

**Unapproved
Minnetonka Economic Development Advisory Commission
Meeting Minutes**

**May 23, 2018
6 p.m.**

1. Call to Order

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

2. Roll Call

EDAC commissioners present: Jay Hromatka, Lee Jacobsohn, Jacob Johnson, Melissa Johnston, Jerry Knickerbocker, Megan Luke, and Charlie Yunker were present.

Staff present: Community Development Director Julie Wischnack and Community Development Coordinator Rob Hanson.

Councilmember present: Tony Wagner.

3. Approval of April 19, 2018 Minutes

Knickerbocker moved, Hromatka seconded a motion to recommend that the EDAC approve the minutes from the April 19, 2018 meeting as included in the agenda. Hromatka, Jacobsohn, Johnson, Johnston, Knickerbocker, Luke and Yunker voted yes. Motion passed.

4. 2019-2023 EIP

Wischnack reported.

Hromatka asked if Homes Within Reach is funded by the HRA Levy. Wischnack stated that it is currently funded by the HRA Levy, but that has not always been the case. Wagner explained that a TIF district over performed by a large amount in the 1990s. That excess was used to fund affordable housing initiatives, including WHAHLT, for over two decades. He suggested considering that same approach if another TIF district would over perform as an alternative to using funds from the HRA Levy. Wagner noted that councilmembers have been cautious of raising the levy for too short a period of time.

Wischnack continued the report.

Knickerbocker noted that each year Homes Within Reach would compete with other programs for funding from the HRA Levy. He thinks WHAHLT should be phased out. There are some policy questions because the business model does not fit today.

Jacobson recalled the commission's discussion last year comparing the impact made by spending \$100,000 on one affordable unit in comparison to spending \$10,000 on 10 affordable units.

Wischnack stated that more time could be spent on discussing what the amount of the commitment should be and where the commitment should be funded from during preparation of the budget.

Jacobsohn confirmed with Wischnack that the proposed numbers are the same as last year. He was comfortable with that.

Luke asked to be provided with more information on the WHAHLT program. Wischnack explained that there are approximately 58 houses in Minnetonka now with the restriction that, basically, mortgages the house and not the land to make it meet affordability guidelines. She will distribute the full report to commissioners. Minnetonka started WHAHLT initially.

Wagner invited commissioners to attend a city council study session on June 11th which will discuss affordable housing tools and housing.

Wischnack continued the report.

Wagner noted that marketing will be used to promote the first-time homebuyer program and attract lacking demographics including young families. Wischnack added that there is a fund balance that will be used for marketing for the remainder of 2018.

Chair Yunker stated that communications and marketing have not been a traditional function of government, but are necessary to portray an accurate picture to the public.

Wagner noted that Minnetonka is the first major city to sign up to have solar power provide 125 percent of its power, but no one who responded to the survey was aware of that.

Luke agreed that Minnetonka needs to write its own narrative.

Wischnack continued the report.

Knickerbocker asked for the status of the TIF districts. Wischnack stated that a tax increment report is currently being conducted and will be reviewed by the EDAC within two months.

Hromatka asked who compiles the tax increment report. Wischnack answered Ehlers and Associates. A consultant from Ehlers also provides strategic advice regarding expiring TIF districts and handling bonds. A tax increment report is done every other year. The Boulevard Gardens TIF district is pooling TIF funds that need to be used by 2021. The Beacon Hill district has paid off its bonds and debts, but there is income flowing that could be used to write down the units to allow them to continue to meet affordable housing guidelines instead of the units increasing their rents to match the market. The reason that the report is compiled and looked at right before the budget is to determine if funds should be allocated the next year and to find out if there would be an influx in the general fund because a district was or is about to be decertified.

Jacobson asked if it would be too early to include Dominion in the numbers. Wischnack explained that Dominion would not be included in TIF funds until 2019. The increment would not flow until 2020 and 2021.

Hromatka moved, Jacobsohn seconded a motion to recommend that the EDAC recommend the Economic Improvement Plan as included in the agenda to the city council. Hromatka, Jacobsohn, Johnson, Johnston, Knickerbocker, Luke and Yunker voted yes. Motion passed.

5. Staff Report

Wischnack reported:

- The Metropolitan Council opened the bids for the revised SWLRT civil construction contract. The lowest bid was \$799,514,338.22, but it is actually a \$2 billion project including acquisitions.
- Adopted a resolution approving the preliminary and final plat for a three-lot subdivision for Arundel Addition at 15500 Minnetonka Boulevard.
- Adopted a resolution approving items for Solbekken Villas located at 5740 and 5750 Shady Oak Road.
- Tabled action on the Chabad Center at 2333 and 2339 Hopkins Crossroad and 11170 Mill Run.
- Adopted a resolution approving a conditional use permit for Adler Graduate School at 10225 Yellow Circle Drive.
- Adopted a resolution approving a roof-line amendment for the Copper Cow at 5445 Eden Prairie Road.
- Adopted a resolution approving a conditional use permit for Wellhaven Pet Health at 1700 Plymouth Road.
- Reviewed a concept plan for Ridgedale Active Adult Apartments at 12421 Wayzata Boulevard.
- The Dominion project, three buildings with 436 affordable housing units at 11001 Bren Road East, is scheduled to be reviewed by the city council on June 4, 2018.
- Building permit issues are being worked on for Minnetonka Hills at 2828 Jordan Ave.
- The Midwest Master Craft building is nearly completed at 17717 Highway 7.
- Havenwood of Minnetonka is being constructed at 17710 and 17724 Old Excelsior Blvd.
- Crest Ridge Senior Housing is under construction at 10955 Wayzata Blvd.
- The RiZe at Opus is under construction at 10101 Bren Road East.
- The Ridgedale Corner Shoppes have the façade being completed at 1801 Plymouth Road.

Hanson reported:

- Hennepin County recently expanded the program guidelines for the Economic Development Infrastructure Fund to include projects located within Transit Oriented Design (TOD) areas. The program provides up to \$1 million in grant funding to support new and expanding businesses that face extraordinary costs in constructing or renovating facilities or making other property improvements. Businesses must meet certain job creation and capital investment targets to be eligible.

- Staff sent 1,200 postcards to every business address in Minnetonka. The postcard contains information on business resources and contact information for city staff. Staff has already been contacted by businesses wishing to know more about the upcoming business newsletter and other resources.

Wischnack reported:

- Hennepin County voted to award the Mariner project \$450,000 in HRA funds to be used for Transit Oriented Design in 2018. The Metropolitan Council LCDA awarded the project \$1,876,500.
- There are currently two HRA loans in process. There were more applicants, but some withdrew due to ineligibility.
- There are currently eight CDBG projects in progress and an additional three projects in the review process.

6. Other Business

The next SLUC social event is scheduled for July 25, 2018 at 3 p.m. at the Double Tree in St. Louis Park.

The next EDAC meeting is scheduled for June 21, 2018 at 6 p.m.

7. Adjournment

Luke moved, Jacobsohn seconded a motion to adjourn the meeting at 7 p.m. Motion passed unanimously.