability Charge Procedure Manual* (the "SAC Procedure Manual").

- (a) **Community.** "Community" means a "Community" or "Customer Community" as those terms are defined in the *SAC Procedure Manual*.
- (b) **Determination.** "Determination" has the meaning ascribed to that term in the *SAC Procedure Manual*.
- (c) **Regional Portion of Local SAC.** The "Regional Portion of Local SAC" means that portion of the Community's SAC payment obligations to the Council that the Community passed on to properties within the Community's jurisdiction and does not include any local add-on charges.
- (d) **SAC Deferred Amount.** "SAC Deferred Amount" means the amount of the Community's SAC obligation under Minnesota Statutes section 473.517, subdivision 3 that has been deferred pursuant to Minnesota Statutes section 473.517, subdivision 6 and the terms and conditions of this Agreement.
- (e) **Business.** "Business" means a property or business for which the aggregate SAC Determination results in a liability of twenty-five (25) SAC units or less, before application of any Credits available on the Site. Business does not include *any type* of "Residential Property" or "Publicly Assisted Housing" as those terms are defined in the *SAC Procedure Manual*; nor does it include motels, hotels, camps, nursing homes, senior housing or prisons. Business includes "Commercial Properties," as that term is defined in the *SAC Procedure Manual*, but only when the aggregate SAC Determination for a Commercial Property is twenty-five (25) SAC units or less, before any applicable Credits.

Article 2 – SAC Deferred Amount; Interest; Payments

2.1 SAC Deferred Amount. Subject to the terms and conditions of this Agreement and applicable law, the Council will allow the Community to defer payment on the Community's SAC obligations for Business properties within the Community's jurisdiction in an amount not to exceed eighty percent (80%) of the SAC due for the properties that are either newly connected or increase capacity demand to the metropolitan disposal system. The percentage by which the Community elects to defer payment on the Community's SAC obligations must be applied on a community-wide basis to all participating Businesses within the Community's jurisdiction. The "Community-Wide SAC Deferred Amount" is stated as a percentage on Page 1 of this Agreement. The deferment is available only to properties for which the aggregate Determination is twenty-five (25) SAC units or less. In each instance in which the Community exercises this deferment option, the SAC amount that is not deferred is due and payable at the time the SAC liability is incurred by the Community. Payments on the non-deferred amounts are due with the regular SAC reporting to the Council, pursuant to the *SAC Procedure Manual*. The deferred SAC liability begins accruing interest on the first day following the regular SAC reporting.

2.2 Interest. Annually at each calendar year-end, the Council will determine the average rate on its wastewater bonds, pursuant to Minnesota Statutes section 473.517, subdivision 6. All new SAC deferments during the following calendar year will be subject to that interest rate, but that interest rate will be fixed for the duration of the deferment period for each deferral originated in that calendar year. Interest on unpaid SAC Deferred Amount balances will be computed in whole months, however, payments to the Council can be annual.

2.3 Payments. When the Council invoices the Community for payments on its SAC Deferred Amount, the Council will provide the Community with a payment schedule that amortizes the SAC Deferred Amount and interest on that deferred amount over the term of the deferment period. The Community's payment schedule will list the Business properties for which the Community elected to defer payments on the Community's SAC obligations to the Council. The Community will make payments to the Council at least annually. The Community may elect to make payments semi-annually or more frequently to correspond with the Community's Local SAC collections, assessments or other payments from Businesses, but the same payment schedule must apply to all Community SAC Deferred Amounts. The month(s) the Community elected to make its SAC payments to the Council under the payment schedule are identified on Page 1 of this Agreement as the "Payment Month(s)." The Community may repay or prepay the Council the unpaid balance of a SAC Deferred Amount at any time prior to the end of the deferment period. Any repayment or prepayment made by the Community shall be without penalty to the Community. The Community's payment schedule will be recalculated during the term of the deferment period to reflect: (a) repayments or prepayments by the Community; (b) the Community's election (if any) to discontinue making payments on its SAC Deferral Amount for a Site pursuant to Section 4.2(b); (c) any Community payments to the Council pursuant to Section 4.1(b); or (d) the addition of new Business properties for which the Community elects to defer payment on the Community's SAC obligations to the Council.

2.4 Local SAC Payments from Businesses. Subject to the limitation stated in Sections 3.2 and 4.1, the Community may enter into a payment or other agreement with each Business for payment of Local SAC to the Community on terms and conditions agreed to by the Community and the Business. Except as described in Section 4.2, failure of a Business to make its Local SAC payments to the Community or the Community's failure (or choice) not to assess or collect Local SAC from a Business shall not relieve the Community of its obligation to pay the Council any unpaid SAC

Deferred Amount, plus interest, or otherwise meet its SAC payment obligations under Minnesota Statutes section 473.517, subdivision 6 or other law.

Article 3 - Term of Deferments

3.1 Term of Agreement. Unless otherwise terminated pursuant to this Agreement, this Agreement shall remain in force and effect until the term of the last deferment period expires for Business properties listed on the Community's payment schedule. The Council reserves the right to cancel, suspend or modify its SAC deferral program at any time and for any reason upon thirty (30) calendar days written notice to the Community. If the Council cancels, suspends or modifies its SAC deferral program it will honor all existing SAC deferrals which the Community elected to make under this Agreement prior to the cancellation, suspension or modification. The Community is responsible for giving timely notice to the Community's participating Businesses or prospective participant Businesses of any cancellation, suspension or modification of the Council's SAC deferral program that may affect the Community's local SAC deferral program.

3.2 Term of Deferment. The Community elects the term of the SAC deferments between the Council and the Community, but the maximum term of a Community's SAC deferment shall not exceed ten (10) years. The Community may have only one SAC deferment period and must have the same SAC deferment period for all Business properties covered by this Agreement. The Community's "Community-Wide SAC Deferment Period" is identified on Page 1 of this Agreement.

Article 4 – Local SAC Deferrals

4.1 Local Terms and Conditions. The Community will be responsible for identifying property and business owners that qualify for the Community's SAC deferral program pursuant to any Community terms or conditions. The Council will disapprove a Community deferment request only if a property or business owner does not qualify as a Business as defined in this Agreement. Because the Council's SAC deferral program is intended to benefit Businesses, the Community must administer its local SAC deferral program in a revenue-neutral manner. The Community agrees its SAC payments to the Council will not be less than the Regional Portion of Local SAC payments the Community receives from participating Businesses.

- (a) **Local Deferment Period.** The Community agrees it will not allow a Business a less generous deferment period (*i.e.*, a shorter deferment period) for payment of the Regional Portion of Local SAC than the term of the Community's Community-Wide Deferment Period. This Agreement is not intended to govern the payment or deferment of any local add-on charges by the Community (if any) for Business properties.
- (b) **Local Deferred Amount.** The Regional Portion of Local SAC deferred by the Community for a Business's benefit shall not be less than the Community's SAC Deferred Amount. If a Business elects to prepay the Community some or all of the Regional Portion of Local SAC deferred by the Community, the Community must make a like payment to the Council to cover the Community's SAC obligations to the Council for the Business property. If a Business elects to prepay some of the Regional Portion of Local SAC deferred by the Community the Council will recalculate the Community's payment schedule.

4.2 Unpaid Local SAC. If a Business ceases operations or moves from the Site and does not require the incremental wastewater capacity represented by the SAC deferral, the Community may exercise one of the following two options:

- (a) **Continue SAC Payments.** The Community may continue to make its payments to the Council under the payment schedule. If the Community elects this option it will accrue SAC Credits for the Site in accordance with the SAC Credit provisions of the *SAC Procedure Manual*.
- (b) **Discontinue SAC Payments.** The Community may discontinue making its payments to the Council on the Community's SAC Deferral Amount for the Site. The Community must notify the Council if the Community elects this option and it must certify to the Council that the incremental capacity no longer is needed at the Site. The Community is responsible for making all SAC payments on the SAC Deferral Amount that were due prior to the notice. The Site will not be credited with the portion of the wastewater capacity not paid (for future SAC Determinations), but will receive Credit for actual SAC paid (including partial units). No Community SAC deferral payments to the Council will be refunded. Net Credits will be available to the Community for Community-Wide Credits only if a new SAC Determination establishes a permanent reduction of capacity demand.

4.3 Late Community Payments. If the Community makes a late SAC deferral payment to the Council, an additional administrative charge of two percent (2%) of the unpaid balance of the SAC Deferred Amount per month (or such higher interest rate allowable under law) will be applied.

Article 5 - Notices

5.1 Written Notices. Any notice, request, demand and other correspondence required by or made in accordance with this Agreement shall be in writing and delivered:

To the Council: Metropolitan Council
 Attn: MCES Finance Director
 390 Robert Street North
 Saint Paul, Minnesota 55101-1806

To the Community: The Community's "Contract Person" identified on Page 1
 At the "Community Address" identified on Page 1

5.2 Notice Delivery. Any notices or other correspondence shall be deemed to have been received: (a) three (3) calendar days after the date on the notice if the notice is sent by U.S. Mail; or (b) the next business day from the date on the notice if the notice is sent by facsimile or by e-mail.

Article 6 - Defaulting Liabilities

6.1 Liability. To the extent permitted or authorized by law, the Community will hold the Council harmless and indemnify the Council against any actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings which the Council may suffer or be subject to as a result of any default by a Business or the Community of the Community's SAC payment obligations under this Agreement or under applicable law. A Business's failure to pay Local SAC shall not relieve the

Community of its obligation to pay the Community's SAC obligations to the Council. ~~NOTHING IN~~ this Agreement shall be interpreted as a waiver of any liability limitations or immunities granted to the Council and the Community by Minnesota Statutes chapter 466 or by other applicable state or federal law.

6.2 Survival of Terms. Notwithstanding any other provision of this Agreement, the validity of this Article and the Community's obligation to pay its SAC obligations shall survive the expiration or termination of this Agreement.

Article 7 - Miscellaneous

7.1 Dispute Resolution. Any dispute arising under this Agreement shall be settled through consultations between the Council's and the Community's representatives. If an agreement regarding a dispute cannot be reached within thirty (30) days upon notice of a dispute from the Council or the Community, either party is then entitled to bring such dispute before the courts of this state or take such action as otherwise allowed by law.

7.2 Exercise of Rights. Any rights, powers and remedies granted to the Council and the Community by this Agreement shall not preclude or limit any other rights, powers and remedies available to the Council or the Community in accordance with law and other provisions of this Agreement. The exercise of any rights, powers and remedies by the Council or the Community shall not preclude the Council or the Community from exercising any other rights, powers and remedies available to the Council or the Community. No failure or delay by the Council or the Community to exercise any of their respective rights, powers and remedies under this Agreement or in accordance with applicable laws shall be construed as a waiver of such rights, powers, and remedies. The waiver of any right, power or remedy, in whole or in part, shall not preclude the Council or the Community from exercising any of their other respective rights, powers or remedies.

7.3 Severability of Provisions. Each provision in this Agreement shall be severable from and independent of the other provisions. If one or more provisions are held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected and shall remain in force and effect.

7.4 Amendments and modifications. Any amendments or modifications to this Agreement shall be in writing and shall become effective only upon execution of the amendment by the Council's and the Community's authorized representatives.

7.5 Assignment. The Community shall not assign any of its rights or obligations under this Agreement to any third party, even if the Site which was the subject of the SAC liability is removed from the jurisdiction of the Community. The Community may not barter, trade, sell or otherwise treat any SAC payment obligation deferments or SAC Credits as a commodity and the Council will not honor any agreements between the Community and any third parties that purport to barter, trade, sell or otherwise treat any SAC payment obligation deferments or SAC Credits as a commodity.

7.6 Successors. This Agreement shall be binding on the legal successors of the Council and the Community, whether by operation of law or otherwise.

7.7 Warranty of Legal Capacity. The individuals signing this Agreement on behalf of the Community and the Council represent and warrant on the Community's and the Council's behalf respectively that the individuals are duly authorized to execute this Agreement on the Community's and the Council's behalf respectively and that this Agreement constitutes the Community's and the Council's valid, binding and enforceable agreement.

IN WITNESS WHEREOF, the Community and the Council have caused this Agreement to be executed by their duly authorized representatives. This Agreement is effective on the date of final execution by the Council.

COMMUNITY

METROPOLITAN COUNCIL

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

By: _____

Print Name: _____

Title: _____

Date: _____

****REVISED****

| MASTERSACDERERRAL

OGC 01/24/2013
Rev. 1/15/14

DEFERRED PAYMENT AGREEMENT

This Deferred Payment Agreement (“Agreement”) is entered into this ____ day of _____, 2017 by and between the city of Minnetonka, a Minnesota municipal corporation with an address of 14600 Minnetonka Boulevard, Minnetonka, MN 55345 (“City”), _____, a Minnesota corporation with an address of _____ (“Operator”), and _____, a Minnesota Limited Liability company with an address of _____ (“Owner”).

WHEREAS, the Operator proposes to create and operate a _____ (“Business”) on property located at _____ (“Property”). Owner is the fee owner of the Property;

WHEREAS, the Business will be a change in use of the Property and the Owner is therefore subject to charges for sewer from the Metropolitan Council Environmental Services Division (“MCES”) and charges for water from the City. The charges are based on Sewer Availability Charge (“SAC”) units;

WHEREAS, MCES has determined that the Property should be charged three ____ SAC units for the change in use;

WHEREAS, City Code Section 1200.025 allows qualified business owners to defer the payment of sewer availability and water access charges;

WHEREAS, Owner and Operator seek to have the payment of sewer availability and water access charges owed for the Business deferred.

NOW THEREFORE, the parties agree as follows:

1. **Recitals**. The recitals set forth above are incorporated herein as if fully set forth.

2. **Fees.** The Owner is responsible for the following fees in relation to the establishment of the Business on the Property:

Fee	Calculation	Amount Due
MCES Sewer Accessibility Charge	___ SAC units x \$2,485 per unit	\$_____
Minnetonka Sewer Residential Equivalency Charge	___ REC units x \$1,026.75 per SAC unit	\$_____
Minnetonka Water Residential Equivalency Charge	___ REC units x \$1,825.36 per SAC unit	\$_____
	Total Fees	\$_____

3. **Payment of Fees.** Owner, or Operator on behalf of Owner, shall pay to the City all fees set forth in Paragraph 2 according to the following schedule:
- a. Initial Payment. \$_____ due at time of issuance of a building permit.
 - b. Deferral Payments. \$_____ with interest at an annual rate of ___% due in equal monthly payments of \$_____ over ___ months. Interest shall begin accruing upon the execution of this Agreement. The first monthly payment shall be due on _____, 2017. All future payments shall be due on the 1st of each month until the fees and interest are paid in full. The final monthly payment shall be due on _____. The final monthly payment shall consist of any and all amounts remaining due under this Agreement.
 - c. Prepayment. The amounts due under this Agreement may be prepaid without penalty. Interest shall accrue on the balance due at the rate set forth above up and to the date all amounts due under this Agreement are paid in full.
4. **Recalculation of Credits.** In the event the SAC units for the Property change for any reason after execution of this Agreement, any new fees assessed shall be due and payable pursuant to the City Code and shall not be subject to this Agreement.
5. **Ceasing business operations.** If the business ceases operations or moves from the Property, the owner and operator are responsible for making the deferral payments required by paragraph 3 of this Agreement up until the time that the owner or operator informs the City in writing that the business has ceased operations or has moved from the Property. No further payments will be required under this Agreement if MCES does not require the City to pay its MCES sewer availability charge relating to the business. If MCES requires the City to pay its MCES sewer availability charge, any balance remaining due under this Agreement, including interest, shall become immediately due and payable without demand or notice by the City.
6. **Default.** "Default" shall mean the failure to make payments pursuant to the terms herein or any other breach of this Agreement and failure to cure the default within ten days of the mailing of written notice by the City to Owner and Operator by United States Mail.
7. **Remedy.** Upon Default, any balance remaining due under this Agreement, including interest, shall become immediately due and payable without demand or notice by the

City. In addition, Owner and Operator agree that the full balance due, including interest and any applicable collection or administrative costs incurred by the City, may be assessed against the Property pursuant to Minn. Stat. Chapter 429 or certified to the taxes on the Property pursuant to Minn. Stat. 444.075 or any other applicable law. Owner and Operator waive any and all procedures related to any such assessment or certification, including but not limited to notice, hearing and appeal of the assessment and waive any and all rights to appeal or otherwise contest or challenge the levying of special assessments up to a maximum of \$_____ against the Property. The owner and operator agree that any requirements of Minnesota Statutes, Chapter 429 with respect to the adoption or levying of the special assessments are waived to the extent that those requirements are not met.

8. **Costs of Collection.** To the extent permitted by law, Owner and Operator agree to pay all costs of collection, including reasonable attorneys' fees and legal expenses, incurred by the City in collection of any amounts due herein.
9. **Notices.** Notices to be given under this Agreement shall be given by enclosing the same in a sealed envelope, postage prepaid and deposited in the U.S. Postal Service, addressed to the parties as listed above.
10. **Assignment.** None of the parties shall assign this Agreement, nor any interest arising herein, without the written consent of the other parties.
11. **Run with the Land.** The covenants, waivers and agreements contained in this Agreement shall run with the Property and shall bind future owners of the Property and their heirs, successors and assigns. Owner agrees to provide a copy of this Agreement to any buyer of the Property before Owner signs a purchase agreement to sell the Property.
12. **Governing Law.** The laws of the State of Minnesota govern this Agreement.
13. **Severability.** The provisions of this Agreement are severable. If any portion of this Agreement is, for any reason, held by a court of competent jurisdiction to be contrary to law, such decision shall not affect the remaining provisions of this Agreement.
14. **Entire Agreement.** The entire Agreement of the parties is contained herein. This Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein.
15. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

City of Minnetonka

BY: _____
Terry Schneider
Mayor

BY: _____
Geraldyn Barone
City Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me on _____ by Terry Schneider,
mayor of the City of Minnetonka, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

Notary Stamp

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me on _____ by Geraldyn Barone,
city manager of the City of Minnetonka, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

Notary Stamp

OPERATOR

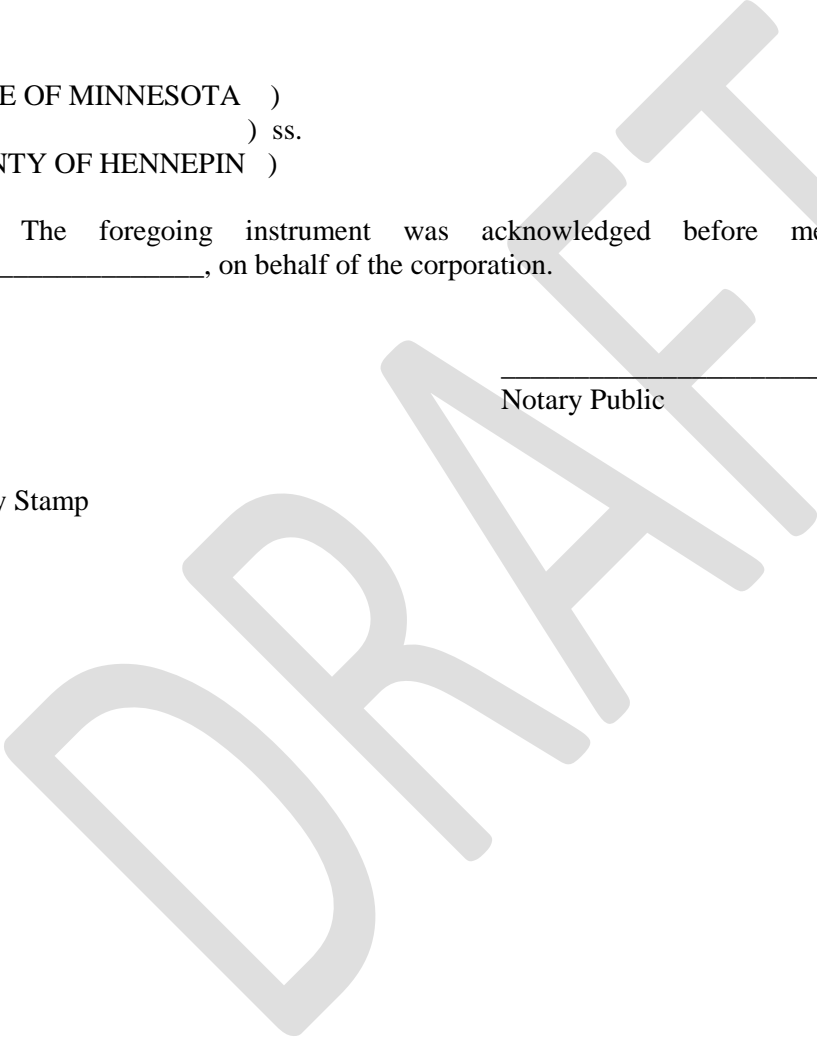
By:
Its:

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me on _____ by
_____, on behalf of the corporation.

Notary Public

Notary Stamp



OWNER

By:
Its:

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

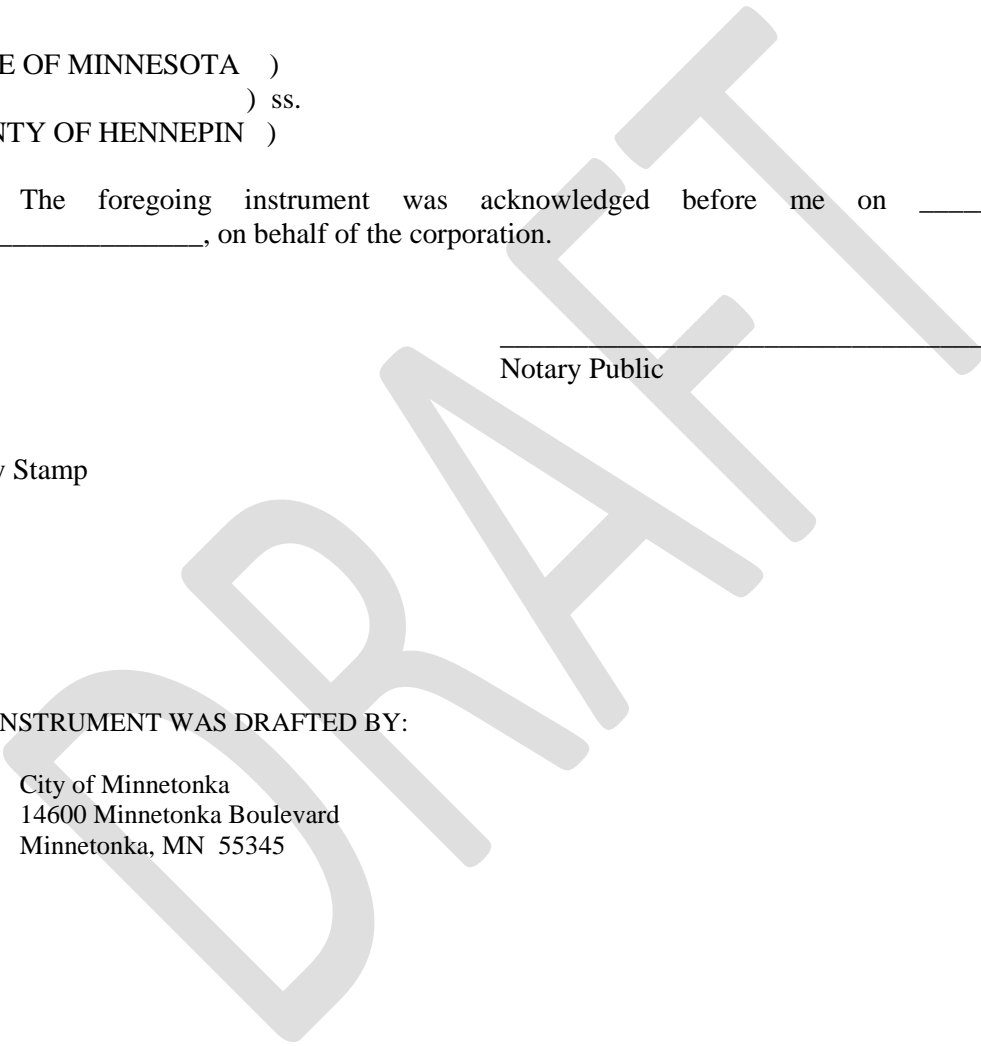
The foregoing instrument was acknowledged before me on _____ by _____, on behalf of the corporation.

Notary Public

Notary Stamp

THIS INSTRUMENT WAS DRAFTED BY:

City of Minnetonka
14600 Minnetonka Boulevard
Minnetonka, MN 55345



Resolution No. 2017-

Resolution amending council policy 12.4 regarding sanitary sewer and water connection fees and adopting council policy no. 12.10 regarding a deferred payment program for such fees

Be it resolved by the City Council of the City of Minnetonka, Minnesota as follows:

Section 1. Background.

- 1.01. The city collects sewer availability charges imposed by the Metropolitan Council, in accordance with state law and city ordinance.
- 1.02. The city also collects water availability charges (termed “residential equivalency charges) as provided by Minnetonka City Code section 1200.025 and Council Policy No. 12.4.
- 1.03. As currently administered, the Metropolitan Council and Minnetonka charges are collected at the time of issuance of a building permit.
- 1.04. The Metropolitan Council has adopted a program to allow deferred payment of its sewer availability charges for eligible small businesses.
- 1.05. The city council desires to encourage small business development in the city by adoption of a program that allows eligible small businesses to pay sewer availability charges and water residential equivalency charges over a period of five to ten years, with interest.

Section 2. Council Action.

- 2.01. The city council amends Council Policy 12.4, regarding sanitary sewer and water connection fees, as shown on the attached Exhibit A.
- 2.02. The city council approves and adopts Council Policy 12.10, regarding “Metropolitan Council sewer availability charge and city residential equivalency charge payment deferral program,” as shown on the attached Exhibit B.

Adopted by the City Council of the City of Minnetonka, Minnesota, on .

Terry Schneider, Mayor

Attest:

David E. Maeda, City Clerk

Action on this resolution:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on .

David E. Maeda, City Clerk

Policy Number 12.10
Met Council Sewer Availability Charge and City Residential Equivalency Charge
Payment Deferral Program

Purpose of Policy: This policy establishes procedures to regulate, coordinate, and facilitate the approval of certain sewer and water fee deferrals for eligible businesses or properties.

Introduction

This policy governs the use of two programs, including the Metropolitan Council’s “SAC Deferral Program” for certain sewer fees (“Regional Program”) and the city of Minnetonka’s Sanitary Sewer and Water Connection Fees, calculated in accordance with City Council Policy 12.4 (“Local Program”). Hereinafter, the city of Minnetonka is referred to as the “city”.

Eligible businesses or properties can apply for the deferral of a portion of one or more sewer/water fees, including:

1. Metropolitan Council Sewer Availability Charge (SAC) – Regional Program sewer fee; and
2. Minnetonka Sewer and Water Residential Equivalency Charges (REC’s) – Local Program fees.

Authorization and Funding Sources

On November 28, 2012 (based on Minnesota Statutes 473.517, Subd. 6), the Metropolitan Council adopted changes to its SAC program to include a small business deferral program. The Regional Program which became effective on January 1, 2013, and was later amended, allows a deferment of SAC fees up to ten (10) years at a low annual interest rate based on Metropolitan Council Environmental Services’ (MCES) average cost of debt per statute and is applied to all new deferrals originating in that particular year. The Minnetonka Regional Program and Local Program will allow deferment of SAC and REC fees over a five or ten year term with a fixed interest rate determined by the city each fiscal year.

The deferral program established by this Council Policy 12.10 includes the following categories:

1. “Regional Program” allows eligible small businesses or property owners to apply for a sewer availability charge deferment for a maximum of 25 SAC charges.
2. “Local Program” allows eligible small businesses or property owners to apply for a city water access charge deferment for a maximum of 25 REC charges to match the terms and conditions of the Regional Program.

The City Council reserves the right to suspend or terminate the program based on availability of funding.

Program Objective

The Metropolitan Council's stated objective is to encourage and help communities promote small business development by deferring SAC payment obligations. The city of Minnetonka's goal is to minimize the financial impact to new or expanding businesses.

Eligibility

For the Regional Program and Local Program, an eligible applicant is a "small business" as defined in a Master SAC Deferral Agreement between Minnetonka and the Metropolitan Council. "Business" means a property or business for which the aggregate SAC Determination results in a liability of twenty-five SAC units or less, before application of any Credits available on the Site. "Business" does not include any type of "Residential Property" or "Publicly Assisted Housing" as those terms are defined in the Metropolitan Council's *SAC Procedure Manual*; nor does it include motels, hotels, camps, nursing homes, senior housing or prisons. "Business" includes "Commercial Properties," as that term is defined in the *SAC Procedure Manual*, but only when the aggregate SAC Determination for a Commercial Property is twenty-five SAC units or less, before any applicable credits.

Deferral Structure

The structure of the deferral includes, but is not limited to the following requirements:

1. The property owner and/or business owner must complete an application and execute the Deferred Payment Agreement to be eligible for the program.
2. The SAC determination for the business must be 25 units or less prior to SAC credits.
3. The deferral must be for 2 or more SAC/REC units.
4. A maximum of 25 of each SAC, Sewer REC and Water REC units may be deferred.
5. The deferral term is 5 years if deferring between 2 and 15 units, or 10 years if deferring 15 to 25 units.
6. A down payment, equal to 20 percent of the total fee for SAC and REC after credits are applied, is due at the time of application.
7. Annually by resolution, the council will determine the interest rate to be applied to deferred payments. The interest rate will differ depending on whether the deferral term is 5 or 10 years.
8. The deferred amount will be payable in monthly installments over the term of the deferral, together with accrued interest at the rate determined by the city council. The city will bill the property owner and/or businesses on a monthly basis.
9. In the case of a business closure, the business or property owner must notify the city's Community Development Specialist. The city will verify the closure, and future SAC and REC payment obligations will be waived as long as the city is notified immediately. Any SAC and REC fees accrued before notifying the city will be assessed against the property.
10. In the event of a default, any outstanding REC payments will be assessed to the property. The property owner must waive the right to contest the assessment in the Deferred Payment Agreement .

11. SAC/ REC credits are non-transferable and are tied to the property to which they were applied.

Ineligible Conditions

- The fee owner's property taxes are delinquent.
- The business is not in good standing with the State of Minnesota, or is in violation of Minnetonka City Code.
- The business does not meet the definition of an eligible commercial property in the Metropolitan Council's SAC Deferral Program and the city of Minnetonka REC Deferral Program

Administration

The city manager is responsible for administering the Regional Program on behalf of the Metropolitan Council in accordance with the Master SAC Deferral Agreement between the city and the Metropolitan Council. The city manager is responsible for administering the Local Program on behalf of the city.

DRAFT

Policy Number 12.4
Sanitary Sewer and Water Connection Fees

Purpose of Policy: This policy establishes the procedure used to calculate sanitary sewer and water connection fees.

Introduction

This policy is adopted to implement the city's authority under Minn. Stat. Chap. 444 and City Code Section 1200.025. The fees established by this policy are intended to ensure that all properties pay a just and equitable share of the sanitary sewer and water infrastructure serving them.

Connection fees will be based on the amount of system capacity that is used. The standard method for calculating system capacity is through a SAC unit (sewer access charge). The Metropolitan Council calculates the number of SAC units for each proposed development within the city. A single family home is charged one SAC unit, and other property uses are charged SAC units based on building size and number of plumbing units.

Guidelines

- Rates and Charges

Fees for the use and availability of the city's water and sanitary sewer systems will be determined by the use of a "Residential Equivalent Charge" ("REC"). Water and sanitary sewer connection fees will be calculated by multiplying the established water REC, and the established sanitary sewer REC times the number of SAC units that are calculated by the Metropolitan Council.

- Establishing REC's

The city council will establish the REC by resolution based on an analysis of the financing needs for the water and sanitary sewer systems. Thereafter, the council will annually, by resolution, increase the REC for water and for sanitary sewer based upon the construction index found in the "Engineering News Record". REC's will be evaluated and adjusted every fifth year to make certain the connection fees are sufficient to pay for an equitable portion of the costs of installing and upgrading trunk facilities, and all or a portion of pumping, treatment, and storage facilities.

- Fee Payment

Connection fees must be paid prior to issuance of a building or connection permit, whichever occurs first, except when deferred in accordance with Council Policy No. 12.10. Beginning January 1, 2013, no connection fee is due when a single family home that is connected to sewer and water is demolished and replaced by another single family home. To pay fees through a special assessment, the owner must furnish proof of ownership and waive any rights to a public hearing and any appeal of the special assessment adopted by the city council.

Deferred Hookup Fees

Deferred hookup fees were assigned to certain properties before 2009 using the city's previous sewer and water hookup fee rate formula. These properties benefited from a trunk sewer or water project, but were not required to connect to the city's utility system at the time of the project installation. The connection fees established under this policy replace the previous hookup fee policy, but some outstanding deferred hookup fees remain. The following provisions apply to these outstanding hookup fees.

- Interest
Simple interest will be charged from the date of, and at the rate of, the special assessments for the project. Interest may not accrue beyond the term of those special assessments, which is 20 years.
- Notice
City staff will annually send a notice to the owner of each property that has deferred hookup fees. The notice will indicate the amount that is pending, including accrued interest.
- Fee Payment
Deferred hookup fees must be paid before issuance of a building permit or connection permit or at the time of subdivision, whichever occurs first.

Adopted by Resolution No. 91-9264
Council Meeting of August 19, 1991

Amended by Resolution No. 99-121
Council Meeting of July 12, 1999

Amended by Resolution No. 2003-077
Council Meeting of August 25, 2003

Amended by Resolution No. 2009-035
Council Meeting of May 4, 2009

Amended by Resolution No. 2013-036
Council Meeting of May 13, 2013

Amended by Resolution No. 2013-103
Council Meeting of September 16, 2013

Amended by Resolution No. 2017-
Council Meeting of _____, 2017

Ordinance No. 2017-

**An Ordinance amending section 1200.025, subdivision 1
of the Minnetonka City Code, relating to
water and sanitary sewer connection fees**

The City of Minnetonka Ordains:

Section 1. Section 1200.025, subdivision 1 of the Minnetonka City Code, relating to water and sanitary sewer fees and permits, is amended to read as follows:

1. No person may connect to the city water or sanitary sewer systems without first obtaining a permit from the city. ~~The permit will not be granted unless the - and paying the required fees specified in section 710 required by adopted council policy have been paid or deferred in accordance with that policy.~~ The permit will not be granted unless the - and paying the required fees specified in section 710 required by adopted council policy have been paid or deferred in accordance with that policy. The person must also obtain any other permits required by other provisions of this code for plumbing work, electrical work, excavations in city streets, or other work. On designated low lots where the lift pump unit is provided by the city, the cost of the electrical permit is waived. The person must comply with all terms of the permits that are issued.

Section 2. A violation of this ordinance is subject to the penalties and provisions of Chapter XIII of the city code.

Section 3. This ordinance is effective 30 days after publication.

Adopted by the city council of the City of Minnetonka, Minnesota, on *

Terry Schneider, Mayor

Attest:

David E. Maeda, City Clerk

The ~~stricken~~ language is deleted; the underlined language is inserted.

Action on this Ordinance:

Date of introduction:

Date of adoption:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Ordinance adopted.

Date of publication:

I certify that the foregoing is a true and correct copy of an ordinance adopted by the city council of the City of Minnetonka, Minnesota, at a meeting held on

David E. Maeda, City Clerk

EDAC Agenda Item #6
Meeting of April 27, 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://metrocouncil.org/About-Us/Organization/DoingBusiness/Contracting-Opportunities.aspx>. The proposed timing on active and upcoming contracts is as follows:
 - Active contracts
 - Light Rail Vehicles – Awarded 12/21/2016
 - Civil Contract Award – Q3/Q4 2017
 - Upcoming Contracts
 - Systems Award – Q3 2017
 - Operations and Maintenance Facility Award – Q3 2017
 - Fare Collection Award – Q3 2019
- Various property and easement acquisitions discussions are occurring.

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.

Business Development

Businesses Issued Building Permits:

- Argentem Creek – 12800 Whitewater Drive
- Mechology – 121 Cheshire Lane, Suite 100
- Guardian Life – 10900 Wayzata Blvd
- Cyclebar – 12211 Wayzata Blvd

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
The Enclave at Regal Oaks	Rezoning and plat for 5-lot subdivision	3639 Shady Oak Road	http://tinyurl.com/EnclaveatRegalOak	Under Review
Cheesecake Factory	New restaurant in Ridgedale Mall proper	12401 Wayzata Blvd	http://tinyurl.com/CF12401WayzataBlvd	Under Review
City of Mtka Recreational Improvements	New trails and soccer lights at Civic Center Campus	3391 Williston Rd	https://tinyurl.com/CityRecreationallImprovements	Under Review
Hopkins Ballfields	CUP for installation of lighting on existing fields	2400 Lindberg Drive	http://tinyurl.com/HopkinsHSballfield	Under Review
Ridgedale Restaurant Pads	New restaurant pad sites in the NW corner of the Ridgedale Mall property	12415 Wayzata Blvd	http://tinyurl.com/12415WayzataBlvd	Under Review
Kimco Realty/Total Wine	Façade changes for Total Wine	14200 Wayzata Blvd	http://tinyurl.com/14200Wayzata	Under Review
Lone Lake Park Trail	CUP for trail, boardwalk and bridge	5624 Shady Oak Rd	http://tinyurl.com/LoneLakeTr	Under Review

	from the Chase Apts to Lone Lake Parking			
Minnetonka Hills Apts	Multiple items for construction of a 75-unit apartment building	2828 & 2800 Jordan Ave	http://tinyurl.com/MtkaHillsApts2nd	Under Review
Cycle Bar	Amendment to the Ridgedale Center Sign Plan	12401 Wayzata Blvd	http://tinyurl.com/CyclebarMtk_a	Under Review
Williston Monopole	CUP for 150-ft telecommunications tower	4525 Williston Rd	http://tinyurl.com/willistonmono	Under Review
Legacy Care Home 3	CUP for 8-person licensed care facility	5531 Eden Prairie Rd	http://tinyurl.com/LegacyCareHome3	Under Review
Newport Midwest	Concept plan for rental building	10400, 10500 & 10550 Bren Rd E	http://tinyurl.com/newportmidwest	Waiting for formal application
Saville Replat	Five-lot, R-1 subdivision	Spring Lane and Tracy Lynn Terrace	http://eminnetonka.com/current-projects/planning-projects/1703-saville-west-2nd-addition	Waiting for grading permit application
Crest Ridge Senior Housing	Items concerning a senior rental building	10955 Wayzata Blvd	http://tinyurl.com/CrestRidgeSH	Waiting for grading permit application
Woodlands at Linner	Preliminary plat with lot width at ROW variance to divide the existing property into 5 lots	1555 Linner Road	http://tinyurl.com/WoodlandsLinner	Final Plat approved
Lecesse	Multiple items for construction of a 322-unit apartment building	10101 Bren Road East	http://tinyurl.com/lecesse	Waiting for grading permit application
Mayfair at Copperfield	Preliminary plat for a 3-lot subdivision	14700 Copperfield Place	http://tinyurl.com/mayfair-copperfield	Waiting for final plat application
Tonkawoods Farms	Preliminary plat with lot width at setback variances for a 3-lot subdivision	15014 Highwood Drive	http://tinyurl.com/tonkawood-farms	Waiting for final plat application
Eldorado Villas	Multiple items for construction of three townhomes	11901 Minnetonka Blvd	http://tinyurl.com/eldorado-mtka	Grading Permit Under Review

Ridgedale Corner Shoppes	Multiple items for redevelopment of the existing TCF bank site.	1801 Plymouth Road	http://tinyurl.com/ridgedale-TCF	Grading Permit Issued
Williston Woods West	Proposed 5-lot subdivision	5431/5439 Williston Road	http://eminnetonka.com/current-projects/planning-projects/1412-williston-woods-west	Grading Permit Under Review
Highview Place	Rezoning and plat for 9-lot R-1A subdivision	4301 Highview Place	http://eminnetonka.com/current-projects/planning-projects/1465-highview-place	Grading Permit Under Review, tree clearing occurred prior to issuance of permit. Staff evaluating possible penalties.

Shady Oak Road Redevelopment

The [Shady Oak Road Redevelopment](#) concept plan will be reviewed again at the [Minnetonka City Council](#) meeting Monday, April 24, at 6:30 p.m.

This continues to be an informal review of the project, as the city has not received an official request for action. At the April 24 meeting, the council will review all public comments received and provide additional feedback to the developer before next steps are determined. Meeting materials will be posted [online](#) Friday, April 21.

More Information:

For complete details on the Shady Oak Road Redevelopment project, visit: eminnetonka.com/shadyoakredevelopment

Housing

CDBG

At the March 27 City Council Meeting, the council held the public hearing on the use of 2017 CDBG funds, adopted the resolution allocation the CDBG funds, and approved funding for Home Line in the amount of \$4,000 from the Development Account. The city's final allocation from HUD is not yet known but is estimated at \$157,000. If the final

allocation is different from this amount, then the funding amounts will be adjusted on a pro-rata basis. The city's 2016 allocation was \$159,745.

The key components of Minnetonka's CDBG program include:

COMPONENT	APPROVED FUNDING
Public Services	\$24,500
Small Projects Housing Rehabilitation	\$120,930
Administration/Fair Housing	\$11,570

The 2017 approved funding amounts are shown below:

Activity	2016 Funding Budget	2017 Approved Funding
Community Action Partnership of Suburban Hennepin (CAPSH)	\$2,425	\$2,500
ResourceWest	4,525	4,500
Senior Community Services H.O.M.E.	5,270	5,500
Intercongregation Communities Association (ICA)	7,970	8,000
TreeHouse	3,770	4,000
HOME Line	N/A*	N/A*
TOTAL	\$23,960	\$24,500

In addition, the city council approved an agreement allowing the city to participate in the Hennepin County consortium fair housing activities for the purpose of developing a combined Fair Housing plan. Participating in the consortium is a more cost effective way of completing the fair housing requirement than it would be for the city to create their own plan each year. The amount allocated to consortium activities is approximately \$1,500 annually and comes out of the CDBG funding Minnetonka receives.

Small Projects Program

The Small Projects program was advertised in the March issue of the Minnetonka Memo and on the city website. The application window opened on April 10 and will remain open until April 21. Staff received 24 applications as of March 14 and is anticipating additional applications during the application period. A lottery will be conducted to select program participants following the allocation of program dollars from the Department of Housing and Urban Development.

Upcoming Events

- | | |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Wednesday, April 26 | SLUC – Planning for Super Bowl LII
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 13 | ULI MN
Welcome to a New Idea in Office – T3 Mobile Tour
3:45 pm to 5:15pm
323 Washington Avenue North
Minneapolis, MN 55401 |
| Thursday, May 25 | 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 • Cloud 9 Condominiums - HIA
Thursday, February 23	Regular EDAC Meeting	Council Chambers • <i>2016 Annual Activity Report</i>
Thursday, March 16	Regular EDAC Meeting	Council Chambers • <i>2018-2022 EIP Introduction</i> • <i>Cloud 9</i> • <i>Newport Partners</i>
Thursday, April 27	Regular EDAC Meeting	Council Chambers • <i>Transit Cooperative Agreement</i> • <i>SAC/REC Deferral Program</i>
Thursday, May 25	Regular EDAC Meeting	Council Chambers • <i>2018-2022 EIP recommendation</i> • <i>Newport Partners</i>
Thursday, June 29 Wednesday, June 15	Regular EDAC Meeting	Council Chambers • <i>2018 Budget and HRA Levy</i>
Thursday, July 27	Regular EDAC Meeting	Council Chambers • <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 • <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