



AGENDA
CITY OF MINNETONKA
ECONOMIC DEVELOPMENT ADVISORY COMMISSION
Thursday, March 22, 2018
6:00 p.m.

Council Chambers
Minnetonka Community Center

1. Call to Order

2. Roll Call

Charlie Yunker
Jerry Knickerbocker
Megan Luke
Melissa Johnston

Jacob Johnson
Jay Hromatka
Jerry Knickerbocker
Lee Jacobsohn

Welcome new commissioners Jay and Megan!

3. Approval of November 27, 2017 minutes

BUSINESS ITEMS

4. 2019-2023 Economic Improvement Program

Recommendation: Review 2018-2022 EIP and provide feedback for 2019-2023 draft EIP

5. Business Development Strategy

Recommendation: Review and provide feedback

6. Staff Report

7. Other Business

The next regularly scheduled EDAC meeting will be held on, **April 19 at 6:00 p.m.**

8. Adjourn

If you have questions about any of the agenda items, please contact:
Alisha Gray, EDFP, 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**

**November 27, 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, Ken Isaacson, Lee Jacobsohn, Melissa Johnston, and Jerry Knickerbocker were present. Jacob Johnson and Charlie Yunker were absent.

Staff present: Community Development Director Julie Wischnack, Economic Development Housing Manager Alisha Gray, consultant James Lehnhoff with Ehlers and Associates, and consultant Gina Fiorini of Kennedy and Graven.

Councilmember present: Tony Wagner.

3. Approval of September 7, 2017 Minutes

Knickerbocker moved, Jacobsohn seconded a motion to recommend that the EDAC approve the minutes from the September 7, 2017 meeting as included in the agenda. Happe, Jacobsohn, Johnston, Knickerbocker, and Isaacson voted yes. Johnson and Yunker were absent. Motion passed.

4. Dominion Apartments Concept Plan and Financial Request

Gray and Lehnhoff reported.

Knickerbocker stated that he had no problem with the request. The memo explained things clearly. He asked if the tax bill being considered by congress could have an effect on the tax credits. Lehnhoff answered affirmatively. The current house bill would remove private-activity bonds for uses with these types of projects.

Ryan Lunderby, of Dominion, agreed with Lehnhoff. The house version of the bill would eliminate private-activity bonds. The senate bill draft kept private-activity bonds. It is being speculated that the senate bill may drive tax reform, but that has not yet been determined. The vote is scheduled for December 8, 2017 which would allow the tax reforms to be done before the end of the year. Advocates in the industry are contacting legislators to request the private-activity bonds be preserved. If bonds would be eliminated, then this project would not go forward.

Knickerbocker noted that the developer would still have a deficit. Due to the uniqueness of the project and the cost of the land, he thought that the city's 30-year requirement for affordable rents and income requirements may not be reasonable. He suggested reducing the affordable restrictions to 26 years to coincide with the term of the TIF district. Lehnhoff explained that would not have an impact on the TIF value. State law would limit a TIF-district term to up to 26 years.

Happe inquired about the structure of the deferred developer fee. In response to Happe's question, Lehnhoff explained that the developer would put a large percentage (approximately 80%) of the developer and contractor fees back into the project to make the gap as small as it reasonably can. The deferred developer fee is paid back to them through cash flow over the next 15 or more years depending on how long it takes to pay back the deferred amount. The reason that developers using tax credits will do that is that it would boost how much of the 4 percent tax credit equity is generated. He further explained there is a financial benefit to the project to do it that way versus reducing the fee to the net amount up front.

Happe asked if the developer fee would be \$9 million up front and \$10 million deferred, so the total would be \$19 million. Lehnhoff explained that Dominion would collect a contractor fee and a developer fee. Within the program requirements, there are limits that MHFA has set. The fees would be below the maximum allowed limits for the total amount. The total fees would equal \$13.6 million and 80 percent of that would be deferred and, essentially, put back into the project.

Lehnhoff reviewed Page 2 of the memorandum that listed the contractor total fee of \$4,578,000 and developer fee of \$9,100,000 for a total of approximately \$13.7 million. Of that, \$10.8 million would be put back into the project. In reality, the net fee is not received up front. The fee would be received over time as performance requirements would be met.

Happe confirmed with Lehnhoff that \$3.6 million or less would be received up front. The gap would total approximately \$900,000 or \$2,300,000 depending on inflation.

Happe asked if the proposal would be contingent on the SWLRT being completed. Mr. Lunderby said that the project would move forward without the SWLRT. There is enough of a demand for affordable housing that it would still move forward.

Mr. Lunderby appreciated the feedback and the commissioners' time. The proposal is a unique opportunity to bring affordable housing, which is in such great demand, to the Opus area near all of the great employers. Dominion has been around for 45 years and would own the proposal for the length of the TIF term. He appreciated the commissioners' consideration.

Chair Isaacson asked if the rents and incomes would be required to meet affordability standards for 30 years. Gray answered affirmatively.

Knickerbocker thought a better use of the land would be for business, but the market may not indicate that.

Wischnack invited commissioners to review the housing report which identifies "Class B" properties in the city which have similar rents to the rents designated as affordable. There are a lot of apartments in the city that have similar rent. There has been no new stock in this arena for a long time.

Gray provided a staff report on the EDAC subcommittee meeting.

Mr. Lunderby stated that the market right now has low interest rates and high-equity pricing for tax credits. This market may not last forever. Looking at the Opus development overall, this proposal would provide a chance to bring 475 affordable-housing units into the area. That might not be possible in the future when land prices increase even further. The project would provide housing for seniors and workers. There would probably be more market-rate development in the future that would provide a mix. Services typically follow the creation of households. Once the area starts to turn over, the demand would increase for services for the residents.

Commissioner Happe asked if a mix of affordable housing and market-rate units had been considered. Mr. Lunderby stated that there is an incredible demand for affordable housing for independent seniors and general occupancy.

Commissioner Happe asked what services would be available for seniors. Mr. Lunderby stated that the senior units would be restricted to age 55 and above. The finishes would be high end and look like a market-rate project. There would be club rooms with community kitchens, salons, theaters, craft rooms, a library, and outdoor spaces. Exam rooms would be available for routine exams by health professionals. Transportation would be provided by a shuttle to bring residents to appointments and shopping.

Wischnack reviewed the housing demand report which indicates that there is a need for 370 units of independent senior housing and an additional 320 units of independent senior housing in the next 5 years to 7 years.

Mr. Lunderby explained that the annual debt service on the Series B TIF note would be approximately \$700,000. Typically those are underwritten by the lender with a little bit of debt coverage on the TIF increment as well to provide a cushion built into the financing vehicle. If taxes or the increment would be lower than that, then Dominion would cover that amount. Dominion's properties in Hennepin County that were built in the early 2000s averaged property tax increases close to 4 percent per year.

Chair Isaacson noted that the equity investor would look closely at the underwriting because it would have \$30 million in equity in the deal if the debt would go bad. Mr. Lunderby agreed.

Gray continued her presentation.

Johnston asked what the city's tax capacity is at currently. Wischnack answered 1.3 percent of the total tax base. Other communities of similar size have a much higher number.

Jacobsohn reported that those present at the subcommittee meeting agreed that the proposal would definitely fit within the TIF policy. They agreed with the 2 percent inflation partially because it reduces the request for additional funds from the city and puts the risk with Dominion. That was an easy decision.

Chair Isaacson agreed. Subcommittee members felt the proposal met the requirements of the TIF policy. The amount is large, but when it is broken apart and put in context, it would be at the mid-point or low end of historical support for this type of project. There was general support. The memo addressed that the three members of the subcommittee felt that the proposal would meet the TIF policy and the request. It would be consistent with the city's treatment of similar projects.

Knickerbocker agreed that the request is appropriate and he supports the \$7,611,000, 26-year TIF term with 2-percent-inflation factor.

Happe would be more comfortable with a mix of affordable and market-rate units. He was not comfortable with the gap in the financing. The developer is taking all of the risk with the interest rate, but he thought it would be better to balance the proposal and reduce the fee. Chair Isaacson explained that the developer could do so, but, there is a catch-22 situation since the developer fee is on an eligible basis which translates to equity. The growth rate may be a better way to describe it than interest. He was not sure that the liability on the second mortgage is any different than the first mortgage.

Mr. Lunderby explained that the developer fees on the uses' side of the equation generate the basis which translates to equity. Of the amounts that are in the contractor fee and developer fee, approximately 30 percent to 40 percent of that is coming from federal resources that reduce the amount needed from a local or state level. Reducing the fees would have a negative impact creating a wider gap. An option, as listed in the report, is that the \$880,000 gap would be Dominion's responsibility to figure out. Dominion has made a request to the city through deferment of park dedication and other resources to fill that. Those dollars would be a last-in situation. At the very end of it, Dominion would have an opportunity to defer more fees and solve the \$880,000 gap. There is a threshold level of paid developer fee that the investor-community looks to have to know that the deal would be feasible. That is what is being balanced.

Chair Isaacson said that there are a number of things still in play. The interest rate has not yet been locked. He would not speak on gap financing. Determining what the estimate for current proceeds from equity are and what the interest rate on the mortgage would be could easily swing 50 basis points. There may not be a gap if the interest rate is right.

Lehnhoff clarified that during the meeting, “interest rate” was mistakenly spoken when the speaker intended to refer to “inflation” when referring to the TIF district.

5. Staff Report

Gray reported:

- A ribbon cutting was held at The Farm and Vine, a restaurant in the Highland Bank Building.
- The Metropolitan Council rejected the bids and advertised for new bids that are due in January. The goal is to award the bid in April of 2018. A corridor protection wall is being required by DNSF to protect the freight rail from SWLRT. A supplemental environmental review will be done.
- There is a road reconstruction project planned for next summer near Highland Bank. The MTC bus stop will be moved to line up with the crosswalk. Adding future bus stops on Ridgedale Drive was also discussed.
- Cherrywood Pointe is nearly complete.
- Mesaba Capital had a groundbreaking last week.
- Mastercraft should begin construction soon.
- Total Wine and Cheesecake Factory are open.
- The Open to Business Program received 96 views on the website. New ads will be in the *Minnetonka Memo*. In 2018, a business newsletter will be created.
- The economic gardening program through Hennepin County has two Minnetonka companies.

Beth Kodluboy, executive director of HOME Line, stated that HOME Line has been serving Minnetonka residents since 1992. HOME Line provides legal advice specific to keeping residents in a safe, decent, and affordable home. HOME Line helps prevent callers from making poor decisions that may lead to eviction. In 2016, it served 132 families in Minnetonka, prevented 7 evictions, and saved families over \$17,000 in returned damage deposits and monies owed for security deposits and repairs. Most of the callers have low incomes. In Minnetonka, 80 percent of the callers met HUD’s low income standards. Financing repairs, security deposits, and breaking leases are the top three issues in Minnetonka. HOME Line estimates to help between 132 and 150 families in Minnetonka in 2017. November has been a record month. The cost would be between \$5,200 and \$5,800. The number of foreclosures has gone down to 1 or 2 a year. She was available for questions.

Happe thought the service is important.

Knickerbocker asked when Hennepin County will make its allocation of CDBG funds. He asked what would happen if other non-profits also request funding. He did not think it would be timely to act on this request.

Gray explained that Hennepin County will make its allocation of CDBG funds in March of 2018.

Wischnack explained that HOME Line is not eligible for CDBG funds. This process has always been done for HOME Line which utilizes money from the development fund.

Knickerbocker asked if the city could enter into a contract with HOME Line so that it would be treated as a contract for services rather than HOME Line having to request money each year. Wischnack said that could be considered for next year. The 2018 budget will be adopted next week.

Johnston moved, Jacobsohn seconded a motion to recommend that the city council allocate \$5,200 to HOME Line. Happe, Jacobsohn, Johnston, and Isaacson voted yes. Knickerbocker voted no. Johnson and Yunker were absent. Motion passed.

Gray continued the staff report:

- Staff is proposing that The Mariner receive \$210,000 for its project and \$67,000 go to WHALT of the funds provided by the Metropolitan Council.
- The loan programs are being moved over to the center for energy and environment for administration. Residents can apply on line or request a paper application.
- Minnetonka Heights has a buyer. The buyer is looking at keeping most of the rents at affordable levels, but rents could change to market rate. Chair Isaacson was curious if the purchase price was based on affordable or marketable rates.

6. Other Business

The next EDAC meeting is scheduled for Thursday, December 7, 2017 at 6 p.m.

7. Adjournment

Jacobsohn moved, Johnston seconded a motion to adjourn the meeting at 7:30 p.m. Happe, Jacobsohn, Johnston, Knickerbocker and Isaacson voted yes. Johnson and Yunker were absent. Motion passed.

**EDAC Agenda Item #4
Meeting of March 22, 2018**

Brief Description	2019-2023 Economic Improvement Program
Recommendation	Review and provide feedback for the 2019-2022 EIP

Background

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

The city council will be reviewing a draft of the document at the April 23 study session, and the EDAC will review the final draft on May 23, prior to council adoption which is scheduled for June 4.

EIP Review

The existing 2018-2022 EIP is attached as a reference for discussion to help prepare commissioners to identify any changes or priorities for the 2019-2022 EIP document.

Components of the 2018-2022 EIP include:

- EIP Policy page (page 1). Defines what funding categories the different programs will fall under, and also details the funding principles.
- EIP Program Pages (pages 3-53). Each of the city's existing and potential future economic development efforts has its own program page. The program page will detail the program description, purpose, goals, budget impacts, schedule, and key measures. Additionally, it will outline the funds needed to develop or sustain the program over a period of years.
- Funding Sources and Expenditure Projections Pages (pages 54-69). A series of funding sources, expenditures and TIF district fund balance sheets are included.
- Affordable Housing Goals Page (pages 70-75). This section focuses on how the city's affordable housing goals are being met through these programs is included.

EDAC feedback will be incorporated into the first draft of the document that will be reviewed by the council on April 23. The EDAC will review again on May 23 and make a final recommendation to the council for the June 4 meeting.

Recommendation

Staff recommends the EDAC review the 2018-2022 EIP and provide feedback to include in the first draft of the 2019-2023 EIP.

The schedule for approval is as follows:

- March 22 EDAC — Review the existing 2018-2022 EIP and provide feedback for the 2019-2023.
- April 23 City Council Study Session — Review draft 2019-2023 EIP and provide feedback.
- May 23 EDAC — Finalize full EIP document and make recommendation to the city council.
- June 4 City Council meeting — Review and approve EIP.

Originated by:

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



2018-2022 ECONOMIC IMPROVEMENT PROGRAM

**ECONOMIC IMPROVEMENT PROGRAM
2018-2022**

CITY OF MINNETONKA

Adopted XXXXX, 2017

**2018-2022
ECONOMIC IMPROVEMENT PROGRAM**

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Economic Improvement Program Policy

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

Funding Categories

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

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

Planning Principles

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



HOUSING



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

HOUSING CHAPTER SUMMARY

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

The city currently has 10 programs in place to assist in the construction, maintenance, and renewal of housing in the city. An additional two programs are in the conceptual phase and will be explored for further consideration.

- The total five-year estimated cost of the programs is \$4,478,800

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

Programs in green=funding/program is expected to continue

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

Programs in red=funding/program is ending

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project #	Housing-01
Project Name	CDBG Administration

Key Measures Program Administration Hours **Key Measures**
Key Measures **Key Measures**

Description

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

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

Justification

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

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

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Admin Hours	127	105	109	118	221	210	100	70	50	25	0	0

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

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

Budget Impact/Other

This funding is to repay the staff time involved for the overall administration of the CDBG program and the administration of the owner-occupied housing rehabilitation program. In 2015 the city took back the implementation of the Small Projects Program, resulting in an increase of time to administer the program.

It is expected that CDBG funds will be eliminated or restructured at some time in the near future by the federal government. For purposes of this report, we assume phaseout of the program by 2022.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-03
Project Name Small Projects Program

Key Measures Households Assisted **Key Measures**
Key Measures **Key Measures**

Description

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

SCHEDULING AND PROJECT STATUS:
 This is an ongoing program. New applications are only accepted during certain periods of time. A new round of applications opened in April 2017. Typical projects include furnaces, some windows, and roofs.

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

Justification

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

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households Assisted	16	6	10	24	47	31	20	10	7	5	N/A	N/A

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

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

Budget Impact/Other

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

With the declining CDBG funds, less emphasis will be placed on this program, which will decrease assistance to households.

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-04
Project Name Fair Housing

Key Measures Education/Information Sessions **Key Measures**
Key Measures **Key Measures**

Description

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

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

Justification

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

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

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Education/Info Sessions	14	7	10	10	10	10	10	10	10	10	N/A	N/A

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

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

Budget Impact/Other

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

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-05
Project Name Homes Within Reach

Key Measures HWR units in Minnetonka **Key Measures**
Key Measures **Key Measures**

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

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

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

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
Comprehensive Plan-Creating partnerships with other agencies to ensure the longevity of affordable housing.

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total HWR units in Mtka	46	48	51	53	54	55	56	57	58	58	58	58

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

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

Budget Impact/Other
Homes Within Reach requests funding through the non-profit funding process each year. Growth in long term affordable units is important, but there should be some adjustment to the city’s commitment to ensure it is sustainable. In 2017 the Livable Communities Account is no longer available.

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-06
Project Name Housing Improvement Areas

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

Description

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

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

Justification

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Continue to collaborate with lenders or other agencies that offer programs for home rehabilitation.
 Strategic Plan-Initiating programs/policies to broaden housing choices to meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units Assisted	N/A	180	0	0	0	0	164	80	0	0	80	0

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

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

Budget Impact/Other

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

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

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-08
Project Name Minnetonka Home Enhancement

Key Measures Loans Made **Key Measures**
Key Measures Loans Defaulted **Key Measures**

Description

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

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

Justification

Minnetonka's housing stock is aging. Nearly two-thirds of the city's homes were built between 1950 and 1970, and over 75% of the housing stock is 30 years or older. Many of these homes now need repairs for windows, roofs, and heating systems. The MHEP targets households up to 120% area median income with loans for rehabilitation and other housing maintenance activities for housing valued at \$300,000 or less. A marketing plan was developed in 2013.

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pre-Apps Received	16	6	39	62	15	26	30	60	60	60	60	50
Pre-Apps Qualified	12	2	36	55	7	6	10	55	55	55	5	25
Loans Made	0	0	4	8	5	4	8	10	10	10	10	10
Loans Defaulted	0	0	0	0	0	0	0	0	0	0	0	0

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

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

Budget Impact/Other

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

Due to the slow uptake and lowering the interest rate to 1%, it's unlikely that this program will become self-sustaining. While there were loan paybacks put back into the program, another \$100,000 was added in 2017 (split with the Welcome to Minnetonka program) to continue to make new loans. Project funding amounts may change as a sliding scale approach is used with this and the Welcome to Minnetonka program to allow flexibility to meet demands of the programs. Since there is a fund balance in the program from previous years allocations, the expenditures and sources are shown as zero above until the funds are used. Staff will be reviewing the program guidelines over the next year to determine if any changes need to be made.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-10
Project Name Public Services

Key Measures Individuals Assisted **Key Measures**
Key Measures **Key Measures**

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

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

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
Comprehensive Plan-Provide city services and collaborate with outside agencies and the private sector to leverage additional services that reinforce the city's values.
Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Individuals Assisted	128	1168	1089	609	696	508	550	550	550	550	N/A	N/A

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

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

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

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

In 2017, the following programs are being assisted: Community Action Partnership of Suburban Hennepin, ICA Housing & More program, ResourceWest, TreeHouse and Senior Community Services H.O.M.E. program.

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

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

Key Measures Projects Assisted **Key Measures** Housing Projects Assisted
Key Measures Businesses Assisted **Key Measures** Projects Considered

Description

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

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

Justification

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-
 -Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.
 -Facilitate connections between local businesses and programs that provide incentives and assistance for business retention and recruitment.
 Strategic Plan-
 -Initiating programs and policies that broaden housing choices to meet both the needs of our aging population and attract young residents.
 -Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Projects Considered	2	1	0	2	2	2	2	0	0	0	0	0
Projects Implemented	1	1	0	2	2	2	2	0	0	0	0	0
Business projects	1	1	0	1	2	0	1	0	0	0	0	0
Housing projects	0	0	0	1	0	2	1	0	0	0	0	0

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

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

Budget Impact/Other

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

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

Key Measures Affordable Units Created **Key Measures** Projects Considered
Key Measures Projects Assisted **Key Measures**

Description

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

SCHEDULING AND PROJECT STATUS
 The dollars must be expended by 2021. It is expected that a majority of the funds will be used in 2017-2021 in connection to LRT related projects.

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

Justification

Pooling allows a percentage (35%) of the total increment generated by the district over its entire life to be used for tax credit eligible housing projects anywhere in the city. Depending on property values over the remaining 12 years of the district, the pooling dollars available during this time frame are estimated to be \$6.44 million. These funds are required to be spent according to an amended TIF plan, which can take place as projects are proposed. The current fund balance is estimated at \$3.6 million.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Continue working with developers to include affordable housing in their developments, where appropriate.

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

KEY MEASURES

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Projects Considered	N/A	1	1	0	1	0	1	2	1	1	1	1	1
Projects Assisted	N/A	0	1	0	0	0	1	2	0	1	1	1	1
Affordable Units	N/A	0	52	0	0	0	27	109	0	45	40	30	30

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

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

Budget Impact/Other

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

The funds are coming from the Boulevard Gardens TIF district.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

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

Key Measures Loans Made **Key Measures**
Key Measures Loans Defaulted **Key Measures**

Description
 The Welcome to Minnetonka program provides up to \$10,000 through a low-interest loan for downpayment and closing cost assistance. The Greater Metropolitan Housing Corporation administers the program.
 SCHEDULING AND PROJECT STATUS
 The program began June 2011. This is an ongoing program.

Justification
 The Welcome to Minnetonka program targets first time homebuyer households up to 120% area median income with downpayment and closing cost assistance. Those participating in the program provide at least 25% of the total costs. A marketing plan was developed in 2013.
 PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Provide services that support residents to maintain attractiveness as a balanced community that is economically diverse. Strategic Plan-Initiate programs/policies to broaden housing choices to meet the needs of our aging population and attract young residents.
 KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pre-Apps Received	12	9	7	4	2	19	15	15	15	15	15	15
Pre-Apps Moved Forward	2	1	1	1	2	9	5	5	5	5	5	5
Loans Made	1	1	1	1	1	5	5	5	5	5	5	5
Loans Defaulted	0	0	0	0	0	0	0	0	0	0	0	0

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

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

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

Budget Impact/Other
 The city contracts with the Greater Metropolitan Housing Corporation (GMHC) to administer the Welcome to Minnetonka program on behalf of the city for a 10% administrative fee. There is staff time associated with an initial pre-application, program marketing, and questions.
 Due to the slow uptake and lowering the interest rate to 1%, it's unlikely that this program will become self-sustaining. While there were loan paybacks put back into the program, another \$100,000 was added in 2017 (split with the Minnetonka Home Enhancement Program) to continue to make new loans. Funding amounts may change as a sliding scale approach is used with this program and the Minnetonka Home Enhancement program to allow flexibility to meet demands. Staff will be reviewing the program guidelines over the next year to determine if any changes need to be made.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-14
Project Name Employer-Assisted Housing

Key Measures Households Assisted **Key Measures**
Key Measures **Key Measures**

Description
 Employer assisted housing programs can take many different forms; however, generally it focuses on local businesses and how to create housing opportunities within the city for their employees. The program requires business support.
SCHEDULING AND PROJECT STATUS
 This is a new concept that has not yet been explored or developed by city staff; however, the SWLRT Community Works project, as part of their housing strategy has recommended collaboration with local employers on new housing opportunities.

Justification
 The Opportunity City Pilot Program and a University of Minnesota Resilient Communities Program student project recommended exploring opportunities to collaborate with businesses to better understand housing needs and evaluate links between employment wages and housing values.
PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Support existing businesses and collaborate with businesses to determine services, employee housing and transportation needs.
 Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.
KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households Assisted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

Budget Impact/Other
 There will need to be staff time committed to learning more about different aspects of a program such as this. There is no funding source at this time to fund the program.
 The SWLRT Community Works Housing Strategy developed objectives with one being developing new housing opportunities. One of the ways identified was working with employers along the line to help fund new housing.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Housing-15
Project Name Next Generation Program

Key Measures Households Assisted **Key Measures**
Key Measures **Key Measures**

Description
A next generation program would purchase homes from seniors, perform rehabilitation as necessary, and sell on the market as affordable units.
SCHEDULING AND PROJECT STATUS
This is a new concept that has not yet been explored or developed. Initial council feedback has suggested that this program target a different audience such as those at 80 to 110% AMI.

Justification
As the city’s population ages, more seniors will be looking for alternative housing options to the single-family home. This program would assist seniors in the sale of their home, perform any deferred rehabilitation, and then assist young families by selling them at an affordable price.
PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
Comprehensive Plan-Support existing businesses and collaborate with businesses to determine services, employee housing and transportation needs.
Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.
KEY MEASURES

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households Assisted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

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



BUSINESS



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

BUSINESS CHAPTER SUMMARY

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

For the 2018-2022 Economic Improvement Program, there are eleven business programs, and another two under conceptual review.

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

Fire Sprinkler Retrofit	0	50,000	0	0	0	\$50,000
Pass-Through Grants	200,000	200,000	200,000	200,000	200,000	\$1,000,000
CommonBond/Ind Rev	0	0	0	0	0	\$0
GreaterMSP	25,000	25,000	25,000	25,000	25,000	\$125,000
MIF/JCF	500,000	0	200,000	0	300,000	\$1,000,000
Open to Business	15,000	15,000	15,000	15,000	15,000	\$75,000
Outreach	25,000	0	25,000	0	25,000	\$75,000
PACE	0	0	0	0	0	\$0
EDIF	0	0	0	0	0	\$0
TwinWest	3,000	3,000	3,000	3,000	3,000	\$15,000
SAC/REC Program	0	0	0	0	0	\$0
	\$768,000	\$293,000	\$468,000	\$243,000	\$568,000	\$2,340,000
Conceptual Programs						
Economic Gardening						\$0
Special Service Districts						\$0

Programs in green=funding/program is expected to continue

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

Programs in red=funding/program is ending

- Several programs, such as the Grants, Common Bond fund, and Minnesota Investment Fund are inter-agency/consortium efforts that have funding sources that originate from other agencies, flow through the city, and then go to the business.
- The city's role in business development in the past was more reactive, typically responding only when requested to do so. In more recent years, the city has been slowly investing in more programs for businesses, such as the Open to Business programs.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-01
Project Name Fire Sprinkler Retrofit

Key Measures Buildings Assisted **Key Measures**
Key Measures **Key Measures**

Description
 Minnesota law (State Statute 429) gives cities the authority to specially assess the cost of installing fire sprinkler systems for existing buildings. The City Council adopted Council Policy 5.2 in 1986 setting criteria for the use of this authority.
 SCHEDULING AND PROJECT STATUS
 This program is ongoing, and use of this program is made by property owner petition. It was last used in 2006; however, there are a few inquiries every year.

Justification
 The fire sprinkler retrofit program is intended to assist in the public safety and protection of commercial buildings.
 PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Enhance personal and business safety.
 Strategic Plan-Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.
 KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Businesses Assisted	0	0	0	0	0	0	0	0	1	0	0	1

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

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

Budget Impact/Other
 Special assessments cannot last more than 10 years. The risk with this program is for the assessment to be paid back on the intended schedule. These dollars are financed through the special assessment fund.
 There is some limited staff time involved once the petition is received and for the assessment.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-02
Project Name Grants

Key Measures Projects Assisted **Key Measures** Housing Projects Assisted
Key Measures Businesses Assisted **Key Measures** Housing Units Assisted

Description

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

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

Justification

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

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Projects Assisted	2	3	1	0	1	1	1	1	1	0	1	1
Business projects	2	2	1	0	0	1	0	0	1	0	0	1
Housing projects	0	1	0	0	1	0	1	1	0	0	1	0
Housing units	0	64	0	0	30	0	45	60	0	0	60	0

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

Expenditures	2018	2019	2020	2021	2022	Total
Other	300,000	200,000	200,000	200,000	200,000	1,100,000
Total	300,000	200,000	200,000	200,000	200,000	1,100,000

Funding Sources	2018	2019	2020	2021	2022	Total
Development Fund	300,000	200,000	200,000	200,000	200,000	1,100,000
Total	300,000	200,000	200,000	200,000	200,000	1,100,000

Budget Impact/Other

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

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

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

Key Measures Businesses Assisted **Key Measures**
Key Measures Business Contacts **Key Measures**

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

Justification
 This program is to assist those manufacturing/industrial businesses with funding support for land acquisition, new facility construction, additions, renovations, and purchase of production equipment.
PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.
 Strategic Plan-Support business retention and expansion and attract new businesses to help our private sector be economically competitive.
KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business Contacts	0	0	0	0	0	0	0	0	0	0	0	0
Businesses Assisted	0	0	0	0	0	0	0	0	0	0	0	0

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

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

Budget Impact/Other
 There is minimal staff work involved with either of these programs. The Common Bond fund is administered through a Hennepin County/City of Minneapolis partnership, but requires city council approval. All Industrial Revenue Bonds require city council approval.
 No funds flow through the city for the Common Bond fund.

Economic Improvement Program

2018 *thru* 2022

Department 2-Business

City of Minnetonka, Minnesota

Contact Community Development

Project #	Business-04
Project Name	GreaterMSP

Type Program

Useful Life N/A

Category Business

Priority Green

Key Measures Business Contacts

Key Measures

Key Measures

Key Measures

Description

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

SCHEDULING AND PROJECT STATUS

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

Justification

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business Projects	0	1	1	0	4	3	2	2	2	1	1	2
Media Headlines	N/A	N/A	N/A	32	25	35	35	40	40	40	40	40

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	25,000	25,000	25,000	25,000	25,000	125,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Funding Sources	2018	2019	2020	2021	2022	Total
Development Fund	25,000	25,000	25,000	25,000	25,000	125,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Budget Impact/Other

Public Sector memberships are a three year, \$25,000 per year commitment, which would be reviewed annually with the city budget for renewal.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-06
Project Name MIF/JCF Projects

Key Measures Businesses Assisted **Key Measures**
Key Measures Applications Submitted **Key Measures**

Description

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

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

Justification

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

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Applications Submitted	0	1	0	0	1	3	2	1	1	1	0	1
Businesses Assisted	0	0	0	1	0	1	2	1	1	1	0	1

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

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

Budget Impact/Other

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

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

Economic Improvement Program

2018 *thru* 2022

Department 2-Business

City of Minnetonka, Minnesota

Contact Community Development

Project #	Business-07
Project Name	Open to Business

Type Program

Useful Life N/A

Category Business

Priority Green

Key Measures Technical Assistance Hours

Key Measures Loans Made

Key Measures Businesses Assisted

Key Measures

Description

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

SCHEDULING AND PROJECT STATUS

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

Justification

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Businesses Assisted	45	24	32	38	36	33	45	47	49	50	50	50
Tech. Assist. Hours	140	95	218	168	125	157	160	175	175	175	175	175
Loans Made	1	1	6	2	1	0	4	4	4	4	4	4

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	15,000	15,000	15,000	15,000	15,000	75,000
Total	15,000	15,000	15,000	15,000	15,000	75,000

Funding Sources	2018	2019	2020	2021	2022	Total
Development Fund	15,000	15,000	15,000	15,000	15,000	75,000
Total	15,000	15,000	15,000	15,000	15,000	75,000

Budget Impact/Other

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-08
Project Name Outreach

Key Measures Business Contacts **Key Measures**
Key Measures **Key Measures**

Description
 Business outreach will take a more proactive approach in contacting businesses.
 SCHEDULING AND PROJECT STATUS
 Staff is coordinating through "Sales Force", which is an online tool for cities, chambers and GreaterMSP to enter business contacts.

Justification
 Business outreach in the past has been reactive to business needs. This outreach is another tool in creating a more proactive approach in supporting business retention and expansion.
 PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Promote public involvement by residents and businesses, and actively communicate city values and services.
 Strategic Plan-Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.
 KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business Contacts	N/A	N/A	N/A	N/A	N/A	25	30	35	40	40	40	40

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	25,000	0	25,000	0	25,000	75,000
Total	25,000	0	25,000	0	25,000	75,000

Funding Sources	2018	2019	2020	2021	2022	Total
HRA Levy	25,000	0	25,000	0	25,000	75,000
Total	25,000	0	25,000	0	25,000	75,000

Budget Impact/Other
 Funds are budgeted for a business survey or marketing to businesses.
 Outreach will be coordinated with GreaterMSP and TwinWest Chamber.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-09
Project Name Property Assessed Clean Energy

Key Measures Businesses Assisted **Key Measures**
Key Measures **Key Measures**

Description

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

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

Justification

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan--Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.
 Strategic Plan--Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Businesses Assisted	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0

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

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

Budget Impact/Other

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-10
Project Name Economic Development Infrastructure Fund

Key Measures Buildings Assisted **Key Measures**
Key Measures **Key Measures**

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

Justification
 The Economic Development Infrastructure Fund will assist businesses that are new or expanding and have a financial need due to extraordinary costs such as demolition, site clearance, soil stabilization and utilities. The business must expend at least \$500,000 in property improvements and create at least 10 new permanent, full time jobs.
 PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-In order to maintain and perhaps enhance its current economic vitality, the city in the future will need to consider and promote: business outreach and retention activities.
 Strategic Plan-Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.
 KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Businesses Assisted	N/A	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0

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

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

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-11
Project Name TwinWest Chamber of Commerce

Key Measures Minnetonka Businesses **Key Measures**
Key Measures **Key Measures**

Description
TwinWest is the local Chamber of Commerce.
SCHEDULING AND PROJECT STATUS
This is an ongoing program.

Justification
The city is a member of TwinWest, which allows the city to connect with area businesses. Additionally, TwinWest advocates for a number of issues which the city is involved with, such as Southwest LRT.
PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
Comprehensive Plan-Maintain a partnership with the TwinWest Chamber and collaborate with other agencies to recognize existing and new businesses.
Strategic Plan-Support business retention and expansion and attracting new businesses to help our private sector be economically competitive.
KEY MEASURES
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022
Minnetonka businesses

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

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-12
Project Name Economic Gardening

Key Measures Businesses Assisted **Key Measures**
Key Measures **Key Measures**

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

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

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

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Businesses Assisted	N/A	N/A	N/A	N/A	N/A	0	1	0	0	1	0	0

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

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

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-13
Project Name Special Service District

Key Measures SSDs Established

Key Measures

Key Measures

Key Measures

Description

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

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

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

Justification

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

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
SSDs Established	0	0	0	0	0	0	0	0	0	0	0	0

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

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

Budget Impact/Other

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

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

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Business-14
Project Name SAC/REC Deferral Program

Key Measures Businesses Assisted **Key Measures**
Key Measures **Key Measures**

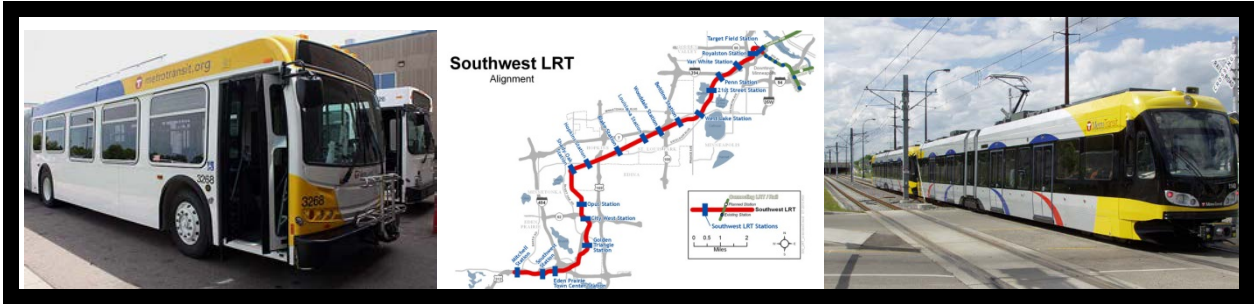
Description
 The goal of this program is to minimize the impact of the Metropolitan Council Sewer Availability Charge (SAC) and city's Sewer and Water Residential Equivalency Charges (REC's) to small businesses by allowing businesses to defer a portion of the repayment of fees over time.
 SCHEDULING AND PROJECT STATUS
 The program will be available in June 2017.

Justification
 The Metropolitan Council developed the SAC deferral program in 2012. The program was developed to encourage and help communities promote business development by deferring community SAC payment and city REC payments.
 PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan - Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.
 Strategic Plan - Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.
 KEY MEASURES
 2017 2018 2019 2020 2021 2022
 Businesses Assisted

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

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

Budget Impact/Other
 Staff time will be required to work with the business to apply for the program. The repayments collected through this program will flow through city's utility fund for the Metropolitan Council's fees and the city's fees.



TRANSIT



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

TRANSIT CHAPTER SUMMARY

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

The city's role in transit in the past has been minimal as Metro Transit has been the provider of the city's and the region's transit system. In 2002, Minnetonka exercised its opt-out authority. It was determined at the time to be in the best interest of the city to have Metro Transit continue providing transit service for the community. In mid-2013, the city and Metro Transit renegotiated a contract in place providing more detail and clarity on the roles and responsibilities for both the city and Metro Transit. The city will renegotiate the contact in 2017.

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

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

Program	2018	2019	2020	2021	2022	5-Year Total
Commuter Services (494)	12,000	12,000	12,000	12,000	12,000	\$60,000
Transit Improvements	0	0	0	0	0	\$0
	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$60,000
Conceptual Programs						
City Owned Properties						
Future HRA Levy Projects						

Programs in green=funding/program is expected to continue

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

Programs in red=funding/program is ending

- All facets of transit, such as commuting, bus/dial-a-ride, and Light Rail Transit (LRT) are included.
- The contract with Metro Transit for service was extended in 2016 and will be renegotiated in 2017.

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Transit-01
Project Name Commuter Services

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

Description

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

SCHEDULING AND PROJECT STATUS
 This is an ongoing program.

Justification

Commuter Services provides programs, such as commuter fairs, carpool facilitation, and other information on alternative transportation choices to Minnetonka residents and businesses.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Anticipate, plan for and collaborate with other agencies for local and regional transportation improvements and programs to lessen the impacts of congestion.

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business Contacts	140	145	132	150	182	170	180	185	190	190	190	190
Commuters Assisted	273	269	421	450	433	388	425	425	450	450	450	450

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

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

Budget Impact/Other

One council member and one city staff member attend monthly meetings of the I-494 Corridor Commission. With preparation time, this is approximately 40 hours of staff time. Additionally, the city is required to be the treasurer of the Commission for two years, which commits additional finance staff time. This happens every 10 years as it rotates between member cities.

Commuter Services is staffed separately, but coordinates with the city on events, such as the city-wide open house to promote their services.

The city's fee is a formula based on population.

Economic Improvement Program

2018 *thru* 2022

Department 3-Transit

City of Minnetonka, Minnesota

Contact Community Development

Project #	Transit-02
Project Name	Transit Improvements

Type Program

Useful Life N/A

Category Transit

Priority Green

Key Measures Annual Bus Trips

Key Measures

Key Measures

Key Measures

Description

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

SCHEDULING AND PROJECT STATUS

The Sector Study was completed December 2012 and suggested route changes from that study were implemented August 2013. The negotiation of a new Transit Cooperation Agreement was also completed in 2013, with a three-year term. The agreement will be renegotiated 2017.

Justification

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Bus Trips	100,421	100,166	109,715	110,225	110,938	110,938	111,500	111,500	112,500	114,000	115,000	115,000

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

Funding Sources	2018	2019	2020	2021	2022	Total
MVST Revenue	0	0	0	0	0	0
Total	0	0	0	0	0	0

Budget Impact/Other

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

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



DEVELOPMENT AND REDEVELOPMENT



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

DEVELOPMENT/REDEVELOPMENT CHAPTER SUMMARY

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

For the 2018-2022 Economic Improvement Program, there are four development/redevelopment programs underway.

- The total five-year estimated cost of the programs is \$875,000.

Program	2018	2019	2020	2021	2022	5-Year Total
Predevelopment	50,000	50,000	50,000	50,000	50,000	\$250,000
Village Center/Comp Plan	0	0	0	0	0	\$0
LRT & Station Areas	75,000	75,000	75,000	75,000	75,000	\$375,000
Strategic Marketing	50,000	50,000	50,000	50,000	50,000	\$250,000
	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$875,000
Conceptual Programs						
City owned properties						
Strategic Acquisition						

Programs in green=funding/program is expected to continue

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

Programs in red=funding/program is ending

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

Economic Improvement Program

2018 *thru* 2022

Department 4-Development & Redevelop

City of Minnetonka, Minnesota

Contact Community Development

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

Type Program

Useful Life N/A

Category Develop/Redevelopment

Priority Green

Key Measures Projects Assisted

Key Measures

Key Measures Projects Continued

Key Measures

Description

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

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

Justification

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

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Projects Assisted	2	1	4	2	2	3	4	3	2	2	2	2
Projects Continued after Assistance	0	1	2	1	1	2	2	2	1	1	1	1

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

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

Budget Impact/Other

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

Economic Improvement Program

2018 *thru* 2022

Department 4-Development & Redevelop

City of Minnetonka, Minnesota

Contact Community Development

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

Type Program

Useful Life N/A

Category Develop/Redevelopment

Priority Green

Key Measures Village Centers Studied

Key Measures

Key Measures Comprehensive Plan update

Key Measures

Description

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

Justification

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Village Centers Studied	2	0	1	1	1	0	TBD	TBD	TBD	TBD	TBD	TBD

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

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

Budget Impact/Other

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

There will be significant staff time when the Comprehensive Plan is updated, which will begin in 2017.

Economic Improvement Program

2018 *thru* 2022

Department 4-Development & Redevelop

City of Minnetonka, Minnesota

Contact Community Development

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

Type Construction

Useful Life N/A

Category Develop/Redevelopment

Priority Green

Key Measures

Key Measures

Key Measures

Key Measures

Description

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

Justification

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

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

KEY MEASURES
TBD

Expenditures	2018	2019	2020	2021	2022	Total
Program Cost	75,000	75,000	75,000	75,000	75,000	375,000
Total	75,000	75,000	75,000	75,000	75,000	375,000
Funding Sources	2018	2019	2020	2021	2022	Total
HRA Levy	75,000	75,000	75,000	75,000	75,000	375,000
Total	75,000	75,000	75,000	75,000	75,000	375,000

Budget Impact/Other

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

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

Economic Improvement Program

2018 *thru* 2022

Department 4-Development & Redevelop

City of Minnetonka, Minnesota

Contact Community Development

Project #	Dev/Redev-04
Project Name	Strategic Marketing

Type Program

Useful Life N/A

Category Develop/Redevelopment

Priority n/a

Key Measures

Key Measures

Key Measures

Key Measures

Description
Development of a marketing strategy to promote the city to current and future residents and businesses.
SCHEDULING AND PROJECT STATUS The first step--a market assessment was completed in 2014. A marketing plan will be developed in 2017 with existing funds.

Justification
Minnetonka is ideally located and in the past has been successful in attracting residents, as well as all types of businesses, including multi-national corporations without much need for promotion. As the economy changes and attracting residents and businesses becomes more competitive it will be necessary to develop a marketing strategy to better promote the city.
PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS Comprehensive Plan-Provide regional leadership in promoting community facilities, programs and land uses that are diverse, inclusive, and supportive of residents and businesses.
Strategic Plan-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment, and public activities.
KEY MEASURES TBD

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

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

Budget Impact/Other
Development of a marketing strategy will likely take significant time to develop--including time from both city staff and outside assistance. Funds were budgeted previously from the HRA Levy to begin the marketing project which resulted in the city pursuing a brand strategy.
Staff anticipates the branding initiative will outline a new communication strategy that includes a strategic marketing component. Staff included \$50,000 per year to support this effort. The general fund is the proposed funding sources for the council to consider for this initiative.

Economic Improvement Program

2018 *thru* 2022

Department 4-Development & Redevelop

City of Minnetonka, Minnesota

Contact Community Development

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

Type Conceptual

Useful Life

Category Develop/Redevelopment

Priority n/a

Key Measures

Key Measures

Key Measures

Key Measures

Description
The city owns scattered site residential and commercial properties. These properties have been purchased over the years for a variety of reasons.
SCHEDULING AND PROJECT STATUS
This is an on-going project.

Justification
The city-owned properties include:
4292 Oak Drive Lane (residential)
4312 Shady Oak Road (commercial)
5937 County Road 101 (residential)
5501 Baker Road (residential)
5432 Rowland Road (residential)
3441 Martha Lane (residential)
PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
Comprehensive Plan-Encourage a diversity of land uses within the city to ensure a broad range of housing and employment choice, shopping and other services for residents and businesses.
Strategic Plan-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment and public activities.
KEY MEASURES
TBD

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

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

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

Economic Improvement Program

2018 *thru* 2022

Department 4-Development & Redevelop

City of Minnetonka, Minnesota

Contact Community Development

Project # Dev/Redev-06
Project Name Future HRA Levy projects

Type Conceptual

Useful Life

Category Develop/Redevelopment

Priority n/a

Key Measures

Key Measures

Key Measures

Key Measures

Description

Future HRA levy projects may include:

Strategic Acquisition

Justification

The future HRA levy page includes a placeholder for strategic acquisition of property. The program is currently conceptual. In the future, the council may want to consider an HRA of \$100,000 per year to fund this initiative.

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

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

Budget Impact/Other

In the future, the council may want to consider an HRA levy of \$100,000 per year to fund this initiative.



TAX INCREMENT FINANCING



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

Economic Improvement Program

2018 *thru* 2022

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

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

Type Program

Useful Life N/A

Category TIF

Priority Green

Key Measures TIF Districts

Key Measures

Key Measures

Key Measures

Description
Any time a TIF district is formed, a development agreement is prepared between the city and the developer. Administration for both the TIF and the development agreement, over the life of the TIF district, is required.
SCHEDULING AND PROJECT STATUS
Administration and review of the existing development agreements and TIF districts is ongoing until the projects expire.
New TIF districts are anticipated to be added as new redevelopment projects are proposed in anticipation of the LRT.

Justification																										
In some cases redevelopment projects need city assistance, such as in the form of Tax Increment Financing (TIF) in order for the project to be financially feasible. Anytime a TIF district is set-up there is a cost to the city for monitoring the project.																										
PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS																										
Comprehensive Plan-Encourage redevelopment projects that include mixed income housing, including affordable units, while balancing density and the preservation of natural resources.																										
Strategic Plan-																										
-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.																										
-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment and public activities.																										
KEY MEASURES																										
<table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Active TIF Districts</td> <td>4</td> <td>4</td> <td>4</td> <td>4</td> <td>6</td> <td>6</td> <td>6</td> <td>6</td> <td>7</td> <td>7</td> <td>6</td> <td>6</td> </tr> </tbody> </table>		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Active TIF Districts	4	4	4	4	6	6	6	6	7	7	6	6
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022														
Active TIF Districts	4	4	4	4	6	6	6	6	7	7	6	6														

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

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

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

Economic Improvement Program

2018 *thru* 2022

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project #	TIF-02
Project Name	Beacon Hill TIF District

Type Program

Useful Life N/A

Category TIF

Priority Yellow

Key Measures Affordable Units

Key Measures

Key Measures

Key Measures

Description

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

SCHEDULING AND PROJECT STATUS
This TIF district was approved in 1994 and will expire in 2021.

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

Justification

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

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Affordable Units	62	62	62	62	62	62	62	62	62	62	N/A	N/A

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

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

Budget Impact/Other

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

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

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2016 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant.

Economic Improvement Program

2018 *thru* 2022

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project #	TIF-04
Project Name	Glenhaven TIF District

Type Program

Useful Life N/A

Category TIF

Priority Green

Key Measures Affordable Units

Key Measures

Key Measures

Key Measures

Description

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

SCHEDULING AND PROJECT STATUS

This TIF district was approved in 2006 and will expire in 2029. The first two phases of the project included: a mixed use apartment building with retail on the first floor and a senior housing rental community. The third phase, originally planned as a condominium building, was recently changed and a 54-unit cooperative was completed in 2017.

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

Justification

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

Strategic Plan-

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Affordable Units	13	13	13	43	43	43	43	43	43	43	43	43

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

Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the TIF district. A portion of the tax increment is retained to cover administrative costs. More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2016 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant.

Economic Improvement Program

2018 *thru* 2022

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

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

Type Program

Useful Life N/A

Category TIF

Priority Green

Key Measures Affordable Units

Key Measures

Key Measures

Key Measures

Description

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

SCHEDULING AND PROJECT STATUS

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

Justification

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Affordable Units	N/A	N/A	N/A	N/A	N/A	20	20	20	20	20	20	20

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

Budget Impact/Other

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

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

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2016 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant.

Economic Improvement Program

2018 *thru* 2022

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project # TIF-07
Project Name Applewood Pointe TIF District

Type Program

Useful Life

Category TIF

Priority Green

Key Measures Affordable Units

Key Measures

Key Measures

Key Measures

Description

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

SCHEDULING AND PROJECT STATUS

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

Justification

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Affordable Units	N/A	N/A	N/A	N/A	N/A	9	9	9	9	9	9	9

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

Budget Impact/Other

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

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



TAX ABATEMENT



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

Economic Improvement Program

2018 *thru* 2022

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

City of Minnetonka, Minnesota

Project # Abatement-1
Project Name Ridgedale

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

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

Justification
 The Ridgedale Tax Abatement will assist in financing the transportation and other public improvements that must be completed due to the Ridgedale Mall expansion.
 PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan-Manage the impact of new development upon the local transportation system and encourage the use of Transportation Demand Management (TDM) and other traffic management techniques.
 Strategic Plan-Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.
 KEY MEASURES

	2011	2012	2013	2014	2015	2016	2017(est)	2018	2019	2020	2021	2022
Property Value Increase	N/A	N/A	N/A	N/A	5.5%	5.3%	20%	INFORMATION WILL BE AVAILABLE BY JUNE				
Property Levy	N/A	N/A	N/A	N/A	0	\$26,000	\$81,000	\$118,800	\$135,600	\$152,800	\$170,600	\$188,900

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

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



FUNDING SOURCES AND EXPENDITURE PROJECTIONS



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

FUND DESCRIPTIONS

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

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

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

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

Community Development Block Grant (CDBG)

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

HRA Levy: \$175,000

Minnesota Statutes 469.033, Subd. 6 authorizes housing and redevelopment authorities (HRAs) the power to levy a tax upon all property within its district to finance housing and redevelopment programs subject to the consent of the city council. In 1988 and amended in 1994 and 2010, the Minnetonka City Council established the Economic Development Authority (EDA) of the City of Minnetonka and transferred to the EDA the control, authority and operation of all projects and programs of the city's HRA. The law and council resolutions further require the EDA to file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city.

TIF Pooling (2018 estimated beginning fund balance): \$3,620,120

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

SUMMARY TABLE
EIP 2018
Expenditures by Category & Fund

Category	Program	Total	Fund							
			CDBG	Devpt Fund	HRA Levy	Livable Com Fund	TIF	TIF Pooling	Other	
Housing:										
	CDBG Admin	\$ 6,000	6,000							
	Small Projects Program	\$ 80,000	80,000							
	Employer Assisted Hsg	\$ -								
	Fair Housing	\$ 900	900							
	Homes Within Reach	\$ 100,000				100,000				
	Housing Improvement Areas	\$ 250,000		250,000						
	Mtka Home Enhancement	\$ 50,000			50,000					
	Public Services	\$ 12,000	12,000							
	Next Generation Pgm	\$ -								
	Tax Exempt Conduit Debt	\$ -								
	Affordable housing via TIF Poolir	\$ 600,000							600,000	
	Welcome to Minnetonka	\$ 50,000			50,000					
	<i>Subtotal</i>	<i>\$ 1,148,900</i>	<i>\$ 98,900</i>	<i>\$ 250,000</i>	<i>\$ 100,000</i>	<i>\$ 100,000</i>	<i>\$ -</i>	<i>\$ 600,000</i>	<i>\$ -</i>	<i>\$ -</i>
Business:										
	Economic Gardening	\$ -								
	Econ. Dev. Infrastructure	\$ -								
	Fire Sprinkler Retrofit	\$ -								
	Common Bond/Ind Rev	\$ -								
	Pass-Through Grants	\$ 200,000		200,000						
	GreaterMSP	\$ 25,000		25,000						
	MN Investment Fund	\$ 500,000		500,000						
	Open to Business	\$ 15,000		15,000						
	Outreach	\$ 25,000		25,000						
	PACE	\$ -								
	Special Service Districts	\$ -								
	TwinWest	\$ 3,000								3,000
	SAC/REC Deferral Program	\$ -								
	<i>Subtotal</i>	<i>\$ 768,000</i>	<i>\$ -</i>	<i>\$ 765,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 3,000</i>
Transit:										
	Commuter Services	\$ 12,000								12,000
	Transit Improvments	\$ -								
	<i>Subtotal</i>	<i>\$ 12,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 12,000</i>
Devpt & Redeopt:										
	Predevelopment	\$ 50,000		50,000						
	Village Center/Comp Plan	\$ -								
	LRT and Station Area	\$ 75,000			75,000					
	Strategic Marketing	\$ 50,000								\$ 50,000
	City Owned Properties	\$ -								
	Future HRA Levy Properties	\$ -								
	<i>Subtotal</i>	<i>\$ 175,000</i>	<i>\$ -</i>	<i>\$ 50,000</i>	<i>\$ 75,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 50,000</i>
TIF Districts:										
	Devpt Agmt & TIF Admin	\$ 120,000		120,000						
	Beacon Hill TIF District	\$ -								
	Blvd Gardens TIF District	\$ -								
	Glenhaven TIF District	\$ -								
	Mtka Mills TIF District	\$ -								
	Tonka on the Creek TIF District	\$ -								
	Applewood Pointe TIF District	\$ -								
	Rowland Housing TIF District	\$ -								
	<i>Subtotal</i>	<i>\$ 120,000</i>	<i>\$ -</i>	<i>\$ 120,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
Tax Abatement:										
	Ridgedale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
	TOTALS	\$ 2,223,900	\$ 98,900	\$ 1,185,000	\$ 175,000	\$ 100,000	\$ -	\$ 600,000	\$ 65,000	\$ -

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Development Fund										
Beginning Balance	2,772,051	2,209,151	2,143,651	2,078,151	1,982,651	1,857,151	1,636,651	1,611,151	1,335,651	1,010,151
Revenues and Other Fund Sources										
<i>Revenue</i>										
Boulevard Gardens Returned Levy Proceeds	200,000	200,000	200,000	200,000	200,000	0	0	0	0	0
Cedar Ridge Assessments	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500
Grants	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Interest Income	15,000	15,000	15,000	15,000	15,000	20,000	15,000	15,000	15,000	15,000
TIFAdmin Revenue	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	564,500	564,500	564,500	564,500	564,500	369,500	364,500	364,500	364,500	364,500
Total Revenues and Other Fund Sources	564,500	564,500	564,500	564,500	564,500	369,500	364,500	364,500	364,500	364,500
Total Funds Available	3,336,551	2,773,651	2,708,151	2,642,651	2,547,151	2,226,651	2,001,151	1,975,651	1,700,151	1,374,651
Expenditures and Uses										
<i>Capital Projects & Equipment</i>										
<u>1-Housing</u>										
Housing Improvement Areas	<i>Housing-06</i>	(250,000)	0	0	(250,000)	0	0	0	(250,000)	0
Total		(250,000)	0	0	(250,000)	0	0	0	(250,000)	0
<u>2-Business</u>										
Grants	<i>Business-02</i>	(300,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
GreaterMSP	<i>Business-04</i>	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
MIF/JCF Projects	<i>Business-06</i>	(300,000)	(200,000)	(200,000)	0	(300,000)	(200,000)	0	0	(300,000)
Open to Business	<i>Business-07</i>	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Special Service District	<i>Business-13</i>	0	0	0	0	0	0	0	0	0
Total		(640,000)	(440,000)	(440,000)	(240,000)	(540,000)	(440,000)	(240,000)	(240,000)	(240,000)
<u>4-Development & Redevelopment</u>										
Pre-Development	<i>Dev/Redev-01</i>	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total		(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
<u>5-TIF Districts</u>										
Development Agreement and TIF Administration	<i>TIF-01</i>	(120,000)	(140,000)	(140,000)	(120,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Development Fund										
<i>Total</i>	(120,000)	(140,000)	(140,000)	(120,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
<i>Other Uses</i>										
Indirect Allocation (Transfers Out)	(67,400)	0	0	0	0	0	0	0	0	0
<i>Total</i>	(67,400)	0	0	0	0	0	0	0	0	0
Total Expenditures and Uses	(1,127,400)	(630,000)	(630,000)	(660,000)	(690,000)	(590,000)	(390,000)	(640,000)	(690,000)	(390,000)
Change in Fund Balance	(562,900)	(65,500)	(65,500)	(95,500)	(125,500)	(220,500)	(25,500)	(275,500)	(325,500)	(25,500)
Ending Balance	2,209,151	2,143,651	2,078,151	1,982,651	1,857,151	1,636,651	1,611,151	1,335,651	1,010,151	984,651

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HRA Levy										
Beginning Balance	0	(113,000)	(201,000)	(239,000)	(252,000)	(290,000)	(303,000)	(341,000)	(354,000)	(317,000)
Revenues and Other Fund Sources										
<i>Revenue</i>										
Ad Valorem Tax Levy	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Investment Interest	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Loan paybacks	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000
Total Revenues and Other Fund Sources	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000
Total Funds Available	187,000	74,000	(14,000)	(52,000)	(65,000)	(103,000)	(116,000)	(154,000)	(167,000)	(130,000)
Expenditures and Uses										
<i>Capital Projects & Equipment</i>										
1-Housing										
Homes Within Reach	(100,000)	(100,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Minnetonka Home Enhancement	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Welcome to Minnetonka Loan Program	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total	(200,000)	(200,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
2-Business										
Outreach	(25,000)	0	(25,000)	0	(25,000)	0	(25,000)	0	(25,000)	0
Total	(25,000)	0	(25,000)	0	(25,000)	0	(25,000)	0	(25,000)	0
4-Development & Redevelopment										
Village Center Studies and Comprehensive Plan	0	0	0	0	0	0	0	0	0	0
LRT and LRT Station Area Development	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	0	0
Future HRA Levy projects	0	0	0	0	0	0	0	0	0	0
Total	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	0	0
Total Expenditures and Uses	(300,000)	(275,000)	(225,000)	(200,000)	(225,000)	(200,000)	(225,000)	(200,000)	(150,000)	(125,000)

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HRA Levy										
Change in Fund Balance	(113,000)	(88,000)	(38,000)	(13,000)	(38,000)	(13,000)	(38,000)	(13,000)	37,000	62,000
Ending Balance	(113,000)	(201,000)	(239,000)	(252,000)	(290,000)	(303,000)	(341,000)	(354,000)	(317,000)	(255,000)
Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Livable Communities Fund										
Beginning Balance	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Revenues and Other Fund Sources										
<i>Revenue</i>										
Interest Income	0	0	0	0	0	0	0	0	0	0
<i>Total</i>	0	0	0	0	0	0	0	0	0	0
Total Revenues and Other Fund Sources	0	0	0	0	0	0	0	0	0	0
Total Funds Available	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Change in Fund Balance	0	0	0	0	0	0	0	0	0	0
Ending Balance	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000

City of Minnetonka, Minnesota
Economic Improvement Program
 2018 thru 2027

SOURCES AND USES OF FUNDS

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

Source	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
CDBG										
Change in Fund Balance	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0

Source	2018	2019	2020	2021	2022	2023	2024
TIF Pooling							
Beginning Balance	3,620,120	3,620,120	3,620,120	3,620,120	3,620,120	3,620,120	3,620,120
Revenues and Other Fund Sources							
<i>Revenue</i>							
Pooled TIF Funds	600,000	600,000	600,000	600,000	620,000	0	0
<i>Total</i>	600,000	600,000	600,000	600,000	620,000	0	0
Total Revenues and Other Fund Sources	600,000	600,000	600,000	600,000	620,000	0	0
Total Funds Available	4,220,120	4,220,120	4,220,120	4,220,120	4,240,120	3,620,120	3,620,120
Expenditures and Uses							
<i>Capital Projects & Equipment</i>							
<i>1-Housing</i>							
Affordable Housing via TIF Pooling	(600,000)	(600,000)	(600,000)	(600,000)	(620,000)	0	0
<i>Total</i>	(600,000)	(600,000)	(600,000)	(600,000)	(620,000)	0	0
Total Expenditures and Uses	(600,000)	(600,000)	(600,000)	(600,000)	(620,000)	0	0
Change in Fund Balance	0	0	0	0	0	0	0
Ending Balance	3,620,120	3,620,120	3,620,120	3,620,120	3,620,120	3,620,120	3,620,120

**EIP 2018-2027
All Categories
Funding Sources and Expenditure Projections**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	TOTAL
Funding Sources											
Development Account	\$ 1,185,000	\$ 440,000	\$ 440,000	\$ 490,000	\$ 540,000	\$ 440,000	\$ 240,000	\$ 490,000	\$ 540,000	\$ 240,000	\$ 5,045,000
Livable Communities Account	100,000	100,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	\$ 400,000
Federal Grant	98,900	40,600	20,300	-	-	-	-	-	-	-	\$ 159,800
Ad Valorem Tax Levy	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	\$ 1,750,000
Pooled TIF Funds	600,000	600,000	600,000	600,000	620,000	-	-	-	-	-	\$ 3,020,000
Revenue Bonds	-	-	-	-	-	-	-	-	-	-	\$ -
Total Funding Sources	\$ 2,158,900	\$ 1,355,600	\$ 1,260,300	\$ 1,290,000	\$ 1,360,000	\$ 640,000	\$ 440,000	\$ 690,000	\$ 740,000	\$ 440,000	\$ 10,374,800
Expenditures											
Housing	\$ 1,148,900	\$ 854,600	\$ 755,300	\$ 975,000	\$ 745,000	\$ 300,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 125,000	\$ 5,953,800
Business	768,000	293,000	468,000	243,000	568,000	440,000	240,000	540,000	540,000	540,000	\$ 4,640,000
Transit	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	\$ 120,000
Development/Redevelopment	175,000	175,000	175,000	175,000	175,000	50,000	50,000	50,000	50,000	50,000	\$ 1,125,000
TIF Projects	120,000	140,000	140,000	120,000	100,000	100,000	100,000	100,000	100,000	100,000	\$ 1,120,000
Total Expenditures	\$ 2,223,900	\$ 1,474,600	\$ 1,550,300	\$ 1,525,000	\$ 1,600,000	\$ 902,000	\$ 752,000	\$ 1,052,000	\$ 1,052,000	\$ 827,000	\$ 11,079,800

City of Minnetonka
Housing TIF District No. 2 Beacon Hill

DISTRICT INFORMATION				ASSUMPTIONS		RECOMMENDATIONS		
	ORIGINAL	HSS	Geo. Enlargement					
District Type	Housing			Interest Income	0.50%	1) Discuss with attorney regarding the use of increment for housing after obligation is finished 2) May need a budget modification before the district expires 3) Admin. Expense is currently: for year 2016 8.5% At or Under Limit		
Project Area	Glen Lake Station			Admin Expense	3.00%			
Fiscal Disparities	A Election							
County Number	1458							
Frozen Rate	UTA #1	132.577%	0.000%	0.000%				
	UTA #2	0.000%						
	UTA #3	0.000%						
Current Year	2016							

TIF PLAN BUDGET ANALYSIS																	
Decertifies						Revenues				Expenditures							
	First Receipt	City Approved	Cert Request	Certified	Legal Term	Expected Term	Tax Increment	Interest Income	TOTAL REVENUES	Project	Affordable Housing	Paygo	Interfund Loan	Admin Expense	Outside District	TOTAL EXPENSE	Total Budget
Original Budget	1996	2/14/1994	4/19/1994	9/19/1994	12/31/2021	12/31/2021			-							-	-
Cumulative Modified							4,256,000		4,256,000	2,106,000	100,000	1,400,000		350,000		3,956,000	3,956,000
End of District Projected Actual Total							4,236,308	2,582	4,238,890	-	1,065,000	2,838,031	-	332,949	-	4,235,980	4,235,980
Under / (Over) Budget							19,892	(2,582)	17,110	2,106,000	(965,000)	(1,438,031)	-	17,051	-	(279,980)	(279,980)

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



City of Minnetonka
Housing TIF District No. 2 Beacon Hill

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

Expenses

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

Pursuant to M.S. 469.1763 Subd. 2:

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

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



City of Minnetonka
TIF District 1-2 Boulevard Gardens

DISTRICT INFORMATION				ASSUMPTIONS		RECOMMENDATIONS		
	ORIGINAL	HSS	Geo. Enlargement	Interest Income				
District Type	Redevelopment			0.50%				
Project Area	Development District No 1			Admin Expense	4.00%			
Fiscal Disparities	A Election			3) Admin. Expense is currently: 8.5% At or Under Limit				
County Number	1460							
Frozen Rate	UTA #1 134.725%	0.000%	0.000%					
	UTA #2 0.000%							
	UTA #3 0.000%							
Current Year	2016							

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

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



City of Minnetonka
TIF District 1-2 Boulevard Gardens

Pursuant to M.S. 469.176 Subd. 3:

Admin limit is based on: Expenses

ADMINISTRATIVE EXPENSE TEST	
TEST 1: Admin per TIF Plan	\$2,335,422
TEST 2: Estimated TIF Admin Allowable (10%)	\$5,461,458
Estimated Total TIF Expenses per TIF Plan	\$54,614,578
TEST 3: Cumulative TIF Admin Allowable (10%)	\$3,770,514
Total TIF Expenses for the Project	\$37,705,244
RESULTS: Admin per TIF Plan	\$2,335,422
Actual Admin Expenses	\$1,975,176
Available Admin	\$360,246
Actual Percentage	5.2%

Pursuant to M.S. 469.1763 Subd. 2:

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

ADMINISTRATIVE EXPENSE CALCULATION					POOLING CALCULATION (35% Outside of District)										EXCESS INCREMENT					
TIF Year	Year	Accumulated Totals			Tax Increment		25% for Qualified			Qualified	35% Available for		Increment Generated	Costs Authorized	Required?	Increment returned	Net Retained	P&I Due after year end	Excess (Not Excess)	
		Admin Expenses	Total	% Allowable	Current Year	Cummulative	Admin Costs	Costs*	Spent Outside	Redevelopment Costs	Available for Pooling	Affordable Housing								Affordable Housing
16	2012	1,100,312	17,894,043	6.1%	1,627,601	20,995,902	1,100,312	4,148,664	-	15,049,330	290,352	850,839	1,025,000							
17	2013	1,274,301	17,894,043	7.1%	1,779,294	22,775,196	1,274,301	290,352	-	290,352	290,352	1,299,603	-	274,603	1,772,358	56,950,000	no	0	0	(55,177,642)
18	2014	1,363,331	17,894,043	7.6%	1,831,293	24,606,489	1,363,331	290,352	-	290,352	290,352	1,851,525	-	826,525	3,614,239	56,950,000	no	991,000	0	(53,335,761)
19	2015	1,454,005	17,894,043	8.1%	1,855,744	26,462,233	1,454,005	290,352	-	290,352	290,352	2,410,362	-	1,385,362	5,484,040	56,950,000	no	949,000	0	(51,465,960)
20	2016	1,528,427	17,894,043	8.5%	1,860,941	28,322,774	1,528,427	290,352	-	290,352	290,352	2,987,129	-	1,962,129	7,357,234	56,950,000	no	1,209,352	0	(49,592,766)
21	2017	1,602,885	20,584,395	7.8%	1,861,457	30,184,231	1,602,885	290,352	290,352	-	-	3,564,181	2,400,000	139,181	9,234,292	56,950,000	no	1,209,947	0	(47,715,708)
22	2018	1,677,343	21,184,395	7.9%	1,861,457	32,045,689	1,677,343	-	-	-	-	4,141,233	600,000	116,233	11,100,862	56,950,000	no	1,209,947	0	(45,849,138)
23	2019	1,751,802	21,784,395	8.0%	1,861,457	33,907,146	1,751,802	-	-	-	-	4,718,285	600,000	93,285	12,967,342	56,950,000	no	1,209,947	0	(43,982,658)
24	2020	1,826,260	22,384,395	8.2%	1,861,457	35,768,603	1,826,260	-	-	-	-	5,295,336	600,000	70,336	14,833,733	56,950,000	no	1,209,947	0	(42,116,267)
25	2021	1,900,718	22,984,395	8.3%	1,861,457	37,630,061	1,900,718	-	-	-	-	5,872,388	600,000	47,388	16,700,033	56,950,000	no	1,209,947	0	(40,249,967)
26	2022	1,975,176	23,604,395	8.4%	1,861,457	39,491,518	1,975,176	-	-	-	-	6,449,440	620,000	4,440	18,566,244	56,950,000	no	1,209,947	0	(38,383,756)
27	2023	1,975,176	23,604,395	8.4%	-	39,491,518	1,975,176	-	-	-	-	6,449,440	-	4,440	18,566,244	56,950,000	no	912,344	0	(38,383,756)
28	2024	1,975,176	23,604,395	8.4%	-	39,491,518	1,975,176	-	-	-	-	6,449,440	-	4,440	18,566,244	56,950,000	no	0	0	(38,383,756)



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

TIF PLAN BUDGET ANALYSIS

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

CASH FLOW PROJECTIONS ROLL UP

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



Pursuant to M.S. 469.176 Subd. 3:

Admin limit is based on: Revenues

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

Pursuant to M.S. 469.1763 Subd. 2:

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

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





AFFORDABLE HOUSING GOALS



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

AFFORDABLE HOUSING GOALS

Progress on the city's affordable housing goals.

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

1995-2010 AFFORDABLE HOUSING GOALS

	Goals (1995-2010)	Results	Percent Achieved
New Affordable Ownership Units	180 Units	202	112%
New Affordable Rental Units	324 Units	213	66%
New Rental Units (All)	540 Units	697	130%

1995-2010 New Affordable Ownership Units

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

1995-2010 New Affordable Rental Units

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

2011-2020 AFFORDABLE HOUSING GOALS

	Goals (2011-2020)	Results	Percent Achieved (to date)
New Affordable Units (rental & ownership)	246 to 378	122	50%
New Lifecycle Units	375 to 800	509	136%

2011-2020 New Affordable Units (rental and ownership)

Project	Year Completed	Affordable Units	EIP Program Used
The Glenn by St. Therese	2011	30	Glenhaven TIF
The Ridge	2013	51	TIF Pooling
Tonka on the Creek	2016	20	Tonka on the Creek TIF
At Home	2016	21	Rowland Housing TIF
Cherrywood Pointe*	2017	8	N/A

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

2011-2020 New Lifecycle Units

Project	Year Completed	Lifecycle Units	EIP Program Used
The Glenn by St. Therese	2011	150	Glenhaven TIF
The Ridge	2013	64	TIF Pooling
Tonka on the Creek	2016	100	Tonka on the Creek TIF
At Home	2016	106	Rowland Housing TIF
Applewood Pointe	2017	89	Applewood Pointe TIF
Lecesse*	2017	32	N/A
Cherrywood Pointe*	2017	2	N/A
Zvago*	2017	54	Glenhaven TIF

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

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

PROGRAM	AFFORDABLE HOUSING CONTRIBUTION
Housing	
CDBG Program Administration	No direct impact
Crown Ridge Apartments	46 affordable units participate in program
Emergency Repair Program	No direct impact
Employer Assisted Housing	No direct impact
Fair Housing	No direct impact
Homes Within Reach	Preservation of affordable housing
Housing Improvement Area (HIA)	No direct impact
Minnetonka Heights Apartments	172 affordable units participate in program
Minnetonka Home Enhancement program	No direct impact
Owner-Occupied Housing Rehabilitation	No direct impact
Public Services	No direct impact
Senior Regeneration Program	Program could preserve affordable units
Tax Exempt Financing	Program may add or preserve affordable units
TIF Pooling	51 units added through The Ridge
Welcome to Minnetonka program	No direct impact
Business	
Economic Gardening	No direct impact
Fire Sprinkler Retrofit	No direct impact
Grants	May assist with components of projects that have affordable units
Industrial Revenue Bonds (Common Bond)	No direct impact
GreaterMSP	No direct impact
Minnesota Community Capital Fund (MCCF)	No direct impact
Minnesota Investment Fund (MIF)	No direct impact
Open to Business	No direct impact
Outreach	No direct impact
PACE	No direct impact
Economic Development Infrastructure	No direct impact
TwinWest	No direct impact
Transit	
Commuter Services	No direct impact
LRT	No direct impact
Transit Improvements	No direct impact
Redevelopment	
Predevelopment Projects	May assist projects that are developing affordable housing
Village Center	Help to guide areas where affordable housing may be developed
Tax Increment Financing (TIF)	
Development Agmt/TIF Admin	No direct impact
Beacon Hill TIF District	44 affordable units added in 1994 (prior to affordable housing goals). Preserved in 2010.
Boulevard Gardens TIF District	227 affordable units added in 1996/1997
Glenhaven TIF District	43 affordable units added in 2008 and 2011
Minnetonka Mills TIF District	30 affordable units added in 1997. Even though district has expired, units remain affordable
Tonka on the Creek TIF District	20 affordable units expected in 2015
Applewood Pointe TIF District	9 affordable units completed in 2017 (will not meet Met Council guidelines, therefore not included in goals)
At Home Apartments	21 affordable units completed in 2016
Tax Abatement	
Ridgedale	No direct impact



FY 2017 AFFORDABLE HOUSING INCOME LIMITS

FY 2017 Income Limits Summary

FY 2017 Income Limit Area	Median Income	FY 2017 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Minneapolis- St. Paul- Bloomington, MN-WI HUD Metro FMR Area	\$90,400	Very Low (50%) Income Limits (\$)	31,650	36,200	40,700	45,200	48,850	52,450	56,050	59,700
		Extremely Low (30%) Income Limits (\$)	19,000	21,700	24,400	27,100	29,300	32,960	37,140	41,320
		Low (80%) Income Limits (\$)	47,600	54,400	61,200	68,000	73,450	78,900	84,350	89,800

The **Minneapolis-St. Paul-Bloomington, MN-WI HUD Metro FMR Area** contains the following areas: Anoka County, MN; Carver County, MN; Chisago County, MN; Dakota County, MN; Hennepin County, MN; Isanti County, MN; Ramsey County, MN; Scott County, MN; Sherburne County, MN; Washington County, MN; Wright County, MN; Pierce County, WI; and St. Croix County, WI.

Source: [Economic and Market Analysis Division](#), HUD.

4/18/2017

AFFORDABLE HOUSING GOALS

GLOSSARY

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

**EDAC Agenda Item #5
Meeting of March 22, 2018**

Brief Description Business Development Strategy

Recommendation Review the Business Development Strategy and provide feedback

Background

Minnesota Statute Section 469.090 grants local government the authority to establish an Economic Development Authority for the purpose of conducting various economic development, housing, and redevelopment programs and activities. The goals of the Economic Development Authority include the growth of new commercial and industrial development; the expansion of existing commercial/industrial businesses; and the redevelopment of underperforming or blighted areas.

The attached Business Development Strategy outlines the tools, resources and activities undertaken to support Minnetonka's business community and achieve the goals of the EDA and the EDAC. Elements of the strategy include the Business Retention and Expansion Program, Marketing and Communications, Small Business Development Resources and Financing Programs, Partnerships, and Administrative Resources. The following is a summary of those elements:

Business Retention and Expansion Program (BR&E)

- A tool used by communities to identify barriers faced by local businesses. The goal of the efforts is to develop and maintain strong relationships with local business leaders to understand the needs of the local business community.

Marketing and Communications

- Increased awareness of marketing and communications specifically addressing the business community's interests. Efforts include: business centric marketing, branded economic development resources, enhanced web and social media presence, media relations, and relationship building.

Business Financing

- Promotion of local, state, and regional financial resources to meet the changing needs of businesses.

Small Business Development Resources

- Promotion of support services for existing business owners and emerging entrepreneurs.

Partnerships

- Connecting with local agencies, non-profits, and other partners to ensure Minnetonka is participating in the regional discussions related to business retention and expansion, data tools and research, and workforce development.

Administrative Resources

- Staff is available to serve as a single point of contact by providing a reliable information source for questions related to business development in Minnetonka. In this role, staff acts as a liaison between various city departments, assists in the coordination of city approvals and researches answers to a wide range of questions. Staff also helps facilitate the creation of public/private partnerships with partner organizations such as the State of Minnesota and Hennepin County as appropriate.

Recommendation

Additional implementation details are outlined in the attached Business Development Strategy. Staff is recommending that the EDAC review the draft business Development Strategy and provide feedback.

Originated by:

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

Attachment

Business Development Strategy



Business Development Strategy

Overview:

Following is an outline of business development services that are currently available or could be utilized by the City of Minnetonka to enhance business development within the community. These services include a variety of tools, resources and activities that are being proposed to support Minnetonka's business community and achieve the goals of the Economic Development Advisory Committee, Economic Development Authority and City Council.

Elements of the strategy include the Business Retention and Expansion Program, Marketing and Communications, Small Business Development Resources, Financing Programs, and Partnerships. The following is a summary of those elements:

Business Retention and Expansion Program (BR&E)

A BR&E program is a tool to help identify barriers local businesses face as they work to survive and grow. A successful BR&E Program develops and maintains strong relationships with local business leaders to assess business concerns, understand the structure of the local economy, set priorities, and implement programs or projects that will help make the business community thrive.

In the short-term, a BR&E Program can demonstrate community support for local businesses through enhanced communication and can help solve immediate business concerns. Long term goals of a BR&E Program include: Building community capacity to sustain business growth and development, increasing local businesses' capacity to compete in the global economy, and establishing and implementing a strategic priorities to address businesses' needs.

Business Retention and Expansion Outreach Recommended Approach:

2018-2019 Connect with partnership organizations to explore outreach opportunities

- Grow Minnesota! – MN Chamber of Commerce
- TwinWest Chamber of Commerce
- GreaterMSP
- Department of Employment and Economic Development

Develop and maintain a comprehensive business list

- Facilitate communication with business community
- Identify key business leaders

Harness community branding efforts to establish an economic development marketing plan to attract and retain residents and businesses

2018-2019 Connect with Minnetonka Businesses

- Develop a template for an annual business newsletter to connect with the business community. Publication will highlight:
 - Investment updates

- Available business development and financing opportunities
- Launch of a business survey with business visit opportunities
- Highlight single point of contact at the city for business inquiries

2019-2021 Analysis and Implementation

- Partner with TwinWest, Grow MN, GreaterMSP, and DEED to conduct business outreach visits
- Analyze business surveys for industry trends and business needs
- Develop proactive business development strategies to meet the needs of businesses

Marketing and Communications

Economic development marketing and communications are important tools in promoting a community as a promising destination for business expansion and relocation by increasing its visibility and demonstrating its benefits. Following are the examples of tools that can be utilized in marketing and communications efforts:

- Business Centric Marketing: Marketing aimed at positively positioning the community in the minds of the target audience of business executives, site selection firms, bankers, and commercial brokers.
- Community Branded Economic Development Resources: A comprehensive package of custom designed economic development resources will be utilized in a variety of applications. Such applications include the presentation of information at special events and meetings with business and development prospects. Tailored information relevant to each use is able to be included. Ie: Housing, Business Development, and Transit.
- Web Presence: A portion of the website will be dedicated to information about demographics, available land and buildings, financing opportunities, maps, utilities and workforce resources. This information corresponds to that identified by site selection firms and businesses as key data considered when conducting site searches.
- Media Relations: Public relations staff coordinate the distribution of press releases on important development projects and business-related programs and events.
- Relationship Building: Staff works to maximize participation in the area chambers of commerce and industry-specific trade organizations and professional associations in order to promote Minnetonka as a strong place to do business.

Business Financing Programs

To help support business expansions and relocations or equipment purchases, a number of general financing programs are available for businesses in Minnetonka. Staff works to establish and promote a range of financial resources to meet the changing needs of businesses. A number of these resources are available on a local, regional or state basis, including the following:

- The Property Assessed Clean Energy (PACE) Program allows local governments to fund the up-front cost of energy improvements on commercial and residential properties. The funding is paid back over time by the property owner which provides an incentive

to invest in energy improvements that might otherwise be cost prohibitive.

- Hennepin County Common Bond Fund is a loan fund for growing manufacturing companies. Tax-exempt or taxable revenue bonds are issued on behalf of private borrowers to provide lower interest rates on long-term financing. Projects can include land acquisition, new facility construction, additions to existing facilities, purchase and renovation of existing structures, and production equipment purchase.
- Hennepin County Economic Development Infrastructure Fund is a grant available to support business recruitment and expansion through targeted investments in infrastructure upgrades and extraordinary costs associated with starting a business. Eligible uses include demolition, site clearance, relocating utilities, and replace aging or inadequate water and sanitary sewer systems,
- The Minnesota Investment Fund is a program through the Minnesota Department of Employment and Economic Development. The program's purpose is to provide low interest loans to create and retain high-quality jobs in industrial, manufacturing, and technology-related industries; increase the local and state tax base; and improve the economic vitality for the state. Eligible loan uses include land, buildings, infrastructure improvement, equipment, and training.
- The Job Creation Fund is a program through the Minnesota Department of Employment and Economic Development. The program provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets. Companies deemed eligible to participate may receive up to \$1 million for creating or retaining high-paying jobs and for constructing or renovating facilities or making other property improvements.
- The Economic Gardening Program provides scholarships to owners of second stage growth business for business research combined with peer learning and business forums.

Small Business Development Resources

Supporting small business development is a continual focus of Community Development Department. Staff works to guide entrepreneurs through the process of establishing or growing their business in Minnetonka and publicize the availability of resources in Minnetonka. To help direct these small business entrepreneurs to the appropriate resources, staff has established relationships with partner organizations that can provide technical assistance and micro lending options. Following is a listing of some of the organizations:

- Metropolitan Consortium of Community Developers (MCCD) is an association of nonprofit community development organizations that promote entrepreneurship and small business development by offering access to capital and technical assistance. MCCD also offers more focused assistance to Minnetonka through monthly office hours at City Hall and is named "Open to Business".
- Small Business Development Centers provide free consulting, offering assistance with strategic business plans, market research, financial planning and analysis, loan packaging and cash flow management.

- Service Corp of Retired Executives (SCORE) provides free one-on-one counseling and low-cost workshops in key subject areas critical to small business success.
- Neighborhood Development Center offers business training, financing, and ongoing support and business incubation to ensure that businesses participating in its programs succeed through the start-up and growth phases of their businesses.
- University of Minnesota Office for Business and Community Development (OBCED) is a social enterprise whose purpose is to leverage the assets and resources of the University to create programs and services that provide innovative solutions to real-world social-economic problems that impact urban communities.

Partnerships

- GreaterMSP is the regional economic development organization for the Minneapolis/St. Paul region. They partner to help provide a vision and agenda for regional economic development as well as brand and market the region. GreaterMSP offer services in business retention and expansion, data tools and research, and targeted industry assistance (manufacturing, small business, technology).
- The Department of Employment and Economic Development (DEED) is a state agency assisting in economic development through programs targeting business recruitment, expansion and retention; workforce development; and community development.
- Twin West Chamber of Commerce serves ten communities in the western and northwestern metro area, including Minnetonka. It offers relevant, timely programming as well as numerous networking opportunities for area business people. The chamber supports local workforce and high school education through its philanthropic arm, the Twin West Foundation.
- The primary focus of Grow Minnesota! (Minnesota Chamber of Commerce) is to retain and grow Minnesota's businesses. Grow Minnesota's business assistance resources include confidential one-on-one site visits with businesses to identify their specific expansion plans, workforce recruitment and development needs, exporting opportunities, and relevant business financing services.
- Hennepin County provides assistance to businesses and municipalities through a variety of programs designed to support businesses, promote economic development, create and retain jobs, and cultivate entrepreneurs.
- Metropolitan Council provides regional infrastructure, services, and amenities that serve as a foundation for economic growth to support economic development efforts. The Council provides grants to help clean up polluted sites for redevelopment, expand affordable housing opportunities and build pedestrian friendly transit-oriented developments.

Administrative Resources

- Single Point of Contact: Staff acts as a single point of contact by providing a reliable, responsive information source for questions related to business development in

Minnetonka. In this role, staff acts as a liaison between various city departments, assists in the coordination of city approvals and researches answers to a wide range of questions. Staff also helps facilitate the creation of public/private partnerships with partner organizations such as the State of Minnesota and Hennepin County as appropriate.

- Site Location Services: Staff receives requests for information on site options on a regular basis. Requests can be as simple as the availability of a certain square footage of office space to lengthy, complex requests for large corporate users. Staff also provides a key service of promoting available office, retail and industrial locations in Minnetonka that may not be listed with a broker as well as redevelopment opportunities.
- Development Policies: A number of policies have been established to help guide the use of available resources within the community. These policies indicate development focuses such as targeted industries and redevelopment areas.
- Property Monitoring: Staff monitors the existing building market.
- Workforce Development: Staff will participate in workforce development discussions and will continue to stay informed of workforce development opportunities available to Minnetonka businesses.
- Business List: Staff will develop a comprehensive business list and map of businesses within the community that includes basic information such as employment sector or specialty, to assist with visualizing the business climate and sectors within the city.

Draft Updated 03/01/2018

**EDAC Agenda Item #6
Meeting of March 22, 2018**

Brief Description

Staff Report

Transit Updates

Green Line Extension (Southwest LRT)

- The latest edition of the Southwest Project Office's newsletter [Extending Tracks](#) is now available. This edition covers the following topics:
 - Investment along the light rail transit estimated at \$8.4 billion
 - Development highlights along individual LRT corridors
- In March, U.S. District Court Judge John Tunheim ruled in favor of the Council in the lawsuit filed by the Lakes and Parks alliance challenging the project. For media coverage please see this link: <http://www.startribune.com/judge-rules-in-favor-of-met-council-southwest-lrt/475302693/>
- In March, the Met Council proposed agreements with Hennepin County Regional Railroad Authority (HCRRA) and Canadian Pacific Railway (CP) to move forward with freight rail property acquisition to advance the SWLRT Project.
- The Metropolitan Council and the Federal Transit Administration issued a Supplemental Environmental Assessment/Amended Draft Section 4(f) Evaluation, more information and the document is available at <https://metrocouncil.org/Transportation/Projects/Light-Rail-Projects/Southwest-LRT/News-Display-Page/2018/Supplemental-Environmental-Assessment-Amended-Draf.aspx>
- SWLRT Milestones
 - March 2018 - Congressional Funding for 2018 and Freight Rail Agreements
 - May 2018 – Metropolitan Council Opens Civil Construction Bids
 - August 2018 – Metropolitan Council Awards Civil Construction Bids
 - September 2018 – Civil Construction Begins
 - 2023 – Service begins

Metro Transit

- Community Development staff continue 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.
- Staff continues to meet with Metro Transit to discuss the Ridgedale Drive reconstruction and potential for additional stops along Ridgedale Drive. Staff will continue to facilitate the discussion as the project progresses.

Development Updates

PROJECT	DESCRIPTION	LOCATION	PLANS	STATUS
Shady Oak Road Redevelopment	Redevelopment of city-owned parcel	4312 Shady Oak Road	http://tinyurl.com/ShadyOak Crossing	Approved
Williston Monopole	CUP for 150-ft telecommunications tower	4525 Williston Rd	http://tinyurl.com/willistonmono	Approved
Minnetonka Hills Apts	Multiple items for construction of a 75-unit apartment building	2828 & 2800 Jordan Ave	http://tinyurl.com/MtkaHills Apts2nd	Approved
Midwest Master Craft	Items concerning a new marine sales building.	17717 Highway 7	http://tinyurl.com/17717Highwy7	Approved
Mesaba Capital	Items for senior rental building	17710/17724 Old Excelsior Blvd	http://tinyurl.com/MesabaCapitalMtka	Approved
Crest Ridge Senior Housing	Items concerning a senior rental building	10955 Wayzata Blvd	http://tinyurl.com/CrestRidgeSH	Approved
RiZe at Opus	Multiple items for construction of a 322-unit apartment building	10101 Bren Road East	http://tinyurl.com/lecesse	Approved
Ridgedale Corner Shoppes	Multiple items for redevelopment of the existing TCF bank site.	1801 Plymouth Road	http://tinyurl.com/ridgedaleTCF	Approved
EPIC	CUP for expansion of religious facility onto adjoining property	5640 Smetana Dr	https://tinyurl.com/5640Smetana	Under Review
Nautical Bowls	CUP and variance for fast food restaurant	17623 Minnetonka Blvd	https://tinyurl.com/17623MtkaBlvd	Under Review
Garden City	IUP for seasonal flower sales at Lunds Country Village	11400 Highway 7	https://tinyurl.com/11400Highwy7	Under Review
Brass Foundry Brewing	CUP for brewery and taproom	5959 Baker Rd	https://tinyurl.com/5959BakerRd	Under Review
Creo Arts Conservatory	CUP for a dance studio	15100 Minnetonka Industrial Rd	https://tinyurl.com/15100mtkaindrd	Under review
Belseth Residence	aggregate side yard setback variance for living space addition	16119 Birch Lane	https://tinyurl.com/16119birchln	Under Review

Hopkins HS Concessions	CUP for concession and bathroom building	2400 Lindberg Dr	https://tinyurl.com/HopkinsHSConcessions	Under Review
Morrie's Ford	Concept plan for parking lot and building expansion	13400 Wayzata Blvd/13205 Southridge Rd	https://tinyurl.com/13400WayzataBlvd	Under Review
Arundel Addition	Preliminary and final plat for a three-lot subdivision	15500 Minnetonka Blvd	https://tinyurl.com/15500MinnetonkaBlvd	Under Review
Ridgedale Executive Apts	Multiple application for construction of a market-rate apartment building	12501 Ridgedale Drive	http://tinyurl.com/12501RidgedaleDr	Under Review
Solbekken Villas	Concept Plan for townhome development	5740/5750 Shady Oak Rd	https://tinyurl.com/5740ShadyOakRd	Waiting for formal applications
Dominium	Concept plan for three building, 425-unit apartment development	11001 Bren Road E	http://tinyurl.com/11001brenrde	Waiting for formal applications
Ridgedale Active Adult Apartments (Trammel Crow)	Concept plan for senior apartment building	12421 Wayzata Blvd	https://tinyurl.com/12421wayatablvd	Waiting for formal application
The Villas of Glen Lake	Concept plan for detached villas	5517 and 5525 Eden Prairie Road	https://tinyurl.com/5517edenprairierd	Waiting for formal applications

Business Development Update

The “Open To Business Program” was advertised on city billboards August 1- October 31. During that timeframe, the website page received 96 total page views. More information on the program can be found on the city’s website at <https://eminnetonka.com/economic-development#starting-or-expanding-a-business>

The 2017-2018 Economic Gardening Program kicked off the week of November 13, 2017. This year’s program will run until June and has 26 companies from Hennepin, Ramsey and Scott counties participating in the CEO forums, CEO Roundtables and in 50 hours of customized research that the program provides. This year there are two Minnetonka companies participating in the program:

- Burns Engineering—Jim Burns is the CEO
- Sherburne Construction—Nate Sherburne is the CEO

Cities within four metro counties participate in the Economic Gardening Program. In recent years between 25-30 businesses participated in the program. Minnetonka continues to have high utilization of the program with 1-2 businesses participating each year.

Housing Updates

2018 West Metro Home Remodeling Fair

This year was the 26th anniversary for the West Metro Home Remodeling Fair which is sponsored by Minnetonka along with Golden Valley, St. Louis Park and Hopkins. Attendance was down slightly to 1,071 compared to 1,300 in 2017. However, several exhibitors requested to sign up for the 2019 fair following the event.

Metropolitan Council Grants

In January, the Metropolitan Council awarded the City of Minnetonka a grant under the Livable Communities Demonstration Account – Transit Oriented Development Grant (TOD) category for the Mariner project (in Opus) in the amount of \$1,876,500. The city also received funding from the Metropolitan Council Local Housing Initiatives Account (LHIA) Grant for the following projects:

- The Mariner - \$210,000
- WHAHLT (Homes Within Reach) - \$67,500

Center for Energy and Environment

The Welcome to Minnetonka and Minnetonka Home Enhancement Programs are now administered through the Center for Energy and Environment. Minnetonka residents can apply online at www.mnlendingcenter.org or call 612-335-5884 to receive a paper application.

CDBG Update

City of Minnetonka CDBG Administration Transfer

In 2017, the city council approved a resolution for the city of Minnetonka to enter into a Joint Cooperation Agreement with Hennepin County to participate in the Urban County CDBG program for fiscal years 2018-2020. Under the Urban County CDBG program, Hennepin County assumes responsibility for administration requirements of the cities CDBG allocations and will assume the administration of the Small Projects Program beginning on July 1, 2018.

Housing Rehabilitation Loans

The majority of Minnetonka's CDBG funding (\$122,205 based on the 2017 CDBG allocation) is allocated to single-family housing rehabilitation through the Small Projects Program (SPP). The SPP program provides small loans of \$5,000 or less for low-income residents to make deferred maintenance or emergency repairs to their home. The loan is structured as a zero-percent interest deferred loan and is forgiven if the homeowner stays in the home for ten years. If the homeowner sells the home or refinances the full amount of the loan must be repaid.

City staff met with Hennepin County representatives to discuss requirements for transition of the SPP loan program to be administered by the county. Hennepin County encouraged staff to consider a larger loan amount, at least \$15,000, to address higher costs of common repairs. The city of Minnetonka's deferred loan has been capped at \$5,000 since 2005 and the cost of improvements has increased significantly over the past thirteen years.

Loan data provided by the county and a review of past Minnetonka loan projects indicated an increase in the cost of the most common repairs. In 2016 and 2017, the average cost for

standard roof repair was between \$6,000 - \$10,000, siding repair between \$10,000 - \$15,000, and window replacement \$10,000 - \$15,000, all of which are common projects within the city of Minnetonka's existing program. The current limit of \$5,000 can discourage residents from applying for the funding because the remainder of the cost of the repair must be paid by the homeowner. In addition, some residents may choose a more temporary approach to a repair rather than a longer lasting improvements, in order to stay within the maximum loan amount provided in the current program.

Comparatively, many of the Minnetonka's peer cities operate housing rehabilitation programs with a higher maximum loan limit than Minnetonka.

- Hopkins - \$25,000
- Brooklyn Park - \$20,000
- St. Park - \$30,000
- Edina - \$30,000
- Brooklyn Center - \$30,000

Increasing the loan limit will assist the city in reaching its yearly spend down requirements. Per HUD guidelines, the city is required to maintain a total CDBG fund balance below 1.5 years' worth of grant funds (including loan repayments) by May 1 of the program year. If the city does not spend the required amount, then the future allocations could be reduced.

Loan repayment is becoming a challenge in relation to the city meeting the spend-down requirement. Repayments are usually triggered by home sales made before the 10 year deferment period is complete. Each time the city receives a repayment, the program income is counted toward the city allocation for that program year. On average, the city receives \$23,980 in repayments, annually, and that amount is anticipated to grow as the loan portfolio grows and home sales increase.

Currently, in the city's portfolio, there are 222 outstanding loans. The city averages approximately 20 new loans per year. With home sales and loan repayments trending upwards since 2012, staff anticipates greater repayment amounts received per year for the foreseeable future. Therefore, increasing the risk that the city will not be able to meet the spend-down requirements year after year with a \$5,000 loan limit.

Under the new loan amount of \$15,000, the city will be able to issue approximately eight loans a year and additional loans from any program income that is received. The new approach allows the city to absorb the increase in repayments, and bring the loan portfolio to a sustainable level with projected real estate trends without risking future year allocations.

Public Services

Beginning with the 2018 program year, CDBG funding for public services will be awarded through a single combined Request for Proposals (RFP) covering all the cities in the county CDBG program.

The county received 21 eligible applications for review. All public services agencies that were historically awarded funding through Minnetonka's process in past years were notified of this change in process and have submitted requests for funding through the new consolidated process. City staff has elected to be part of the review process and final decisions on funding recommendations will be made on March 23, 2017.

Upcoming Events

Wednesday, March 21	SLUC Does Every Road Need to Be a Runway? Brookview Golden Valley - 11:30am 316 Brookview Pkwy S Golden Valley, MN 55426
Thursday, April 19	EDAC Meeting City Council Chambers 6:00 p.m
Wednesday, May 23	EDAC Meeting City Council Chambers 6:00 p.m

Attachment:

- 2017 Community Development Annual Report

Originated by:

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

Community Development Department



2017 Activity Report



2017 COMMUNITY DEVELOPMENT REPORT

The Community Development department is comprised of 31 full and part time employees who staff four divisions: housing and economic development, planning, environmental health and inspections.

The following report summarizes activities for the following Community Development services during 2017 including:

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

2017 Wrap-Up

It was another busy year in Minnetonka as development activity remained steady. The divisions collaborated on many complex redevelopment projects including:

- CrestRidge Senior Living
- Mesaba/Havenwood
- Shady Oak Crossing
- The Mariner
- Dominion Apartments

Village Center Spotlight

Redevelopment in the Ridgedale Village Center continued in 2017.

- The Cheesecake Factory became the fourth new restaurant to occupy space at the shopping mall in the last two years.
- Construction began on restaurant and commercial buildings northwest of Macy's and at the Cartway Lane and Plymouth Road intersection.
- Concept plans were been submitted for new, high-destiny residential buildings in the village center.
- Planning for the Ridgedale Drive parkway and more outdoor public spaces is underway.

Key 2017 Highlights

- **Building Permit Valuation** was \$230,048,189 million and 7,244 total permits were issued.
- Over 2705 permits applied for through the ePermits website. Of these, over 300 included plans that were reviewed through the city's new electronic plan review system.
- The **Environmental Health Division** licensed 696 facilities, conducted 866 health inspections, and responded to over 607 nuisance complaints
- Planning staff processed over **130 development** applications and participated in **21 neighborhood meetings**.
- **Economic Development** staff processed over 22 housing loan applications.
- Community Development staff participated in **69 council and boards and commission meetings**
- Staff has participated in **nine** Comprehensive Steering Committee meetings.

Permits and Inspections



Community Development
Department



During 2017, there were 1,790 building permits issued for construction valued at \$189,435,608. The number of building permits issued is less than the 2016 amount of 1,853 permits. The 2017 value of construction represents an increase of 30% percent from 2016, primarily due the valuation of the Rize at Opus and Crestridge Senior Housing apartments.

Construction Value		
	2016	2017
New Single-Family	\$23,266,152	\$18,943,997
New Townhomes/Multi-family	\$13,920,619	\$74,899,965
Residential Addition/Remodel	\$18,392,142	\$18,965,994
Residential Maintenance/Repair/Replace	\$10,699,681	\$9,491,867
Res. Garages, Sheds, Pools & Solar	\$13,632	\$67,810
New Commercial/Industrial/Institution	\$25,485,223	\$6,204,474
Commercial Addition/Remodel	\$51,287,913	\$52,511,795
Commercial Tenant Finish	\$881,116	\$1,872,882
Commercial Maintenance/Repair/Replace	\$2,070,626	\$6,476,824
TOTAL	\$146,017,104	\$189,435,608

Commercial/Institutional Construction

Commercial/Institutional construction activity increased from 2016. There were several new projects as well as large additions and remodels.

Project/Type	Location	Value
Hennepin County Library (Remodel)	12601 Ridgedale Dr	\$8,092,173
Cheesecake Factory (Remodel)	Ridgedale Mall	\$4,300,000
Baker Rd Mini Storage (Addition)	6150 Baker Rd	\$4,000,000
River Valley Church (Addition)	10801 Red Cir Dr	\$3,460,000
Mtka Corporate Center (Remodel)	12701 Whitewater Dr	\$2,100,000
Ridgedale Restaurant Pads (New)	12415 Wayzata Blvd	\$1,950,000
TCF/Ridgedale Corner Shoppes (New)	1805 Plymouth Rd	\$1,915,277
United Health Group (Remodel)	9900 Bren Rd E	\$1,605,000
Ridgedale Mall (Solar Roofing)	12401 Wayzata Blvd	\$1,586,000
Elmbrook (Remodel)	5400 Smetana Dr	\$1,500,000
Abbott/St Jude(Remodel)	14900 Mtka Industrial Rd	\$957,000
Midwest Mastercraft (New)	17717 Hwy 7	\$898,560

New Single-Family Home Construction

A total of 40 permits were issued for new single family homes, for a total value of \$18,943,997. While the average value of a new home decreased in 2017 to \$473,600, the average square footage increased. In 2017, there were 13 permits issued for homes valued at \$500,000 or more which is four less than in 2016. One permit was issued for a home over \$1 million in 2017.

NEW SINGLE-FAMILY HOME CONSTRUCTION				
	Year	Average Value*	Permits	Average Sq. Footage
Average New Single Family Home Construction Value	2017	\$473,600	40	4,832
	2016	\$553,956	42	4,277
	2015	\$447,958	40	4,284
	2014	\$492,899	53	4,620
	2013	\$413,218	60	3,912
*does not include lot cost				

Multi-Family Residential New Construction

There has been increasing interest in larger multi-family residential projects over the past few years, as is noted in the planning section of this report. New multi-family residential projects started in 2017 included Rize at Opus, Crestridge Senior Living, and Havenwood of Minnetonka.

Residential Additions, Remodels, and Maintenance/Repair

The total number of permits and value of residential additions, remodeling, and maintenance projects were lower in 2017 as compared to 2016. However, the average value of the work increased.

Residential Additions, Remodels, Maintenance			
Year	Permits	Value	Average Value
2017	1,448	\$28,457,861	\$19,653
2016	1,576	\$29,091,823	\$18,459
2015	2116	\$37,188,124	\$17,575
2014	1,429	\$24,749,970	\$17,320
2013	1,433	\$25,194,898	\$17,582

E-Permits

In April 2003, Minnetonka began its initial ePermits system where contractors and residents are able to apply for some permits on-line, and in 2009 and again in 2013 new types of permits were added allowing customers more choices in how they access this city service. The number of ePermits processed has more than doubled since 2013. There are currently 63 different permit types available through the e-permit system.

Year	ePermits	ePermit Valuation
2017	2,708	\$51,551,730
2016	2,176	\$10,778,419
2015	2,154	\$12,081,498
2014	1,763	\$7,646,334
2013	1,061	\$4,326,132

Comparison to Other Cities

Minnnetonka's construction value was comparable to other cities with similar population to Minnetonka. The following are the amounts for building permits and construction values for 2016 and 2017:

City	2016		2017		Change in value from 2016
	Building Permits	Construction Value*	Building Permits	Construction Value*	
Apple Valley	1,883	\$92.2	1,902	\$202.5	120%
Burnsville	1,404	\$41.6	1,476	\$56.7	36%
Eagan	2,426	\$152.5	3,145	\$428.8	181%
Eden Prairie	2,218	\$94.4	2,213	\$182.1	93%
Maple Grove	2,707	\$122.8	4,143	\$174.2	42%
Minnnetonka	1,853	\$146.0	1,790	\$189.2	23%
Plymouth	3,268	\$223.4	2,984	\$272.9	22%
					*in millions

Other Permits Issued

The total number of permits issued in Minnetonka for plumbing, electrical, HVAC increased from 2016. Fire permits declined in 2017.

Permit Type	2013	2014	2015	2016	2017
Plumbing/SW	1,730	1,877	1,867	1,767	1837
Electrical	1,775	1,985	2,030	1886	1918
Mechanical	1,367	1,511	1,551	1613	1699
TOTAL	5,073	5,540	5,702	5,520	5664

Inspections

The Permits and Inspections Division of the Community Development Department is responsible for inspections of building, electrical, plumbing and mechanical projects for all buildings in the city. The number of inspections have remained consistent with past years. The department continually striving to improve our permitting and inspection process.

Inspection Type	2013	2014	2015	2016	2017
Building inspections	3,947	4,312	5,137	4,857	4,132
Electrical inspections	2,886	3,227	3,296	3,503	3,279
Mechanical inspections	1,807	2,463	2,359	3,063	3,052
Plumbing inspections	2,171	2,370	2,504	2,454	2,623
TOTAL	10,811	12,372	13,296	13,877	13,086

Inspection Services for Other Communities

In 1998, the city began inspection and plan review services for the cities of Deephaven, Woodland, and Greenwood through a contract between the communities. These inspection services—including building, electrical, plumbing, and mechanical inspections, continued in 2017. The following table shows the number of hours spent by the Minnetonka Inspections staff performing inspections in other cities over the past five years:

	2013	2014	2015	2016	2017
Inspection Hours for Deephaven, Woodland, and Greenwood	1,231	1,353	1,623	1,511	1,442

Plan Review

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

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

	2013	2014	2015	2016	2017
Residential Building Plans reviewed*	605	620	764	710	724
Commercial Building Plans reviewed*	215	201	264	281	293
*Does not include plan reviews completed for other communities.					

E- Plan review

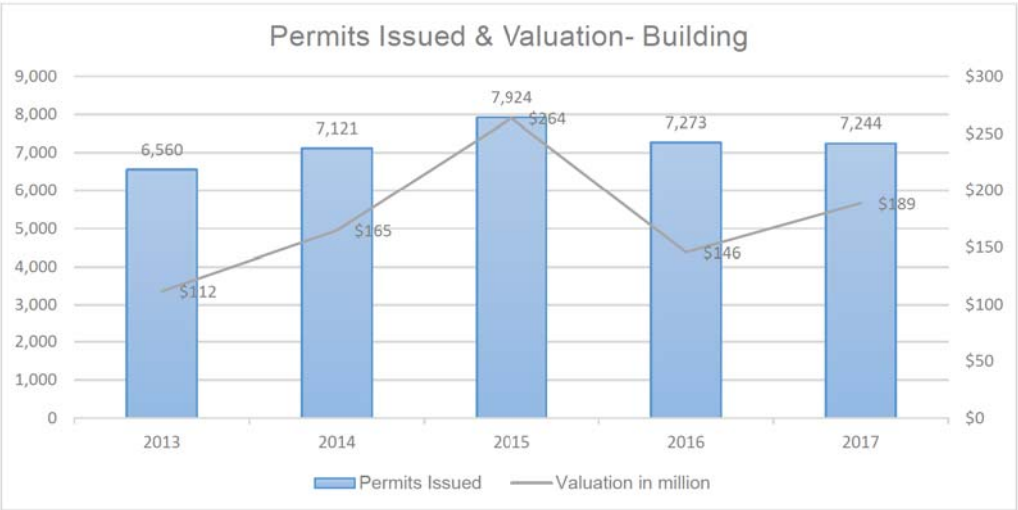
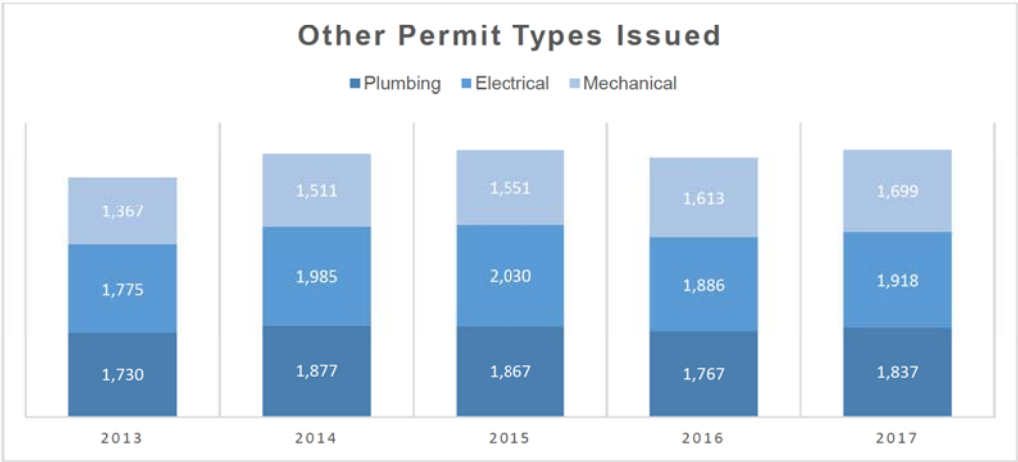
In an effort to improve efficiency, the City implemented an electronic plan submission and review process in late September 2017. Between implementation and the end of the calendar year, plans associated with 324 permits were uploaded for staff review. The new system has garnered positive feedback from city staff, contractors, and homeowners.



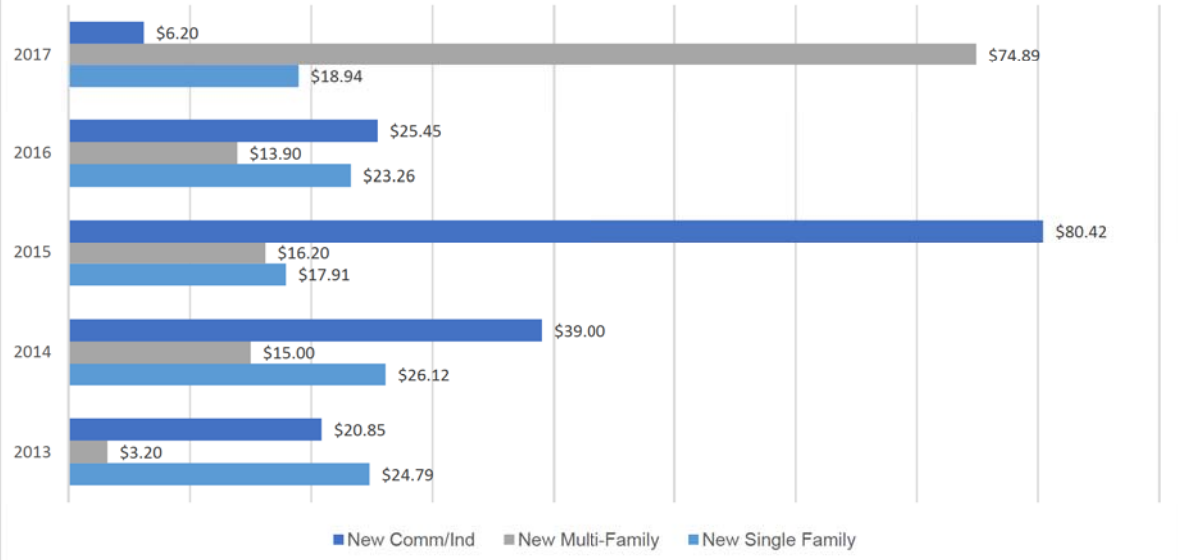
Number of Permits Issued by Type					
	2013	2014	2015	2016	2017
RESIDENTIAL					
New Single-Family	60	53	40	42	40
New Two-Family & Townhouses	1	0	10	4	5
New Multi-Family	0	1	1	1	4
Additions-Remodels-Maintenance	1,433	1,420	1,926	1,576	1448
Garages, Sheds, Pools & Solar	7	10	3	5	5
COMMERCIAL, INDUSTRIAL, INSTITUTION					
New Buildings	5	1	8	4	8
Additions-Remodels-Maintenance	211	194	249	327	267
Tenant Finishes	10	13	20	8	13
TOTAL	1,727	1,692	2257	1971	1790
TYPE OF PERMIT					
Building	1,688	1,748	2,473	1,853	1,790
Plumbing	1,730	1,877	1,867	1,767	1,837
Electrical	1,775	1,985	2,030	1,886	1,918
Mechanical	1,367	1,511	1,554	1,767	1,699
TOTAL	6,560	7,121	7,924	7,273	7,244

Permit Valuation by Type					
	2013	2014	2015	2016	2017
RESIDENTIAL					
New Single-Family	\$24,793,053	\$26,123,686	\$17,918,338	\$23,266,152	\$18,943,997
New Doubles-Townhouses	\$320,000	0	\$3,950,000	\$1,536,000	\$1,535,000
New Multi-Family	0	\$15,000,000	\$12,251,000	\$12,384,619	\$73,364,965
Additions-Remodels-Maintenance	\$25,188,469	\$24,876,600	\$37,215,024	\$29,091,823	\$28,457,861
Garages, Sheds, Pools, Solar	\$29,179	\$27,680	\$46,616	\$13,632	\$67,810
COMMERCIAL, INDUSTRIAL, INSTITUTION					
New Buildings	\$20,858,000	\$39,000,000	\$80,415,916	\$25,458,223	\$6,204,474
Additions-Remodels-Maintenance	\$40,577,453	\$53,537,961	\$77,922,595	\$53,163,364	\$58,985,619
Tenant Finishes	\$785,017	\$6,935,243	\$34,006,878	\$881,166	\$1,872,882
TOTAL	\$112,551,171	\$165,501,170	\$263,726,367	\$145,794,981	\$189,432,608

Permit Valuations by Work Type					
Building	\$112,376,171	\$165,505,670	\$263,564,339	\$145,968,254	\$189,189,513
Plumbing	\$7,460,257	\$7,951,916	\$10,143,350	\$11,236,479	\$8,765,821
Electrical	\$10,080,634	\$16,133,658	\$20,992,937	\$13,565,935	\$16,099,036
Mechanical	\$11,043,252	\$16,787,966	\$26,069,320	\$17,142,801	\$15,993,819
TOTAL	\$140,960,314	\$206,379,210	\$320,769,946	\$187,913,469	\$230,048,189



Building Permit Values By Building Type (in millions)



Housing, Redevelopment, and Economic Development



Community Development Department

Housing

The Owner-Occupied Housing Rehabilitation Deferred Loan Program and the Small Projects Program (previously called the Emergency Rehabilitation Deferred Loan Program), both paid through federal Community Development Block Grant (CDBG) funds, continued in 2017. The Small Projects Program was opened up for pre-applications in the July 2017. A total of 27 pre-applications were received and most of the approved projects have been processed. A comparative summary of the programs is as follows:

	Small Projects	
	2016	2017
Maximum deferred loan allowed	\$5,000	\$5,000
Average deferred loan amount	\$4,812	\$4,898
Total applicants	74	34
Qualifying applicants	50	22
Projects completed	31	8
Projects still in progress	12	14
Total Expenditures	\$144,665	\$74,186

In June 2011, two new housing programs, funded through the HRA levy were launched—the Minnetonka Home Enhancement program and the Welcome to Minnetonka program. The **Minnetonka Home Enhancement** program offers low interest loans for housing maintenance, green investments, and some additions/modernizations. **The Welcome to Minnetonka** program is a low interest loan for first time homebuyers to use for down payment and/or closing cost assistance. In December 2017, the Center for Energy and Environment took over the administration of the program after Greater Metropolitan Housing Corporation was permanently closed its lending center.

	2016	2017
Minnetonka Home Enhancement applications	6	12
Minnetonka Home Enhancement loans	4	1
Welcome to Minnetonka applications	9	3
Welcome to Minnetonka loans	5	1

Since 2002, **Homes Within Reach** has acquired properties in order to permanently preserve affordable housing. Through 2017, they have acquired 56 properties in Minnetonka and 139 properties throughout Hennepin County. The chart below illustrates the number of properties acquired for the past five years in Minnetonka:



	2013	2014	2015	2016	2017
Homes Within Reach properties acquired	2	2	2	2	2

In addition, **Homes Within Reach** rehabilitated the property located at 5248 Kimberly Road. The home was initially acquired in 2008 and received a minimal amount of rehabilitation (\$12,000). In 2017, the property received new windows, siding, kitchen flooring, and cabinets and was resold to a new homeowner.



5248 Kimberly Rd – Before and After

LRT Transit

The Southwest Light Rail Transit project achieved several critical milestones necessary to move the project forward. Highlights from 2017 included:

- In December 2017, the Southwest Project Office hosted a **Construction Contracting Open House at the Minnetonka Community Center**. The focus of the event was to inform contractors and subcontractors about the projects, contracts, and construction timeline and how to participate in the bidding process. There were over 200 attendees at the event.
- The city council finalized the **Subordinate Funding Agreements (SFA's)** for the \$2 million local contribution and locally funded projects which included fencing upgrades, extending storm sewer casings, and paint color upgrades for retaining walls.
- The cities of Minnetonka and finalized the **joint vision for the Shady Oak LRT station area** (the area roughly bound by Excelsior Boulevard on the north, Shady Oak Road on the west, the regional trail on the south, and 11th Avenue on the east). The strategy builds upon previous planning work and will formulate an articulated area for vision, zoning, and implementation strategy that will be reviewed and implemented by both cities.



Bus Transit

Metro Transit and Community Development staff continued to meet on a quarterly basis. In 2017, the city entered into a new 3-year contract with Metro Transit.

There were several route changes aimed at providing better service to Minnetonka residents. Some of the route changes included:

- Route 9 – added direct service between the West End and Ridgedale Mall and added more weekday trips between Greenbrier and West End.
- Route 675 – was renumbered to Route 645 and expanded to provide direct service between Ridgedale, the West End and downtown Minneapolis.



Business Development

- Two Minnetonka businesses participated in the new **Sewer Access Charge and Residential Equivalency Charge Deferral Program** that was launched in 2017.
- The Ridgedale Mall welcomed several new business in 2017, highlights include: Escape Room, Cheesecake Factory, Field Day and Boxed Lunch. In addition, the mall underwent improvements such as the addition of solar panels and the construction of new retail development pads in the mall parking lot.
- The Open to Business program continued in 2017 providing 190 hours of free technical assistance to 22 small businesses in Minnetonka. In addition, MCCD assisted one Minnetonka manufacturing business with a \$100,000 loan to assist with cash flow and increased financial stability.



Farm + Vine Ribbon Cutting



Economic Development Advisory Commission Support

The **Economic Development Advisory Commission**, which advises the EDA/City Council on matters related to housing, economic development, redevelopment, and transit, receives staff support by the Community Development Department. Projects reviewed by the EDAC in 2017 included:

- The **2018 HRA Levy** will be \$250,000 with \$75,000 toward housing program loans, \$75,000 to assist with the 10-year payback to the LRT Special Assessment Fund, and \$100,000 to support the Homes Within Reach acquisition and rehabilitation program.
- **2018-2021 Economic Improvement Program (EIP)**. The city's EIP plans housing, redevelopment, and economic development programs for the next five years.
- The **Cloud 9 Housing Improvement Area** project.
- The **Transit Cooperative Agreement** with Metro Transit.
- The EDAC Recommended the **Sewer Access Charge and Residential Equivalency Charge Program** which allows business owners to defer a portion of the fees over a 10-year term. In 2017, two businesses participated in the program.
- Recommended participation in the **Urban Hennepin County CDBG Program**.
- The EDAC Participated in a **joint study session** with the planning commission in August. The commissioners toured the newly completed Zvago cooperative, Applewood Pointe cooperative, Station Pizza, and Unmapped Brewery.
- The EDAC reviewed and made recommendations on several **multi-family housing development projects** including:
 - Shady Oak Crossing – 4312 Shady Oak Road
 - The Mariner – 10400, 10500 and 10550 Bren Road East
 - Dominion – 11001 Bren Road East



Environmental Health



Community Development Department



Licensed Facilities

The following table shows the health licenses issued for the various license categories during each of the past 5 years, the number of licenses continue to grow as new businesses, restaurants and events are established in the community. In particular, special event licenses have doubled.

License Category	2013	2014	2015	2016	2017
Food facilities • Includes licensing classes A - G, day care centers, institutions and food vehicles	409	405	415	425	434
Special event food vendors	44	45	49	53	111
Public pools	80	80	80	81	77
Lodging facilities	29	31	30	31	35
Other health licenses • Includes massage operations, bowling alleys, food vending, refuse haulers, theaters, pet shops, and body art	41	36	36	41	39
TOTAL	603	597	610	631	696

Health Inspections

The following table shows regular health inspections and follow-up investigations. Health inspections target critical issues such as food temperatures, food storage, chemical control and worker hygiene. Inspections related to facility construction or remodeling, and complaints are not included. Reinspections in 2017 were identical to last year and higher than in 2014, 2015 and 2016.

Inspections	2013	2014	2015	2016	2017
Routine food inspections	454	427	448	466	500
Re-inspections	62	138	120	169	159

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

Complaints	2013	2014	2015	2016	2017
Food-related	39	36	49	26	21
Suspected food borne illness	16	12	7	32	30
Pools and beaches	0	0	0	1	2
Clean Indoor Air Act	0	0	0	0	0
Totals	55	48	56	59	53

Also in 2017, health code enforcement actions taken during the year included 17 city-court citations for health code violations, which was a decrease from 37 citations in 2016 and the 23 citations issued in 2015.

City of Wayzata Environmental Health Services

Since 2007, the Environmental Health division has conducted services for the City of Wayzata. This work requires the annual inspection of 143 facilities, including food, beverage, swimming pools and lodging. The table below illustrates the breakdown of food inspections completed in Wayzata—the increase in facility numbers in the past two years is mainly attributable to the Wayzata Bay Redevelopment and many special events:

Inspections	2013	2014	2015	2016	2017
Routine food inspections	96	134	124	136	143
Re-inspections	49	43	42	45	54

Nuisance Abatements

The Environmental Health Division continues to be the clearing house for nuisance complaints. In 2017, Community Development and others responded to 607 nuisance complaints. Many nuisance situations have required major commitment of staff time, and sometimes city council action, to obtain compliance. These situations range from incomplete construction or hazardous conditions, to "garbage" houses and property neglect issues.

Nuisance Complaints				
2013	2014	2015	2016	2017
517	555	545	609	607

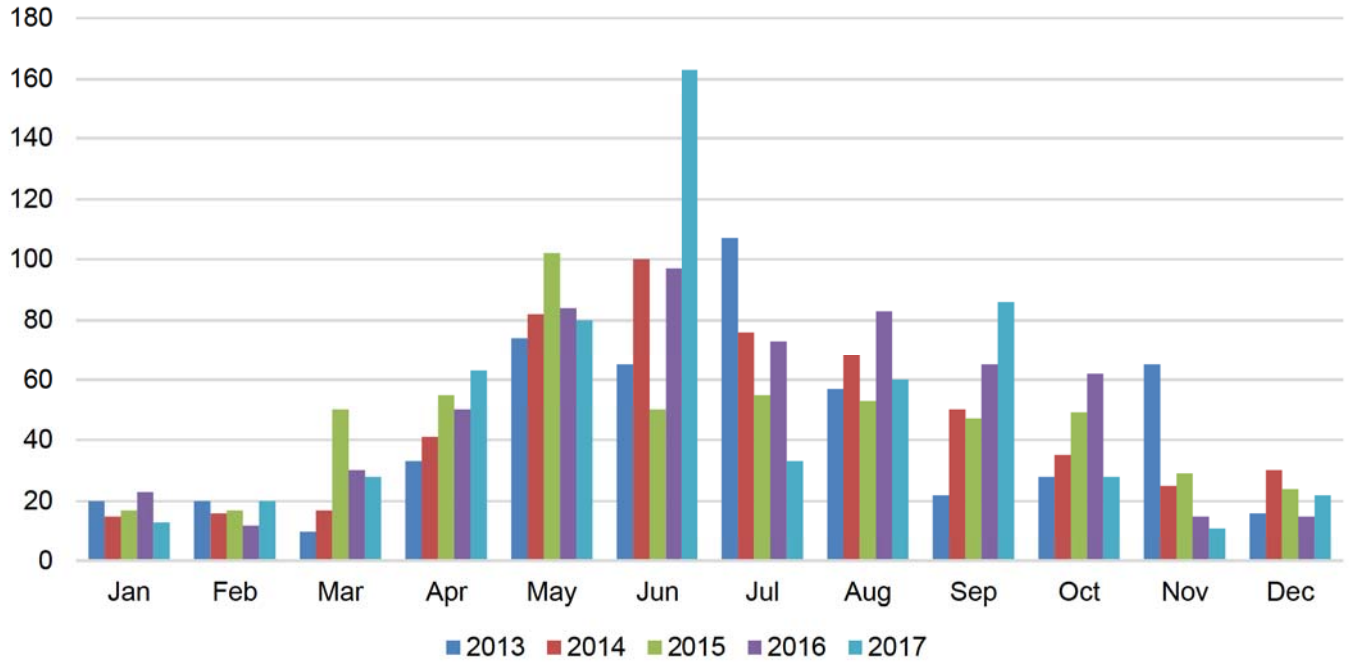
Citations Issued for Nuisances				
2013	2014	2015	2016	2017
1	4	7	13	3

In 2009, the city ordinance was changed to require council action on abatements over \$5000. In 2015, 2016 and 2017, no nuisance properties required an abatement resolution to be adopted by the city council to achieve compliance, compared to one in 2014, zero in 2013, and one in 2012.

Nuisance Abatements Completed				
2013	2014	2015	2016	2017
44	105	85	123	22

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

Nuisance Complaints 2013-2017



Planning



Community Development Department



The Planning Division received 135 applications during 2017. This number is similar to that received in 2016 and slightly higher than the five-year average.

Types of Applications	2013	2014	2015	2016	2017	5-Year average
Amendments to Previous Projects	1	4	2	3	0	2
Concept Review	8	7	8	9	6	8
Conditional Use Permit	19	21	24	22	25	22
Environmental Assessment Worksheet	0	0	0	0	0	0
Expansion Permit	4	11	4	11	7	7
Interim Use Permit	0	0	0	0	2	0
Guide Plan Amendment	2	1	0	2	2	1
Rezoning & Master Development Plan	10	11	8	6	9	9
Sign Plan	6	3	3	2	4	4
Site and Building Plan	11	9	7	13	7	9
Subdivision	25	17	22	16	24	21
Variance	27	18	16	29	33	25
Telecommunications Facility (admin)	0	9	3	6	1	4
Wetland/Floodplain Alteration	3	8	3	3	4	4
Zoning Text Amendment	8	2	1	3	0	3
Other	11	10	15	8	11	11
Totals	135	131	116	133	135	130

Aside from formal meetings associated with these 135 formal planning applications, staff participated in neighborhood meetings for several development concepts including:

- **Dominium.** Redevelopment of 9.4-acre property at 11001 Bren Road East. The concept plan contemplates construction of three apartment buildings containing a total of 463 units.
- **iFly.** Construction of an indoor skydiving venue on the Ridgedale Shopping Center property.
- **Ridgedale Executive Apartments.** Redevelopment of 4.4-acre property at 12501 Ridgedale Drive. The concept plan contemplates construction of a six-story, 112-unit luxury apartment building.
- **Newport Midwest.** Redevelopment of 3.2-acre property at 10550 Bren Road East. The concept plan contemplates construction of two apartment buildings containing a total of 240 units.
- **Shady Oak Crossing.** Redevelopment of 1.6-acre, city-owned property at 4312 Shady Oak Road. The plan contemplated a three-story, 54-unit apartment building.

2017 Planning Project Highlights

Crest Ridge Senior Living

In January, the city approved construction of Crest Ridge Senior Living at 10955 Wayzata Boulevard. The approved four-story senior apartment building will contain 147 units, including some assisted and memory care units. Ebenezer will operate the building. Grading and utility construction began in December 2017.



Mesaba/Havenwood

The city approved a second senior apartment building in August. Havenwood is a three-story, 100-unit apartment building to be constructed at 17710 Old Excelsior Boulevard. Walker Methodist will operate the building. Grading and utility construction began in December 2017.



Minnetonka Hills

In August 2017, the city approved a 78-unit, five-story apartment building at 2800/2828 Jordan Avenue. The new, market-rate building will be fourth on the Minnetonka Hills Apartments site. No permits have been applied for to date.



Shady Oak Crossing

In September – after months of planning and many public meetings – the city approved Shady Oak Crossing. As approved, a three-story, 49-unit apartment building will be constructed on the city-owned property at 4312 Shady Oak Road.



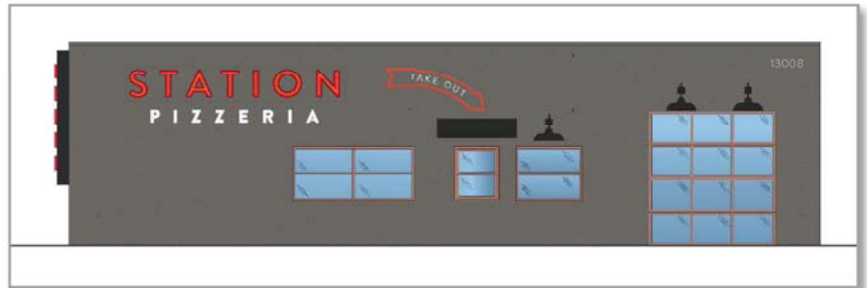
Midwest MasterCraft

In August 2017, the city approved the redevelopment of the existing office property at 17717 Highway 7. As approved the existing building will be removed and new boat showroom/retail building would be constructed. Grading and building permits were issued in December.



Previously approved projects that are complete

Station Pizza



Unmapped Brewing Company



Licensing

Waste Collectors
Food Vending
Swimming Pools
Special Food Events
Liquor
Tobacco
Secondhand Dealers
Mechanical Contractors
Lodging
Precious Metal Dealers
Food
Massage
Bowling
Peddlers
Body Art
Pet Shop

Community Development Department



Each year contractors who complete certain requirements are issued a license allowing them to complete work in the city. The following table shows the number of licenses issued for the various license categories during each of the past five years. In 2015, the city implemented the renewal option for a 1, 2 or 3 year license.

License Category	2013	2014	2015	2016	2017
HVAC/Warm Air	198	200	205	120	122
Refrigeration	118	119	117	71	69
Steam/Hot Water	106	98	103	58	56
Gas	227	242	245	146	150
Total Individual Licenses	649	659	670	395	397

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

License Category	2013	2014	2015	2016	2017
Dumpsters/Portable Storage Containers	3	3	3	3	3
Pawn/Precious Metal/Secondhand	7	5	5	6	6
Peddler-Solicitor	23	59	66	99	79
Tobacco	30	33	33	32	34
On-Sale Intoxicating Liquor	21	22	22	22	22
Off-Sale Intoxicating Liquor	12	12	12	11	12
On-Sale Wine	12	11	11	16	17
On-Sale 3.2 Percent Malt Liquor	15	13	13	15	19
Off-Sale 3.2 Percent Malt Liquor	2	2	2	2	2
Temporary Liquor	5	7	2	4	14
Total Licenses	146	183	186	197	208

Other Department-Wide Information



Community Development Department



Staffing and Support Services

Community Development relies extensively on support staff to process licenses, permits, and planning applications; schedule inspections; and respond to resident/contractor calls.

The Community Development staff is also responsible for writing reports, compiling information and producing agenda packets for the Planning Commission, Economic Development Advisory Commission and the 2040 Comprehensive Guide Plan Steering Committee as well as the City Council and Economic Development Authority.

Agenda Packets Produced			
	2015	2016	2017
Planning Commission	19	22	23
EDAC	6	8	12*
Comp Plan Steering Comm.	0	0	7
City Council	22	29	28
EDA	10	7	6
Total	57	66	76

*Includes 3 EDAC Subcommittee Meetings.

Agenda Items Produced		
2015	2016	2017
247	258	271



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

Neighborhood and Planning Study Meetings	
2016	2017
21	30 (21 neighborhood)

Community Development staff continue to pursue opportunities to gain expertise in their respected fields. This commitment demonstrates the spirit of adaptable learning and innovation that is a pillar of Minnetonka's shared values. Below is a summary of the certifications by division:

Division/Certifications	Number of employees certified
Permits and Inspection	
• International Code Council (ICC) Certified Building Inspector	2
• ICC Certified Building Official	1
• ICC certified Residential Plumbing Inspector	1
• ICC Certified Commercial Plumbing Inspector	1
• ICC Certified Permit Technician	1
• ICC Certified Electrical Inspector (Residential and Commercial)	1
• ICC Certified Mechanical Inspector	1
• ICC Certified Residential Plan Review	1
• ICC Certified Residential Building Inspector	1
• MN Certified Building Official	5
• MN Certified Master Plumber	2
• MN Certified Commercial Electrical Inspector	1
• MN Certified Residential Electrical Inspector	1
• MN Certified Master Electrician	1
• MN Certified Building Official Limited	1
Planning	
• American Planning Association - American Institute of Certified Planners	4
• Certified Mediator	1
Housing/Redevelopment/Economic Development	
• National Development Council - Economic Development Finance Professional	2
• National Development Council - Housing Development Finance Professional	1
• University of Park – Leadership Academy Certification	2
• Department of Housing and Urban Development – (CDBG Certification)	1
Environmental Health	
• Registered Sanitarians	4
• Certified Pool Operators	4
• FDA Standardized Inspectors	3
• Certified Mediator	2
Total certifications	45

Community Development staff served on several committees that guide the region on matters that impact development, public health, planning, and general community development. Staff are currently serving on the following boards and committees:

- Urban Land Institute Community Development Council
- Sensible Land Use Coalition
- Metro Cities Housing and Economic Development Committee
- SWLRT Technical Implementation Committee
- Food Code Advisory Committee
- Environmental Health Continuous Improvement Board
- MDH Lodging Workgroup
- Food, Pools, and Lodging program evaluation Workgroup
- MEHA (MN Environmental Health Association) Legislative Committee
- MRWAC (MN Recreational Water Advisory Committee)
- 2018 Environmental Health Super Bowl Planning Committee
- University of Wisconsin-Stout Environmental Science Program Advisory Committee
- West Metro Home Remodeling Fair Committee
- MBPTA (MN Building Permit Technician Association) and their Education Committee
- Mechanical Continuing Education Instructor for the State of Iowa
- Minnesota State Fire Department Association (Honorary Life Member)
- 10,000 Lakes chapter of ICC Building Officials
- Association of Minnesota Building Officials (AMBO) Board Of Directors
- AMBO Egress Committee

In addition, several employees were recognized for their exception work this year:

- Susan Thomas, assistant city planner, was selected as the Spirit of Minnetonka winner! She was also nominated for the “Above and Beyond” award.
- Drew Ingvalson was nominated for the “Above and Beyond” award
- Kevin McDermott was nominated for the “Leadership” award
- Michael Green and Ashley Cauley were nominated for the “Teamwork” award

Minnetonka Mills located at 13209 East McGinty Road was designated as a “Great Place” in the Twin Cities by the Sensible Land Use Coalition. The park was chosen due to its historical significance unique natural amenities and regional proximity.

