

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

**May 8, 2019  
6 p.m.**

**1. Call to Order**

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

**2. Roll Call**

EDAC commissioners present: Ann Duginski-Cibulka, Lee Jacobsohn, Jacob Johnson, Charlie Yunker, and Melissa Johnston were present. Jerry Knickerbocker and Jay Hromatka were absent.

Staff present: Community Development Director Julie Wischnack, Economic Development Housing Manager Alisha Gray, and Economic Development Coordinator Rob Hanson.

Councilmember present: Deb Calvert.

Financial consultant present: Stacie Kvilvang of Ehlers and Associates, Inc.

**3. Approval of March 14, 2019 Minutes**

Johnson motioned, Jacobsohn seconded a motion to recommend that the EDAC approve the minutes from the March 14, 2019 meeting as included in the agenda. Motion passed.

**4. 2020-2024 Economic Improvement Program**

Gray reported.

Jacobsohn asked if there is a purchase price limit for the Welcome to Minnetonka program. Gray responded that the purchase price limit is \$300,000.

Cibulka asked for more history on Homes Within Reach and why there is a fund balance for the organization. Gray explained that, due to the number of funding sources and staff capacity, the organization is typically on a two-year lag to spend the balance.

Johnson asked for the amount of demand on the loan programs. Hanson responded that the city typically provides three to four loans per year and that the city does meet the demand. Wischnack added that the fund balance could support potentially one to two years' worth of loans as it stands, but it is hard to predict if that demand would remain the same.

Jacobsohn suggested adjusting the sales-price restriction to \$350,000. He asked if the balance for the loan program is due to the 2018 changeover on the servicer of the loan.

Calvert explained that councilmembers would like more direction from the EDAC on the allocation of funding for Homes Within Reach and other programming since the council has many new members.

Chair Yunker asked commissioners if there is an appetite to raise the HRA levy at this time. Jacobson likes that idea, but did not think that the demand is there yet to permanently increase the levy. Cibulka supports increasing marketing efforts.

Jacobsohn made a motion, Cibulka seconded the motion to approve the HRA levy as proposed in the EIP with reallocation of \$125,000 from the HRA levy loan pool from the Welcome to Minnetonka and Minnetonka Home Enhancement Programs to be committed to Homes Within Reach in 2020. Cibulka, Jacobsohn, Johnson, Johnston, and Yunker voted yes. Hromatka and Knickerbocker were absent. Motion passed.

## 5. **Affordable Housing Policy**

Gray reported.

Cibulka asked for more clarification on which scenarios may warrant a waiver of the affordable unit requirements. Wischnack responded that extraordinary costs such as dealing with the existence of contamination, a high-water table, methane, etc. could be situations where this would apply.

Jacobsohn wanted clarification on how condominiums, townhomes, or other for-sale units would be required to comply with the policy. Gray explained that a covenant would be attached to the property and the city currently accomplishes this with unit indexing.

Jacobsohn suggested that payment-in-lieu be considered as an option commensurate with the cost of providing affordable housing. Wischnack responded that a payment-in-lieu will be investigated by staff at a later time.

Cibulka stated that a payment-in-lieu is a useful tool in development. The costs of development can make it difficult for a development to succeed.

Johnson asked how cities are currently providing a subsidy for affordable units. Cibulka and Wischnack stated that cities use a number of tools including TIF, abatement, and land subsidy to provide support for projects.

Kvilvang explained that utilizing a payment-in-lieu can be flawed because the fee the developer pays does not cover the actual cost of the affordable unit.

Jacobsohn motioned, Johnston seconded a motion to approve the affordable housing policy as submitted. Jacobsohn, Johnson, Johnston, and Yunker voted yes. Cibulka voted no. Hromatka and Knickerbocker were absent. Motion passed.

## 6. **Staff Report**

Gray and Wischnack gave the staff report:

- Construction activities are scheduled to begin throughout the SWLRT corridor over the next few weeks.
- Bike trails along the SWLRT route will be closed for up to three years as a result of the project.
- Review of an application for Highcroft Meadows, a 15-unit, contentious subdivision was tabled at the last council meeting.
- Walser Nissan is adding an additional building to the property.
- Ridgedale is undergoing numerous development projects.
- Opus placemaking and design guidelines are being developed with help from a Hennepin County Grant.
- Peoplenet received \$1.6 million from state jobs development funds to support 250 new jobs.
- HWR received an \$110,000 grant from the Metropolitan Council to purchase homes in the west metro.

## 7. Other Business

The third Opus Launch development meeting is scheduled to be held May 14<sup>th</sup> at 5:30 p.m.

SLUC meets Wednesday, May 22<sup>nd</sup>, at 11:30 a.m. at Brookview in Golden Valley.

The next EDAC meeting is scheduled for May 23<sup>rd</sup> at 6 p.m.

## 8. Adjournment

Johnson moved, Jacobsohn seconded a motion to adjourn the meeting at 8:27 p.m. Motion passed unanimously.