

**Minnnetonka Economic Development Advisory Commission
Meeting Minutes**

**July 25, 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: Jay Hromatka, Lee Jacobsohn, Jerry Knickerbocker, and Charlie Yunker were present. Ann Duginski-Cibulka, Jacob Johnson, Melissa Johnston were absent.

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

3. Approval of May 8, 2019 Minutes

Approval of the May 8, 2019 EDAC minutes was tabled until the next meeting due to the lack of a quorum of those present at that meeting.

4. The Kinsel at Glen Lake

Gray reported.

Jacobson asked if it would be possible to do 20 percent of the units at 60 percent AMI. Gray answered in the negative. That would not be eligible for TIF pooling.

Knickerbocker asked if there are any other foreseeable uses for the money in the Livable Communities Fund. Gray explained that the money in the fund was returned from Minnetonka Heights and has not been programmed for any other use at this time. Knickerbocker asked if the leftover funds would be moved to the general budget. Gray answered in the negative. It would remain earmarked for future housing needs.

Knickerbocker asked to what extent the proposal would increase the tax base of the city. Wischnack answered that in Glen Lake in 2005, the combined property value of the Gold Nugget, The Glen and Zvago equaled \$6.8 million. The property value for those three properties currently equals \$46 million. That is an increase of approximately 30 percent in city tax dollars. The proposal is most similar to The Ridge in total number of units. The property value in Glen Lake has grown by \$70 million in 18 years.

Hromatka confirmed with Gray that the proposal would not be part of the existing Glen Lake TIF district.

Hromatka asked how the \$209,000 amount was determined. Gray explained that staff looked at the developer's pro forma and walked through different scenarios and identified what the gap would be for providing the affordable units at various rents based on a stable return on

investment. Wischnack added that the developer would like the city to cover the whole amount, but staff determined that the applicant could cover about \$100,000.

Mike Waldo, with Ron Clark Construction, applicant, stated that staff did a good job of explaining the major pieces of the proposal. The property has always been intended to be a high-density residential or commercial use. The building next door is four stories tall. Keeping the proposed building at three stories makes it hard to provide affordable units. It has to be done with economic sense for the developer and the city. The city's use of federal tax dollars has helped expand the dollars that can be used. He wants to work with staff, councilmembers, and commissioners to create a great project with affordable units that are not offered in Glen Lake today.

Knickerbocker asked if Mr. Waldo agrees with the proposal as recommended by staff. Mr. Waldo answered affirmatively. At this point, he has talked through it with staff. The project would not be high grossing initially, but would be a good long-term project. The value would grow over time.

Knickerbocker stated that the proposal is straight forward. The applicant agrees with the proposal. He had nothing more to add.

Wischnack noted that the contract would come later. Chair Yunker did not see a problem with that.

Knickerbocker motioned, Jacobsohn seconded the motion to recommend that the city council include 10 percent of the units at 80 percent AMI for The Kinsel at Glen Lake with city assistance of up to \$104,800. Hromatka, Jacobsohn, Knickerbocker, and Yunker voted yes. Cibulka, Johnson, and Johnston were absent. Motion passed.

5. Staff Report

Gray and Wischnack gave the staff report:

- The Green Line extension is working on field surveying, fencing, relocating utilities and tree removal. Minnetonka will begin demolition of a building at Feltl Road and Smetana Road, staff outreach at Green Circle Condos, tree clearing and soil excavation along Bren Road, and business outreach through July.
- City council adopted an amendment to update the pollinator ordinance.
- City council adopted a resolution approving Conifer Heights on Conifer Trail and Mahoney Ave.
- City council adopted a resolution approving Bird Song on Oakland Road.
- City council will be reviewing a concept plan for Woodhaven Villas.
- City council adopted a resolution approving Highcroft Meadows.
- Villas of Glen Lake will begin construction soon.
- Avidor is framed.
- Solbekken Villas on Shady Oak Road are well under construction.
- Minnetonka Hills Apartments should be opening soon on Jordan Ave.
- The RiZe at Opus has Phase One and Phase Two open and tenants in the building.

- The city's website **eminnetonka.com** has a new interactive map of the city with projects listed on it under "Residents" and "Projects."
- Opus placemaking and design guidelines are being developed with help from a Hennepin County Grant.
- The new issue of *Thrive* was released. There are now 337 subscribers.
- Business marketing materials are being developed to be provided to developers for specific properties in the city.
- The HRA loan program continues to have interest. There are nine loans being processed and four loans closed so far in 2019. Staff revised the eligibility criteria and increased marketing for the loan program.
- Two CDBG loans have been committed so far in 2019. There are three applications in process. There are 81 residents on a waiting list.

6. **Other Business**

There is a tour scheduled for EDAC commissioners, planning commissioners, and city councilmembers on Aug. 22, 2019.

The Urban Land Institute is scheduled to host a conference entitled Navigating Your Competitive Future on Sept. 24, 2019.

The next EDAC meeting is scheduled for Sept. 12, 2019.

7. **Adjournment**

Yunker moved, Jacobsohn seconded a motion to adjourn the meeting at 6:45 p.m. Motion passed unanimously.