



**AGENDA**  
**CITY OF MINNETONKA**  
**ECONOMIC DEVELOPMENT ADVISORY COMMISSION**

March 11, 2021  
6:00 p.m.

Virtual Meeting

1. Call to Order

2. Roll Call

Charlie Yunker  
Maram Falk  
Melissa Johnston  
Ann Duginske Cibulka

Steven Tyacke  
Jay Hromatka  
Lee Jacobsohn

3. Approval of Feb. 25, 2021 minutes

**BUSINESS ITEMS**

4. Doran Development (5959 Shady Oak Road)

*Recommendation: Provide feedback*

5. Wellington Management (10901 Red Circle Dr)

*Recommendation: Review the request and provide a recommendation*

6. 2020 Annual Report

7. Other Business

The next regularly scheduled EDAC meeting will be held on **April 15 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

**Unofficial  
Minnetonka  
Economic Development Advisory Commission  
Virtual Meeting  
Minutes**

**Feb. 25, 2021  
6 p.m.**

**1. Call to Order**

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

**2. Roll Call**

EDAC commissioners Ann Duginske Cibulka, Maram Falk, Jay Hromatka, Lee Jacobsohn, Melissa Johnston, Steven Tyacke and Charlie Yunker were present.

Councilmember Deb Calvert was present.

Staff present: Community Development Director, Julie Wischnack, Economic Development and Housing Manager Alisha Gray, Economic Development Coordinator Rob Hanson, Financial Consultant Keith Dahl of Ehlers and Associates, and IT Assistants Gary Wicks and Joona Sundstrom.

**3. Approval of EDAC Oct. 29, 2020 Meeting Minutes**

Hromatka motioned, Tyacke seconded the motion to approve the Oct. 29, 2020 meeting minutes as submitted. Duginske Cibulka, Falk, Hromatka, Jacobsohn, Johnston, Tyacke, and Yunker voted yes. Motion passed.

**4. Tax Increment Financing Renewal and Renovation District – Opus Area**

Gray gave the staff report. She requested commissioners review the staff report and provide comments.

Tyacke asked for the consequences of the structures determined to be blighted or obsolete. Dahl explained that structurally substandard and obsolete buildings need to be identified to qualify the TIF District. The current property owner could continue to use the building as is, but it is identified to help establish the TIF district and determine the amount of TIF funds that would be generated to improve the infrastructure in the district.

Tyacke asked how the cost of street improvements would be distributed evenly between the property owners when the need for street improvements is triggered. Wischnack explained that the funds would be collected all at once.

Duginske Cibulka asked for clarification on a discrepancy between the report and the letter from Ehlers on the number of buildings that have been identified as obsolete.

In response to Duginske Cibulka's question, Dahl explained that the seven buildings identified as obsolete would require renovation clearance. The staff have been fielding calls for redevelopment on the sites with an orange dot. Since there is a redevelopment proposal for the site, it meets the state statute requirement to be deemed obsolete.

Duginske Cibulka stated that it seems like the infrastructure improvements are being aligned with scenario two. She asked if the improvements are designed to accommodate current applications or additional projects forecasted in the future. Gray explained that the level of development described in scenario two is anticipated. The current number of units being proposed is nearing the number of units anticipated for 2040. The infrastructure improvements are designed to accommodate projected future growth in steps.

Chair Yunker asked how old the infrastructure is now. Wischnack answered that the water and sewer lines from the 1970s are in pretty good repair and the capacity is quite large. Work is needed and has been scheduled for lift stations in the area. Lighting, trails, and way-finding signs need to be updated.

Hromatka asked how 16 years for the district length was determined, and asked for further clarification on how the city came up with the projections for the number of units and the number of jobs created within the two AUAR scenarios.

In response to Hromatka's questions, Gray explained that the state statute restricts the district's term to 16 years. Scenario one represents the comprehensive guide plan projection for the area and scenario two looks at the maximum amount of density that each parcel could support with its highest and best use.

Wischnack said that other markets similar to Minnetonka were looked at to help determine the intensity of development across the country.

Hromatka asked how much the tax increment revenue bonds would be expected to generate. Dahl referred to the presentation that shows \$54 million of tax increment being generated over 16 years. That is including the four developments currently being proposed. It does not take into account future development on sites within the district. It is a conservative approach to estimating the amount of tax increment that would be generated. A conservative interest rate for the bonds would be four percent and result in \$38 million. There would be enough to cover potential assistance to developments, get the affordability level that Minnetonka supports and have enough to pay for the public infrastructure. The number would go up if more developments occurred in the Opus Business Park area. Even if only two of the projects would move forward, there would still be enough increment to make the public infrastructure improvements adjacent to the TIF district, but not some of the other road improvements that have been contemplated. The amount can only go up from here to pay for more public infrastructure improvements.

In response to Duginske Cibulka's question, Dahl clarified that the \$54 million is a future value based on the four developments being proposed on their generated increment. The \$38 million is a present value based on a four percent interest rate over the 16-year term of the district. If the infrastructure improvements would be financed within the district and had an interest rate on the bond, then the city would be able to get a

principal amount of \$38 million. The \$54 million would be enough to pay the principal and interest over time on the bonds.

Jacobsohn asked for the current municipal-bond-market rate. Hromatka answered that the market currently has historically low rates. The current rate for a Minnetonka deal is in the three percent to three-and-a-half percent range for 16 years.

Duginske Cibulka likes that the TIF district would prevent each property owner from being assessed for the improvements. Assessments could also impact the existing buildings. She was curious what the assessment amount would have been for each property owner. Wischnack estimated dividing the \$16 million by each parcel's number of acres to get an idea of what each property would be assessed. The amount of frontage on the street that abuts the improvement is used to determine each assessment amount.

Gray asked for comments regarding utilizing a TIF renewal and renovation district to promote various affordability options in the Opus area. Tyacke complimented staff and Dahl on their creativity and for proposing the use of TIF revenue bonds to allow a range of affordable housing options and create funds for road improvements. The affordable housing options are a very good, positive feature of this option.

Jacobsohn noted that Opus looks like it is changing quite a bit. Having many different ranges of affordability is fantastic. The TIF renewal and renovation district is a great tool to provide housing affordability and deal with road and transportation issues within Opus that would always have to be addressed. This seems like a good way to get that started and help determine what Opus will look like in the future.

Chair Yunker liked the approach. It is clear that the best way to manage and respond to the changes that will take place in Opus is to take a regional approach. It will allow Minnetonka to manage the growth and handle foreseen and unforeseen infrastructure demands. Opus will be able to handle a lot of housing in a short amount of time. The district makes a lot of sense and is a very good approach.

Tyacke asked if this would be a fair approach for developers who submit an application later than others and, therefore, would not have as many remaining options for the level of affordable housing to choose from. Gray agreed that is a fair concern. Staff has been working with four developers since October and determined that many of the projects could not make the numbers work with the amount of assistance that Minnetonka would be able to provide. Staff determined that the projects could meet the basic policy themselves as a baseline with the five percent at 50 AMI and five percent at 60 AMI, but took one step further by requiring the applicant to meet the minimum and give an extra five percent in return for some assistance. The reason is to level out some of the ranges of affordability in Opus. Wischnack added that, going forward, staff will look at the balance of the mix of affordability options. Managing the mixture of affordability ranges may be more of a priority than managing the policy in this case. Only 14 percent of the housing units in Opus right now have rent equal to the market rate. The mixture of affordable rates will continue to evolve. The goal will be to keep the level of affordability diverse.

Calvert stated that transit-oriented development is highly desirable, and it makes sense to have affordable housing units located in Opus, which is near the SWLRT and major



interstates. The concentration of affordable housing in one area of Minnetonka creates an initial concern for councilmembers, but she understands that affordable housing is needed and warranted in that area. She has heard from residents who want more affordable housing and favor an ordinance rather than a policy, but the policy allows for more creative solutions similar to what is being considered tonight.

In response to Hromatka's question, Wischnack stated that Minnetonka has approximately 23,500 households with a population of approximately 54,500 residents. Of the total number of households, 22 percent are considered affordable. In the last five to seven years, 4,000 multi-family units have been constructed with approximately 23 percent having some affordable component to them. Minnetonka as a whole still has no more than 22 percent of its housing units meeting affordable standards. The Opus properties alone consist of 62 percent affordable units which makes sense because of where it is located.

Hromatka asked if market-rate housing is needed. Wischnack listed the numerous market-rate, multi-family residential projects occurring near Ridgedale. The city's vacancy rate is still so low that the market is still in demand. There has been diversity in the type of multi-family residential housing being constructed in Minnetonka which includes senior, work force, and high-end luxury multi-family housing units.

Tyacke asked if the developers on the west side would get a better deal paying for road infrastructure improvements than developers on the east side using TIF pooling funds. Gray explained that the initial west side projects would be funded because that is where development would be occurring first. Later, the other improvements would be made with the TIF pooling balance identified in the AUAR. The idea is that the west side would occur first and as development occurs on the east side, those street improvement projects may be able to be funded as well. Wischnack clarified that the projects within the TIF district would pay for the street improvements on the east side.

Wischnack explained that the TIF renewal and renovation district will be reviewed by the city council and each developer's contract will be reviewed by the EDAC again separately.

In response to Tyacke's question, Gray explained that none of the buildings could be demolished prior to a public hearing being held for the renewal and renovation district. If one project would move forward and be approved, then the project would not be able to begin demolition before a public hearing is held and the district is approved. That is why it makes sense to establish the district so development could occur when ready.

Hromatka supports creating the district. It would be a creative way to deal with the affordable housing goals and fund infrastructure improvements. He appreciates staff coming up with the viable solution.

Jacobsohn concurs with Hromatka.

Johnston concurs. The staff did a nice job putting the report together and laying out the information. She supports the creation of the district.

Duginske Cibulka agrees. She appreciates the creative thinking used to prevent too much of a burden being placed on the new developments in the area.

Falk concurs with commissioners. She felt the Kraus-Anderson proposal is an exception that has its own separate structure for affordable housing and would set an unnerving precedent. She encouraged councilmembers to consider that further.

Chair Yunker also supports the creation of the district to help manage the growth of the Opus area. He complimented staff on the creative solution.

Calvert appreciated the report being succinct, informative, and easy to understand.

## **5. Linden Street/Minnetonka Station (10400, 10500 and 10550 Bren Road East)**

Gray gave the staff report.

Tyacke asked where the current numbers are now. Gray stated that the developer is present and may confirm her understanding that the applicant is in agreement with \$553,000 for 10 percent of the units at 50 percent AMI.

Tyacke asked how an up-front payment would impact the return on investment. Dahl explained that the up-front assistance would not impact the developer's return. The developer is already at a reasonable rate of return in the year of stabilization, so the increase on the five percent of units at 50 AMI would be reasonable and the developer agreed. The amount of assistance agreed upon is \$553,000. The project looks at the total development costs versus just the equity like a typical cash on cash would. The project is already at a reasonable rate of return. It provides an incentive to increase the amount of affordability.

Tyacke supports the proposal. He likes the design of the building and the site plan. The renewable energy component and AUAR are amenities. The proposal offers a reasonable amount of affordable housing with 28 units at 50 percent AMI and is a good solution. He saw no negative effect to borrowing from the renewable fund and paying it back with the inner-fund loan, so that should be neutral. He recommends approval of the proposal with the condition that the developer's agreement fixes the \$553,000 amount and other terms and conditions agreed upon by staff.

Johnston exited the meeting.

Tyacke motioned. Jacobsohn seconded the motion to recommend that the city council approve items for the Linden Street/Minnetonka Station at 10400, 10500, and 10550 Bren Road East with the condition that a developer's agreement acceptable to staff is entered into. Duginske Cibulka, Falk, Hromatka, Jacobsohn, Tyacke, and Yunker voted yes. Johnston was absent. Motion passed.

## **6. Staff Report**

Hanson and Wischnack gave the staff report:

- Major progress was made in 2020 on the Green Line Extension. Utility work is nearly complete, 23 of 29 bridges are under construction, and new train vehicles are undergoing testing. The project experienced a setback in the Minneapolis portion and the expected completion has been moved to 2024. Construction updates are available at [www.swlrt.org](http://www.swlrt.org).
- Metro Transit local bus service trips have remained near pre-pandemic levels. Weekday service is now operating 186 trips carrying 310 passengers per day. The decrease is largely from the cut of express routes as commuters continue to work from home. Weekend service has only seen a three percent decrease in the number of trips from the same point in 2019.
- Developments in progress include The Pointe, Minnetonka Station, Doran (The Birke), Shady Oak Crossing, Legends (Dominium), KA Development, Wellington Apartment concept, Ridgedale Park project, the Minnetonka Police and Fire project, Opus AUAR Study, Dukes, and Dick's Sporting Goods.
- Hennepin County received 1,700 applications seeking \$23 million in funding. All 157 eligible Minnetonka businesses that applied for funding received it and totaled more than \$1.49 million.
- The Greater MSP Regional Recovery HUB has developed a tracking dashboard to display the progress of the regions' economic recovery by tracking details on industries, demographics, and health indicators.
- Thrive Minnetonka was distributed in February 2021 and has over 800 on-line subscribers and 1,300 by-mail subscribers.
- Minnetonka created a program to allow Homes Within Reach to provide \$7,500 in grants for residents to make repairs to houses. About 30 houses have taken advantage and there are currently 11 homeowners in the application process.
- Minnetonka is expected to receive \$150,000 in CDBG funds to be used for house rehabilitation.
- Minnetonka utilized \$150,000 of the existing Development Fund balance to provide a one-time payment of up to \$1,500 to assist a resident with rent and utility expenses.
- ICA spent \$111,214 provided by Minnetonka to assist 84 households with an average amount of \$1,323 for rent and utilities. In January, the city council approved an additional \$25,000 in rent assistance.
- The federal administration has extended a ban on evictions that will remain in effect through March 31, 2021 and a ban on mortgage foreclosures until the end of June 2021.

## 7. Other Business

The next EDAC meeting is tentatively scheduled to be held March 11, 2021 at 6 p.m.

## 8. Adjournment

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

**EDAC Agenda Item #4  
Meeting of March 11, 2021**

**Brief Description** Doran Development (5959 Shady Oak Road)

**Recommendation** Provide feedback

**Site Overview**

Doran Development is exploring a redevelopment of the site located at 5959 Shady Oak Road (currently International Spanish Language Academy). The 5.11 acre site is located immediately east of Shady Oak Road, north of Red Circle Drive. The proposed project would include a 6-story apartment building with 375-400 units. The units would be a mix of an alcove, one, two, and three-bedroom units.

**Previous Proposal**

At the EDAC meeting on [Oct. 29, 2020](#), the developer's initial proposal included providing 10% of the units affordable to households earning up to 80% of the area median income (AMI), with a focus on two-to-three bedroom affordable units. The developer was not seeking city assistance at that time.

**Current Proposal**



Following the [Oct. 29, 2020 EDAC](#) meeting, staff continued to have discussions with the developer on the proposed level of affordability for the project. On [Feb. 22, 2021](#), the city council also reviewed the project and provided feedback to the developer to consider increasing the amount of affordable units to exceed the policy guidance. The developer responded by providing the city with the additional affordability proposals for consideration:

1. Meet the city's policy 5% at 50% AMI and 5% at 60% AMI
  - No assistance requested
    - 19 units at 50% AMI and 19 units at 60% AMI
    - Total of 38 units
2. Increase affordable units to 5% at 50% AMI, 5% at 60% AMI, and 5% at 80% AMI
  - Requesting up to \$280,000 in assistance
  - Unit mix:
    - 19 units at 50% AMI, 19 units at 60% AMI, 19 units at 80% AMI
    - Total of 57 units
3. Increase affordable units to 10% at 50%, and 5% at 80% AMI
  - Requesting up to \$1.1M in assistance
  - Unit mix:
    - 38 units at 50% AMI and 19 units at 80% AMI
    - Total of 57 units

Based upon the information provided to the EDAC on [Feb. 25, 2021](#), staff is supportive of approaches to increase the number of affordable units with assistance, primarily at the 50% AMI and 80% AMI affordability levels. Staff will share the EDAC's feedback at the city council study session on March 15, 2021. Following that meeting, staff would provide a more thorough review of the developer's proforma and return to EDAC with a financing recommendation and contract for private development.

## **Policy review**

Staff has reviewed the council's Affordable Housing Policy as a guide for discussing the affordability component of the project.

### *2030 Comprehensive Plan*

- The project is compatible with the Comprehensive Guide Plan as a proposed mixed-use development;
  - The project is identified in the 2040 comprehensive guide plan as guided for mixed-use.
  - The Opus area was developed as a mixed-use area with housing, employment, limited retail, and recreational amenities. In recent years, there has been a shift to more residential housing through the conversion of office and industrial sites. This was anticipated in the city's comprehensive plan, largely due to the availability of access to the southwest light rail transit green line planned to be operational in 2023.

### *Affordable Housing Policy 13.2*

- For projects requesting a zoning change or comprehensive plan amendment without city assistance.
  - In multi-family rental developments, at least 10% of the units shall be affordable to and occupied by households with incomes at or below 60% AMI, with a minimum of 5% at 50% AMI.
    - The developer's proposals meet or exceed the level of affordability recommended by the policy.
    - The developer will be available at the meeting to discuss the proposed mix of affordable units.

### **Project Schedule**

- March 15, 2021 – City Council Study Session

### **Recommendation**

Staff recommends the EDAC provide feedback on the proposed affordability scenarios and financing requests. EDAC feedback will be shared with the city council at a study session on March 15, 2021.

Submitted through:

Julie Wischnack, AICP, Community Development Director

Originated by:

Alisha Gray, EDFP, Economic Development and Housing Manager

### **Additional Information**

[Feb. 25, 2021 – EDAC Meeting](#)

[Oct. 29, 2020 – EDAC Meeting](#)

[Oct. 12, 2020 City Council – Opus Housing Brief](#)

Location Map

Memo from Doran Development

Affordable Housing Policy

2020 Affordable Housing Limits

History of Affordable Housing Production and Assistance

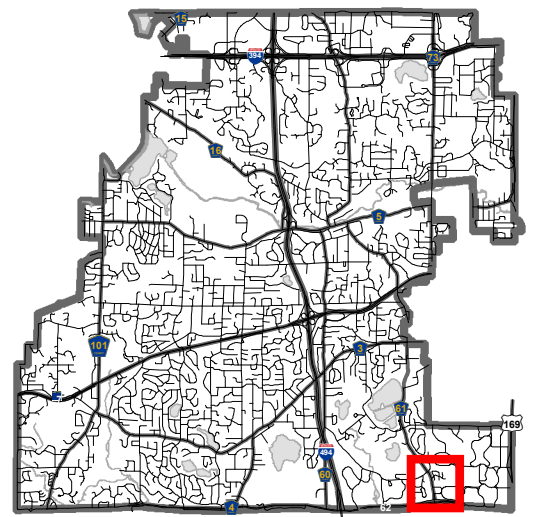
[Opus Public Realm Design Guidelines](#)





### Location Map

Project: Doran Development  
Address: 5959 Shady Oak Rd







**5959 Shady Oak Road**

**Development Application  
Minnetonka, MN**

PICTURE

**Project Narrative  
January 15, 2021**

**Developer:** Doran RE Partners, LLC

**Prepared by:** Doran Development, LLC, Developer  
Doran Architects, LLC, Architect  
Sambatek, Surveyor  
Kimley Horn, Civil Engineer and Landscape Architect  
Braun Intertec, Geotechnical Consultant

**1. REQUESTED ACTIONS**

Doran is requesting the following actions:

- Rezoning to a PUD
- Master Development Plan
- Site and Building Plan Review
- Preliminary and Final Plat
- Vacation of Easements

The development applications will adhere to the following proposed entitlements schedule:

Introductory Meeting with City Staff	Completed 9/11/20
Neighborhood Meeting	Completed 10/13/20
Concept Plan Review – Planning Commission	Completed 10/22/20
Minnetonka EDAC	Completed 10/20/20
Concept Plan Review – City Council	Completed 11/9/20



Additional Meeting with City Staff	Completed 11/24/20
Additional Concept Plan Review – City Council	Completed 12/21/20
Development Application Submittal	Completed 1/15/21
City Council – Ordinance Introduction	2/22/21
Planning Commission – Public Hearing	3/4/21
City Council – Final Decision	3/22/21

## **2. PROJECT LOCATION**

This project is located on the northeast corner of Shady Oak Road and Red Circle Drive. The property currently consists of two separate lots totaling 5.11 acres.

## **3. VISION AND SUMMARY OF THE PROPOSED PROJECT**

Doran is proposing a new, high-quality, Class A luxury apartment project. This project is precisely what the City of Minnetonka is seeking in its draft of the 2040 Comprehensive Plan for the Opus Station Transitional Station Area Plan. This project will bring life and vitality to the area enhancing walkability, utilizing transit connections, providing a new housing option for existing residents, attracting the next generation of residents to the City, and supporting the nearby commercial uses that exist in the neighborhood today. The project will meet the City of Minnetonka’s Affordable Housing Policy integrating affordable housing with market-rate apartments.

The redevelopment will include razing the existing functionally obsolete industrial building on the site and constructing a 356 -unit apartment project with five percent of the units affordable at 50% of the area median income levels and five percent of the units affordable at 60% of the area median income levels. The project will consist of a concrete podium parking garage with approximately 504 parking stalls on two levels-- one level of underground and one level at grade. The parking garage will contain all of the resident and guest parking for the project, with the exception of approximately seven surface parking spaces along the circle drive near the main entrance for short-term guest and delivery parking. Above level one of the building will be wood framed construction for the apartments and an open, elevated amenity deck and garden with several outdoor amenities. Amenities throughout the project will include:

- Business center;
- Flex work space;
- Clubroom and game room;
- Two entertainment suites;
- Exercise facility;
- Group exercise room;
- Outdoor pool;
- Outdoor spa;
- Grilling stations;
- Outdoor fire pits;
- Dog run;
- Pet spa;

- Heated underground parking;
- Bocce ball, putting green, outdoor seating, and/or other outdoor activity areas;
- Community garden; and
- Enhanced stormwater features with pollinator garden plantings.

The building will contain a mix of alcove, 1 , 1 plus den, 2 and 3 bedroom apartments with active gathering spaces for residents and guests located on the first and second levels of the building.

#### **4. ARCHITECTURAL DESIGN**

The architectural style of the project is influenced by the more traditional look of the nearby residential townhome and condo projects. This traditional architectural detailing with a bold modern approach to materials creates an aesthetic that is unique in Minnetonka. The accentuated cornice and bracket articulation are inspired by 19<sup>th</sup> century luxury hotel architecture. Traditional stone window surrounds against the black, ebonite, ironspot brick make this traditional form “pop” in a new modern way.

The building is sited with the entry adjacent to Red Circle drive. The canopy clearly identifies the building entry point. The entry area proposes lower, varying height building elements to reduce the mass of the building and bring it down to a more comfortable human scale. These lower elements contain amenity spaces and the architecture helps distinguish these spaces from the residential units. Stone mixed with warm wood accents highlight the entrance This circle drive area proposes public art to provide more interest. Amenity functions are planned along Red Circle drive. This will help provide interest and activate the street and pedestrian path.

The first floor of the building utilizes a dark, earth toned face brick which creates a distinct base to the building. This brick is carried vertically in select areas to tie the residential portions of the building to the masonry base. The contrasting field colors of white fiber cement siding help to create interest and break up the façade. Large balconies, terraces that walk out to the amenity deck, and walk-out townhomes create an active presence and create a sense of community.

. . Sustainable planning and design features of the building include:

- The project will be enrolled in Xcel’s Energy and Centerpoint Energy’s design assistance program for energy efficiency.
- Installation of electric car charging stations,
- Installation of occupancy sensor lighting controls in select building locations,
- Enrollment of the project in a community solar garden program,
- Installation of individual programmable thermostats, high quality, energy-efficient windows, energy star (or comparable energy-efficient) appliances, full building insulation including all interior walls.
- Increasing the energy efficiency to exceed the code by 20%

#### **5. RESPONSIVENESS TO NEIGHBORHOOD AND CITY FEEDBACK**

This project has been significantly revised since it was originally proposed. We have received and thoughtfully responded to feedback from the neighborhood as well as City Staff, Planning Commissioners and City Councilmembers in this revised design.

This revised plan reduces the total units from 375 to 354 apartments units. We have also reduced the massing of the building by creating undulation and openings within the façade and reducing the height of the building on the north facade from 78 feet to 66 feet in height. In response to the concerns of the neighbors to the north the setback from the north property line was also increased from 51 feet to most of the building being over 131 feet from the property line and 153 feet to the townhomes. There is a small section of the building that is set back 87 feet from the property line and 123 feet from the nearest townhome. Also, at the request of the neighboring townhomes a privacy fence was added to the north property line. To be in conformance with the Opus Area Placemaking and Design Implementation Guide we have added construction of the multi modal trail from Shady Oak Rd. to the easterly property line to our plan, providing for eventual connection of the trail to the new light rail transit station. To address some of the concerns of the neighbors to the north we have added landscaping between the trail and the privacy fence.

## **6. LANDSCAPING**

The proposed landscaping improvements for the project will enhance both the project site and the neighborhood by adding distinct features to the property—pollinator plantings in the stormwater pond area that will support community garden plots on the north side of the building, community lawn activity areas with access to the new trail, and natural plantings to enhance the building aesthetic along the south building entrance area. The detailed landscaping plan achieves the following goals:

- Preserve the stormwater pond and enhance its functionality;
- Support the area ecosystem by adding pollinator plants and space for community gardening on the project site;
- Add a privacy fence and plantings on the north side of the property to eliminate any impact of view for the property owners to the north;
- Utilize dynamic landscaping and public art to create an impactful, welcoming presence along Red Circle Drive;
- Create a welcoming presence along the trail by adding outdoor lawn activity and garden areas and direct trail access; and
- Reinforce a pedestrian-friendly environment with sidewalks along Red Circle drive and the multimodal trail to the north of the project.

## **7. UTILITIES**

### ***Public***

- Sanitary Sewer: A new 8-inch sanitary sewer service is proposed from to the existing manhole.
- Watermain: A new 8-inch combined watermain service is proposed from the line running along the municipal watermain along the westerly property line.

### ***Private***

The private utilities for the proposed development are:

Electricity	Xcel energy
Natural Gas	CenterPoint Energy
Telephone/Internet	Centurylink Communications

Cable TV/Internet      Comcast

All private utilities are located adjacent to the subject site.

## **8. PARK DEDICATION**

The City of Minnetonka's Subdivision ordinance requires that when land is subdivided or platted as proposed in this application, a reasonable portion of land is to be used for uses such as public parks, playgrounds, trails or open space. In addition to payment of the required park dedication fees, this project will create these additional improvements:

- Over 2 acres of new heavily-landscaped open space and buffer from adjacent residential uses,
- Preservation and enhancement of the stormwater pond and existing trees and along the north and west property line,
- Enhanced pedestrian connections along Red Circle Drive and multi-modal trail from Shady Oak Rd. to the light rail transit center.

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**Policy Number 13.2  
Affordable Housing Policy**

**Purpose of Policy:** This policy establishes general procedures and requirements to govern the City’s commitment to affordable housing.

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**Introduction**

The City of Minnetonka has a long history of promoting diversity in the type and size of housing units in Minnetonka, including the production of new affordable rental and ownership opportunities.

This Policy recognizes the city’s commitment to provide affordable housing to households of a broad range of income levels in order to appeal to a diverse population and provide housing opportunities to those who live or work in the city. The goal of this policy is to ensure the continued commitment to a range of housing choices by requiring the inclusion of affordable housing for low and moderate-income households in new multifamily or for-sale developments.

The requirements in this policy further the Minnetonka Housing Action Plan and city’s Housing Goals and Strategies identified in the 2040 Comprehensive Plan.

**Applicability and Minimum Project Size**

This policy applies to all new multifamily rental developments with 10 or more dwelling units and all new for-sale common interest or attached community developments, (condominiums, townhomes, co-ops) with at least 10 dwelling units. This includes existing properties or mixed-use developments that add 10 or more units.

**Calculation of Units**

The number of Affordable Dwelling Units (ADUs) required shall be based on the total number of dwelling units approved by the city. If the final calculation includes a fraction, the fraction of a unit shall be rounded up to the nearest whole number.

If an occupied property with existing dwelling units is expanded by 10 or more units, the number of required ADUs shall be based on the total number of units following completion of expansion.

**Affordable Dwelling Unit (ADU)**

General Requirements.

For projects not requesting a zoning change and/or comprehensive plan amendment and not receiving city assistance.

- In multi-family rental developments, at least 5% of the units shall be affordable to and occupied by households with an income at or below 50% of

the AMI.

- In attached for-sale common interest or attached community developments (condominiums, townhomes, co-ops), at least 10% of the units shall be affordable to and occupied by households with an income at or below 80% AMI.

For projects requesting a zoning change or comprehensive plan amendment without city assistance.

- In multi-family rental developments, at least 10% of the units shall be affordable to and occupied by households with incomes at or below 60% AMI, with a minimum of 5% at 50% AMI.
- In attached for-sale common interest or attached community developments (condominiums townhomes, co-ops), at least 10% of the units shall be affordable to and occupied by households with an income at or below 80% AMI.

For projects receiving city assistance.

- For multi-family rental developments, at least 20% of the units shall be affordable to and occupied by households with an income at or below 50% of the AMI; or at least 40% of the units shall be affordable to and occupied by households with an income at or below 60% AMI.
- In attached for-sale common interest or attached community developments (condominiums, townhomes, co-ops), at least 10% of the units shall be affordable to and occupied by households with an income at or below 80% AMI.

### **Calculation of AMI**

For purposes of this policy, Area Median Income means the Area Median Income for the Twin Cities metropolitan area calculated annually by the Minnesota Housing Finance Agency for establishing rent limits for the Housing Tax Credit Program (multi-family ADU) and the Department of Housing and Urban Development (attached for-sale common interest or attached community developments, including: condominiums, townhomes, co-ops).

### **Rent Level Calculation (Multi- Family Rental Developments)**

The monthly rental price for an ADU receiving city assistance shall include rent and utility costs and shall be based on fifty percent (50%) or sixty percent (60%) for the metropolitan area that includes Minnetonka adjusted for bedroom size and calculated annually by Minnesota Housing Financing Agency for establishing rent limits for the Housing Tax Credit Program. This does not apply to units not receiving city assistance.

**For Sale Projects**

The qualifying sale price for an owner-occupied dwelling unit shall include property taxes, homeowner's insurance, principal payment and interest, private mortgage insurance, monthly ground lease, association dues, and shall be based upon eighty (80%) AMI for the metropolitan area that includes Minnetonka adjusted for bedroom size and calculated annually by the Department of Housing and Urban Development.

**Period of Affordability**

In developments subject to this policy, the period of affordability for the ADUs shall be thirty (30) years.

**Location, Standards, and Integration of ADUs**

Distribution of affordable housing units. Unless otherwise specifically authorized by this policy, the ADUs shall be integrated within the development and distributed throughout the building(s). The ADUs shall be incorporated into the overall project unless expressly allowed to be located in a separate building or a different location approved by the city council.

Number of bedrooms in the affordable units. The ADUs shall have a number of bedrooms proportional to the market rate units. The mix of unit types shall be approved by the city.

Size and Design of ADUs. The size and design of ADUs shall be consistent and comparable with the market rate units in the rest of the project.

Exterior/Interior Appearance of ADUs. The exterior/interior materials and design of the ADUs in any development subject to these regulations shall be indistinguishable in style and quality with the market rate units in the development.

**Non-Discrimination Based on Rent Subsidies**

Developments covered by this policy must not discriminate against tenants who would pay their rent with federal, state or local public assistance, including tenant based federal, state or local subsidies, but not limited to rental assistance, rent supplements, and Housing Choice Vouchers.

**Alternatives to On-Site Development of an ADU**

The city recognizes that it may not be economically feasible or practical in all circumstances to provide ADUs in all development projects due to site constraints resulting in extraordinary costs of development. The city reserves the right to waive this policy if the developer requests a waiver and can provide evidence of extraordinary costs prohibiting the inclusion of ADUs. The city will review on a case-by-case basis to determine if the waiver is justifiable and granted.

---

**Recorded Agreements, Conditions and Restrictions**

A declaration of restrictive covenants shall be executed between the city, EDA and developer, in a form approved by the city's EDA attorney, which formally sets forth development approval and requirements to achieve affordable housing in accordance with this policy. The declaration shall identify:

- The location, number, type, and size of affordable units to be constructed;
- Sales and/or rental terms; occupancy requirements;
- A timetable for completion of the units; and
- Annual Tenant income and rent reporting requirements; and
- Restrictions to be placed on the units to ensure their affordability and any terms contained in the approval resolution by the city/EDA.

The applicant or owner shall execute all documents deemed necessary by the city manager, including, without limitation, restrictive covenants and other related instruments, to ensure affordability of the affordable housing unit within this policy.

The documents described above shall be recorded in the Hennepin County as appropriate.

**Definitions**

**Affordable Dwelling Unit:** A unit within a residential project subject to this policy that shall meet the income eligibility and rent affordability standards outlined in this policy.

**Financial Assistance:** Funds derived from the city or EDA, including but is not limited to fund from the following sources:

- City of Minnetonka
- Housing Redevelopment Authority (HRA) Funds
- Economic Development Authority (EDA) Funds
- Community Development Block Grant (CDBG)
- Reinvestment Assistant Program
- Revenue Bonds and/or Conduit Bonds
- Tax increment financing (TIF), TIF pooling, or tax abatement
- Land write downs
- Other government housing development sources

Adopted by Resolution 2019-060  
Council Meeting of July 8, 2019



## 2020 AFFORDABLE HOUSING INCOME LIMITS

FY 2020 Income Limits Summary					
Household Size	30%	50%	60%	80%	120%
1	\$ 21,700.00	\$ 36,190.00	\$ 43,428.00	\$ 54,950.00	\$ 87,040.00
2	\$ 24,800.00	\$ 41,360.00	\$ 49,632.00	\$ 62,800.00	\$ 99,475.00
3	\$ 27,900.00	\$ 46,530.00	\$ 55,836.00	\$ 70,650.00	\$ 111,909.00
4	\$ 31,000.00	\$ 51,700.00	\$ 62,040.00	\$ 78,500.00	\$ 124,344.00
5	\$ 33,480.00	\$ 55,836.00	\$ 67,003.00	\$ 84,780.00	\$ 134,291.00
6	\$ 35,960.00	\$ 59,972.00	\$ 71,966.00	\$ 91,060.00	\$ 144,239.00
7	\$ 39,010.00	\$ 64,108.00	\$ 76,929.00	\$ 97,340.00	\$ 154,186.00
8	\$ 43,430.00	\$ 68,244.00	\$ 81,892.00	\$ 103,620.00	\$ 164,134.00
Median Family Income 2020 = \$103,400					

*Income limits are published on the US Department of Housing and Urban Development user portal:  
<https://www.huduser.gov/portal/datasets/il.html>*

How much do people pay for affordable housing?

*Affordability based on a family of four*

Monthly Rent	AMI	Annual Income
\$775	30%	up to \$31,000
\$775 - \$1,290	30%-50%	\$31,000 - \$51,700
\$1,290 - \$1,550	50%-60%	\$51,700 - \$62,040
\$1,550 - \$1,960	60%-80%	\$62,040 - \$78,500
\$1,960 - \$2,585	80%-100%	\$78,500 - \$103,400

Affordable rents, based on sample occupations and their average salaries

*Salary information obtained from [glassdoor.com](http://glassdoor.com)*

Occupation	Average Salary	Affordable Rent
Home Health Aide	\$33,000	\$825
Nurse	\$67,873	\$1,696
High School Teacher	\$44,435	\$1,110
Line Cook	\$25,043	\$626

Name of Project	Number of Affordable Units	Number of Market Rate Units	Total Assistance (for affordable units)	Years of Affordability	Assistance per Unit, per Year	Affordability Level
Linden Street (10400 Bren Rd)	28	247	\$553,000	30	\$658	10 @ 50% AMI
Doran (5959 Shady Oak)	38	337	No assistance requested	30	N/A	5@50% , 5@60% AMI
Wellington Management	67	223	Under discussion	30	TBD	10%@50% , 20%@80%AMI
United Properties (The Pointe )	19	167	\$400,000	30	\$701	9%@ 50% AMI, 9%@ 60% AMI
Dominium	482	0	\$7,809,000	30	\$540	60% AMI
Homes Within Reach (2004-2020 grant years)	59	0	\$2,981,435	99	\$510	80% AMI
The Ridge	52	0	\$1,050,000	30	\$673	60% AMI
Shady Oak Crossing	52	23	\$1,900,000	30	\$2,753	60%AMI
West Ridge Market (Crown Ridge, Boulevard Gardens, Gables, West Ridge)	185	0	\$8,514,000	30	\$1,534	<i>Crown Ridge—60% AMI Boulevard Gardens—60% AMI Gables—initially 80% AMI, now no income limit West Ridge—50% AMI</i>
Beacon Hill (apartments)	62	48	\$2,484,000	25	\$1,602	50% AMI
Ridgebury	56	163	\$3,243,000	30	\$1,930	Initially--80% AMI, Now no income limit
Glen Lake (St. Therese, Exchange)	43	119	\$4,800,000	30	\$3,721	60% AMI
Cedar Point Townhomes	9	143	\$512,000	15	\$3,792	50% AMI
Tonka on the Creek (Overlook)	20	80	\$2,283,000	30	\$3,805	50% AMI
At Home - The Chase at 9 Mile	21	106	\$2,500,000	30	\$3,968	50% AMI
Applewood Pointe	9	80	\$1,290,000	Initial Sale/Ongoing maximum %	\$4,777	80% AMI
Doran (Birke)	35 (20% of units)	175	\$4,800,000	30	\$4,571	50% AMI

updated 02/22/2021

## **EDAC Agenda Item #5 Meeting of March 11, 2021**

**Brief Description** Wellington Management (10901 Red Circle Dr)

**Recommendation** Review the financing request and provide feedback

### **Site Overview**

Wellington Management is exploring a redevelopment of the site located at 10901 Red Circle Drive. Shady Oak Office Center currently occupies the 4.68-acre site and is owned and operated by Wellington Management. The developer intends to redevelop the site into multifamily housing as part of a two-phased approach. The developer has indicated the eastern portion of the site would be redeveloped first, followed by a second phase on the site's western portion.

### **Previous Proposal**

At the EDAC meeting on [Sept. 17, 2020](#), Wellington Management presented an initial concept and financing request. The developer had requested that the city consider providing tax increment financing up to \$9.5 million to assist with providing 137 units affordable at 50% of the area median income for a term of 30 years. The developer is requested \$6 million for phase 1 of the project and \$3.5 million for phase two.

In the initial proposal, the affordable rents (ranging from studio to three-bedroom) in the project were proposed to range between \$835 and \$1,244 per month and market-rate apartments would range from \$1,320 to \$2,565 per month. The per unit/per year cost of providing the affordable units was \$2,311 (assuming the project receives the requested \$9.5 million in tax increment financing). For comparison, the Birke (Doran) received \$4.8 million in TIF to provide 35 affordable units, a cost of \$4,571 per unit/per year.

The city's financial consultant, Ehlers, reviewed the developer's proforma and provided feedback on the financing request. Below is a summary of the key points of the memo:

- Ehlers concluded that the project would require \$8 million in financial assistance for affordable units.
  - \$5 million for the 250-unit apartment – Phase 1
  - \$3 million for the 185-unit apartment – Phase 2
- A Housing TIF District could be a financing source for the project. Ehlers analyzed each building independently of each other and recommended the following structure for the assistance.
  - \$5 million in assistance for Building A in Phase 1, structured as a Pay-as-you-go (PAYGO) Note, over a term of 11 years.
  - \$3 million in assistance for Building B in Phase 2, structured as a PAYGO note over a term of nine years.
  - Both notes would carry a 3.85% interest rate (which is the developer's financing rate) and would be repayable from 90% of the available tax increment financing.
  - The maximum term of a Housing TIF District is 26 years.

## Current Proposal



Concept Proposal - March 2021

Wellington Management is now proposing a 223-unit multifamily building for phase 1 (the eastern portion of the site), with plans for a future phase 2 to include a 150-185 unit multifamily building on the western portion of the site. As proposed, phase 1 would consist of 225 units with a mix of studio, 1, 2, and 3-bedroom units. In phase 1, the developer proposes to include 10% of the units with rents restricted at or below 50% AMI and an additional 20% of the units with rents restricted at or below 80% AMI. The remaining units in phase 1 are anticipated to have rents at or below 80%-100% AMI (but will be subject to the affordability covenant). To provide affordable units, the developer has requested \$2.8 million in assistance. The affordability mix for phase 2 has not yet been determined.

## Current Financing Request

The developer has requested that the city consider providing tax increment financing up to \$2.8 million to assist with providing 23 units affordable at 50% of the AMI and 45 units at 80% AMI for

phase 1 of the project. The affordable rents (ranging from studio to three-bedroom) in the project are proposed to range between \$850 and \$1,270 per month for the 50% AMI units \$1,200 to \$2,900 for the 80% AMI units.

The city's financial consultant, Ehlers, reviewed the developer's proforma and provided the attached memo that reviews the points of the developer's request for assistance. Below is a summary of the key points of the memo:

Ehlers concluded that the project would require \$2.4 million in financial assistance for provision of affordable units.

- \$2.4 million for 23 units at 50% AMI and 45 units at 80% AMI
- The developer agreed to a 30-year term on the 50% AMI units and requested a 15-year term of affordability on the 80% units.
- As initially proposed, the developer considered 15 studios and 30 1-bedroom units for the 80% units.
  - In the attached memo from Wellington, the developer revised the 80% unit mix to include 20 studios and 25 1-bedroom units.
  - Staff is recommending the full term of 30 years for both the 50% and 80% AMI units.
- The TIF Renewal and Renovation District could be a financing source for the project. Ehlers recommended the following structure for the assistance.
  - \$2.4 million in assistance for Phase 1, structured as a Pay-as-you-go (PAYGO) Note, over a term of 6 years.
  - Minimum Assessment Agreement
  - Look back Provision to review:
    - Total development cost after construction is completed
    - Return on investment following stabilization
    - Sale provisions

The city's financial consultants, Keith Dahl or Stacie Kvilvang of Ehlers, and Minnetonka staff Julie Wischnack and Alisha Gray will be present at the meeting to answer any questions.

### **Policy review**

Staff has excerpted Policy 2.14, the council's policy on TIF and Affordable Housing Policy, as a guide for discussing the conceptual assistance request:

#### *Tax Increment Financing Policy 2.14 and Affordable Housing Policy*

- The project is compatible with the Comprehensive Guide Plan as a proposed mixed-use development;
  - The project is identified in the 2040 comprehensive guide plan as guided for mixed-use.
  - The Opus area was developed as a mixed-use area with housing, employment, limited retail and recreational amenities. In recent years, there has been a shift to more residential housing through the conversion of office and industrial sites. This was anticipated in the city's comprehensive plan, largely due to the availability of

access to the southwest light rail transit green line which is planned to be operational in 2024.

- Priority will be given to projects which:
  - The project would not occur “but for” the assistance;
    - The developer has committed to providing 10% of the units affordable at 50% AMI and 20% of the units at 80% AMI.
    - This is 5% more at 50% than required by the policy and an additional 20% at 80% AMI.
- The project is in a high priority “village area” as identified in the Comprehensive Guide Plan;
  - The project is located near Opus Station Area and was identified in the 2040 Comprehensive Guide Plan as a site for mixed-use development.
- The project includes affordable housing units, which meets the city’s affordable housing standards;
  - The project meets affordability guidance in the Affordable Housing Policy by providing 10% of the units at 50% AMI and 20% at 80% AMI.
- The proposed project amenities will benefit a larger area than identified in the development;
  - The developer would provide affordable housing opportunities.
  - The developer will reference the Opus Area Placemaking + Urban Design Implementation guide as a reference tool when planning the site design and amenities.
- The project will maximize and leverage the use of other financial resources.
  - The developer is seeking grant assistance from other sources.

### **Recommendation**

Staff recommends the EDAC provide a recommendation on the financing request. Any feedback will be shared at an upcoming city council meeting.

Submitted through:

Julie Wischnack, AICP, Community Development Director

Originated by:

Alisha Gray, EDFP, Economic Development and Housing Manager

### **Additional Information**

Location Map

Letter from Wellington Management

Memo from Keith Dahl and Stacie Kvilvang – Ehlers

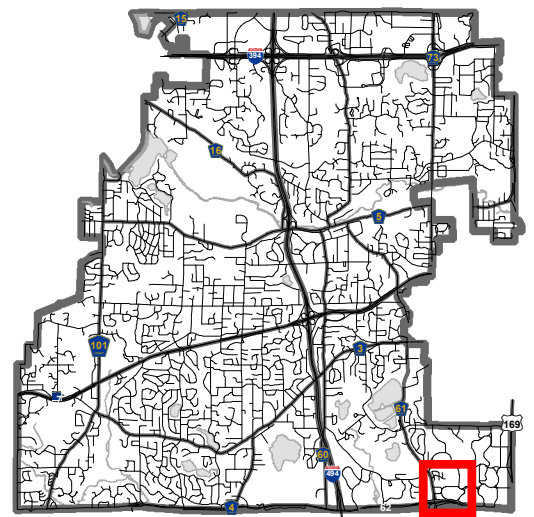
Draft Concept Plans  
Affordable Housing Policy  
TIF Policy  
2020 Income and Limits  
History of Affordable Housing Production and Assistance  
[Opus Public Realm Design Guidelines](#)  
[Feb. 25, 2021 EDAC Meeting](#)  
[Sept. 17, 2020 EDAC Meeting Minutes](#)





### Location Map

Project: Shady Oak Office Center  
Address: 10901 Red Cir Dr







Julie Wischnack, Community Development Director  
Alisha Gray, Economic Development and Housing Manager  
City of Minnetonka  
14600 Minnetonka Boulevard  
Minnetonka, MN 55345

March 3, 2021

RE: Shady Oak TOD Redevelopment – 10901 Red Circle Dr., Minnetonka, MN

Dear Ms. Wischnack, Ms. Gray:

### **Project Background**

Wellington Management's redevelopment project at 10901 Red Circle Dr includes demolishing the existing office building and redeveloping the site with two multifamily, mixed-income buildings constructed in two phases. The 4.68-acre site is located immediately east of the commercial area along Shady Oak Road just north of Hwy 62. Wellington has owned and managed the office building since 2004. Based on the City's land use goals for Opus Park and the changing dynamics in how and where people choose to live, work and play, Wellington believes the site will better serve the community as a multifamily housing project. The site is well positioned between two Southwest LRT stops, directly adjacent to the bike trail and near a variety of retail amenities and significant employers. The project will help grow the Opus Park area from predominately office uses into a community where residents can live, work, and play all within a short walk, bike ride, or transit ride.

### **Affordability Mix**

In September 2020, members of Wellington's team met with the Minnetonka Planning Commission, Economic Development Advisory Committee (EDAC), and City Council to share plans and collect feedback for its Shady Oak office redevelopment. At that time Wellington planned to develop 335 units, including 20% of units affordable at 50% of area median income in a multi-phase development. The September 17, 2020 EDAC staff report concluded that the project required public assistance totaling \$5 million for the phase 1 building and \$3 million for the phase 2 building. Following the aforementioned public meetings, Wellington and City staff had several discussions related to the site plan, building massing and affordability mix in the context of other public infrastructure and development projects planned within Opus Park. As part of those discussions, Wellington was asked to consider including units affordable at both the 50% and 80% AMI levels. In response, Wellington is pleased to present an updated project summary and affordability details for phase one of the two-phase redevelopment.

In order to provide an additional buffer and greenspace between the bike trail and the building, Wellington has slightly reduced the building massing/density in phase 1 (eastern building) from 250 units to an estimated 223 units based on current floor plans and estimated units sizes. The western building (phase 2) will likely include 150 - 185 units. Both buildings will include a mixture of studio, 1-, 2-, and 3-bedroom units. As summarized below, within the phase 1 building 10% of the units will have rents restricted at/below 50% of area median income and 20% of the units will have rents restricted at/below 80% of area median income. The remaining units will be unrestricted at market rate rents. However, a majority of the market-rate units are anticipated to have rents between 80 - 100% of AMI thereby providing a wide range of workforce housing options within Opus Park.

**Phase I – Draft Unit Affordability Matrix**

Unit Type	Restricted - 50% AMI	Restricted - 80% AMI	Unrestricted 80% AMI & Market Rate	Total
<b>Studio</b>	8	20	9	37
<b>1 BR</b>	9	25	97	131
<b>1 BR Den</b>	3	0	6	9
<b>2 BR</b>	2	0	40	42
<b>3 BR</b>	1	0	3	4
<b>Total</b>	<b>23</b>	<b>45</b>	<b>155</b>	<b>223</b>

**Other Project Features**

Attached to this letter are updated renderings, site plan and floor plans highlighting the building materials, massing and greenspace amenities. These updates were made in direct response to the feedback received from the City Council, Planning Commission and staff over the past few months. As mentioned above, the building footprint has shifted south to provide additional setback from the bike trail and allow for more greenspace including a rain garden. A pocket park and pollinator garden will connect the phase I and phase II buildings adjacent the bike trail on the northern edge of the site. There will also be a sidewalk connecting the bike trail to the walk-up units, a bike repair station on the northeast corner of the phase 1 building and lighting, seating and other landscaping improvements throughout the site. The aforementioned enhancements will provide attractive and seamless connections for residents, bicyclists and pedestrians interacting with the site and adjacent path.

Our team looks forward to further engagement with the City and neighborhood as we move through the entitlement and financial review process in the coming weeks.

Sincerely,



Casey Dzieweczynski,  
Development Manager

Cc

Stephen B. Wellington, Jr., Chief Executive Officer  
David Wellington, Vice President  
Sam Case, Development Associate  
Pete Keely, Collage Architects



Julie Wischnack, Community Development Director  
Alisha Gray, Economic Development and Housing Manager  
City of Minnetonka  
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Minnetonka, MN 55345

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Sincerely,



Casey Dzieweczynski,  
Development Manager

Cc

Stephen B. Wellington, Jr., Chief Executive Officer  
David Wellington, Vice President  
Sam Case, Development Associate  
Pete Keely, Collage Architects

## MEMORANDUM

TO: Julie Wischnack – Community Development Director  
Alisha Gray – Economic Development and Housing Manager

FROM: Keith Dahl & Stacie Kvilvang - Ehlers

DATE: March 2, 2021

SUBJECT: Wellington Management – Analysis of Financial Request

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In the fall of 2020, the City received a financial assistance request from Wellington Management (the “Developer”) seeking financial assistance in the amount of \$9.5 million of Tax Increment Financing (TIF). The Developer had proposed to construct a 250-unit apartment in phase I and 185-unit apartment in phase II. The apartment buildings would consist of studio, 1, 2, and 3-bedroom units with 20% of the units affordable at 50% of the area median income (AMI).

Since that time and several iterations later, the Developer submitted an updated proposal to construct a 223-unit apartment in phase I with 10% of the units affordable at 50% AMI and 20% of the units affordable at 80% AMI. Phase II has not been formalized yet as the Developer continues to review market conditions and investor appetites, but discussions with staff have been around a 185-unit apartment. However, in regard to phase I, the Developer requested \$2.8 million of TIF assistance for inclusion of affordable units above the City’s affordable housing policy. The project is anticipated to commence construction this summer and cost approximately \$52.2 million.

We completed a proforma analysis specifically on phase I and reviewed the Developer’s return on investment (ROI) to ensure that any public assistance in the project would not result in a ROI greater than what is typical within the industry. There are a few common measures used to calculate ROI, however the Developer is using a Cash-on-Cost (COC) rate of return and we’d expect their annual return to be around 6%.

Based on our review, we concluded assistance in the amount of \$2.4 million in the form of a Pay-As-You-Go TIF Note from 85% of the available tax increment over an anticipated 6-year term is supported for this project. In addition, we’d recommend including a minimum assessment agreement and a three-part lookback provision, specifically to review 1) total development cost after construction completion, 2) return on investment upon project stabilization, and 3) a sale should the Developer sell the project during the term of TIF assistance. These lookback provisions will ensure the project was not over subsidized based on several assumptions made in today’s market conditions.

Please contact either of us at 651-697-8500 with any questions.



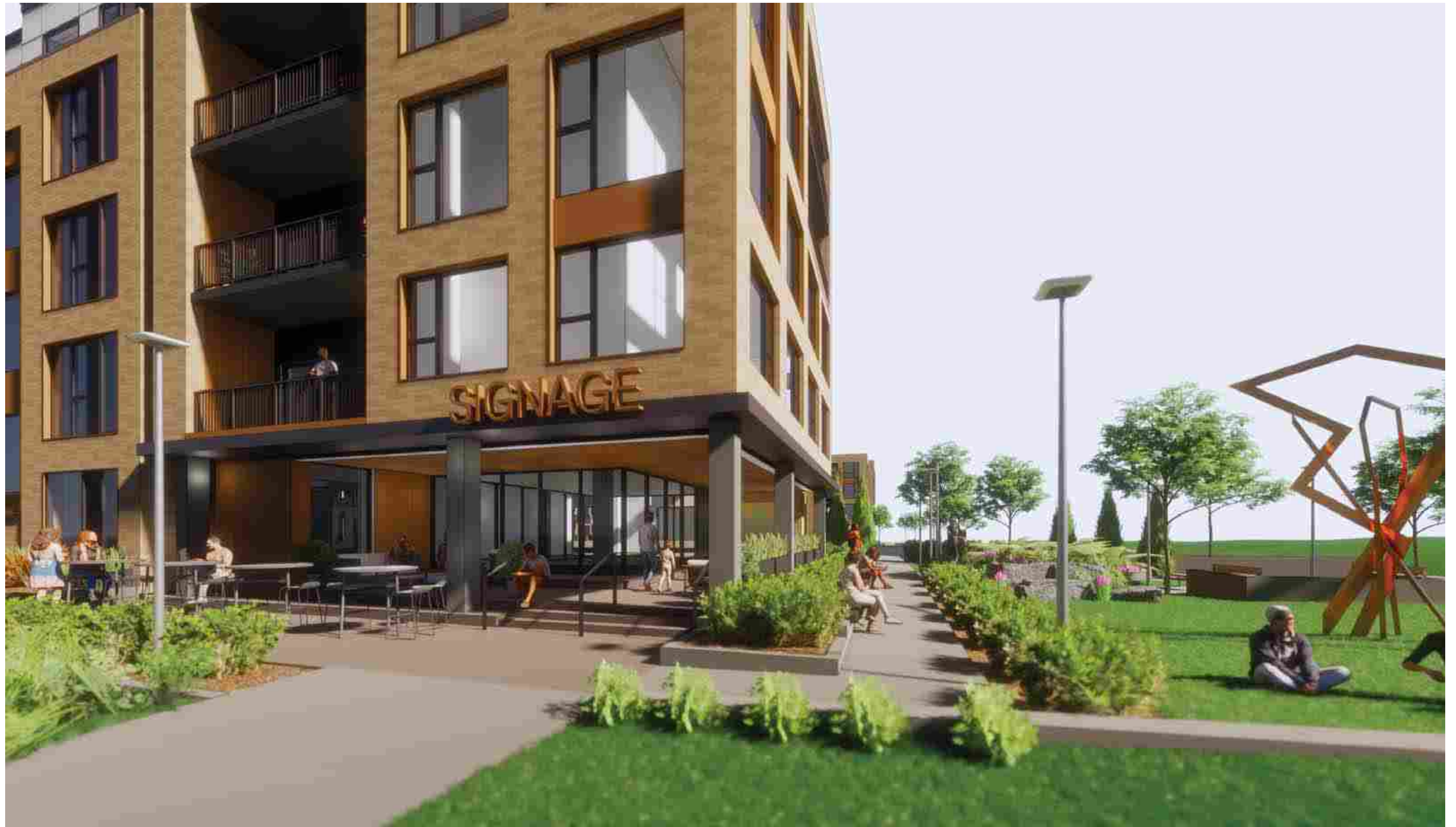


# Shady Oak

10901 Red Circle Drive  
Minnetonka, MN







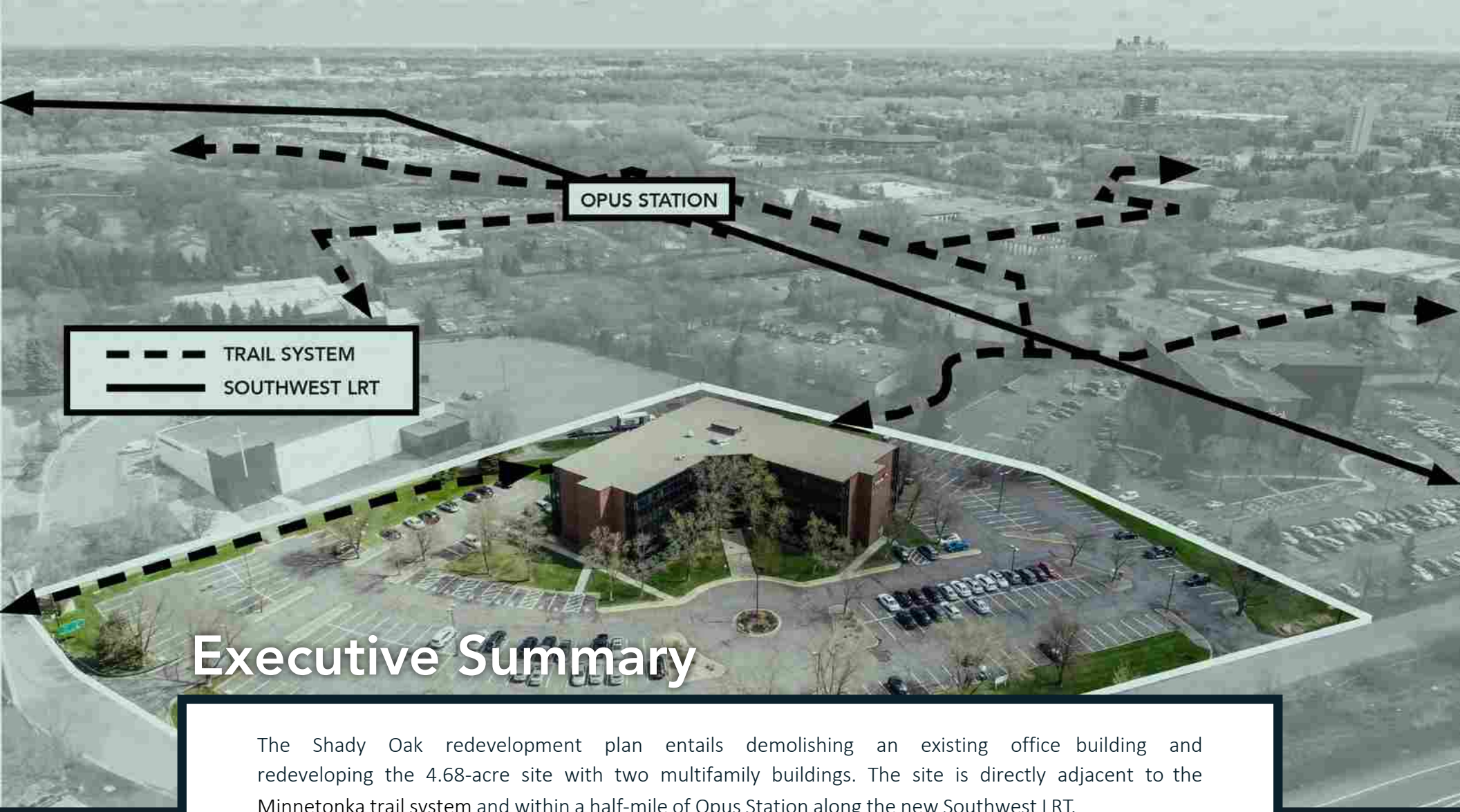
Collage | architects



SHADY OAK EAST

01.07.2021





OPUS STATION

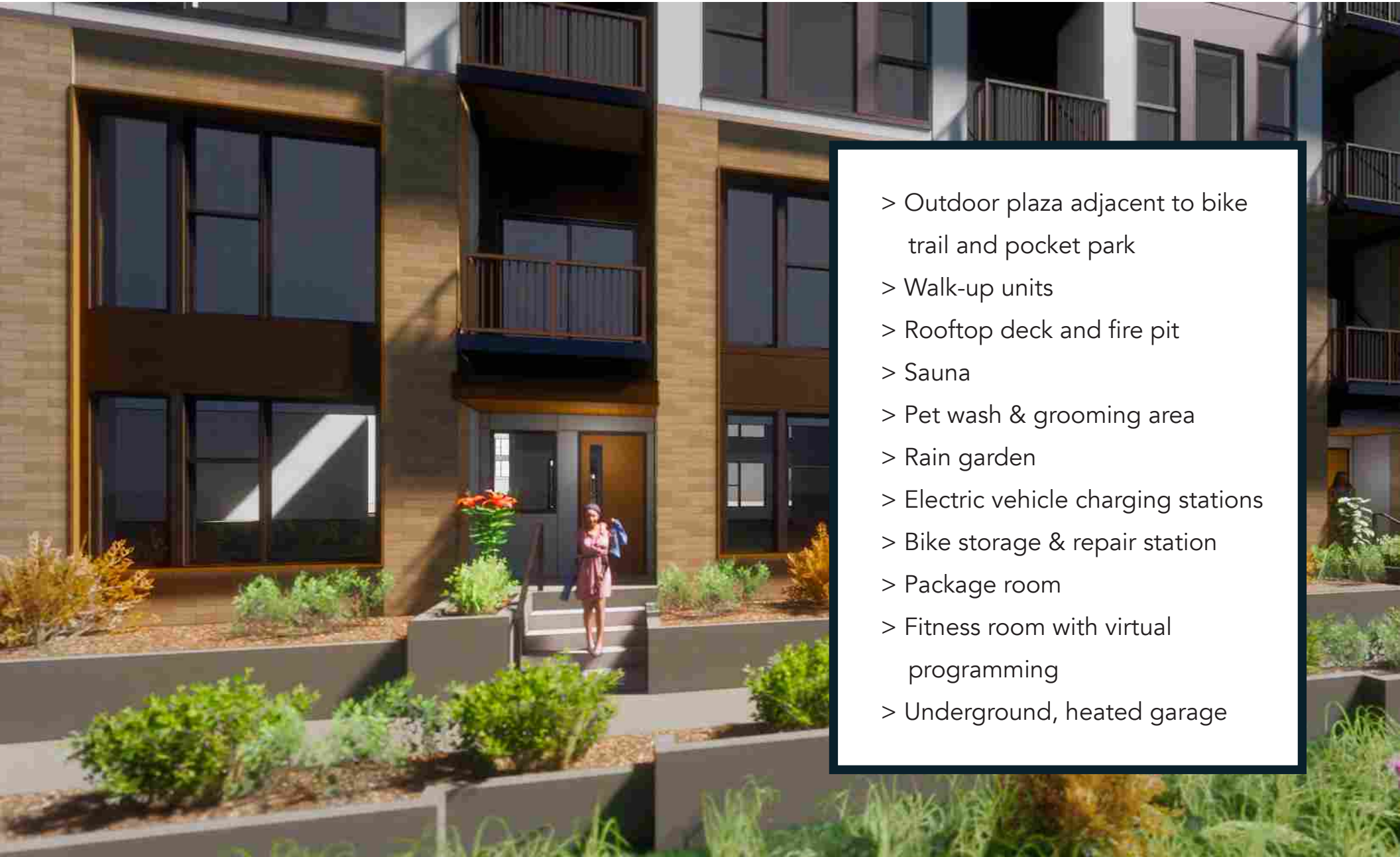
--- TRAIL SYSTEM  
— SOUTHWEST LRT

# Executive Summary

The Shady Oak redevelopment plan entails demolishing an existing office building and redeveloping the 4.68-acre site with two multifamily buildings. The site is directly adjacent to the Minnetonka trail system and within a half-mile of Opus Station along the new Southwest LRT. The eastern building (Phase 1) will contain approximately 223 units, and the western building (Phase 2) will contain 150-185 units. Phase 1 will include a mixture of studio, 1-, 2- and 3-bedroom units. In Phase I, 10% of the units will be rent-restricted at/below 50% AMI and 20% at/below 80% AMI. The two buildings will be connected by a shared green space at the center of the site, and each building will include underground parking.



# Building Amenities



- > Outdoor plaza adjacent to bike trail and pocket park
- > Walk-up units
- > Rooftop deck and fire pit
- > Sauna
- > Pet wash & grooming area
- > Rain garden
- > Electric vehicle charging stations
- > Bike storage & repair station
- > Package room
- > Fitness room with virtual programming
- > Underground, heated garage



10901 RED CIRCLE DRIVE  
MINNETONKA, MN

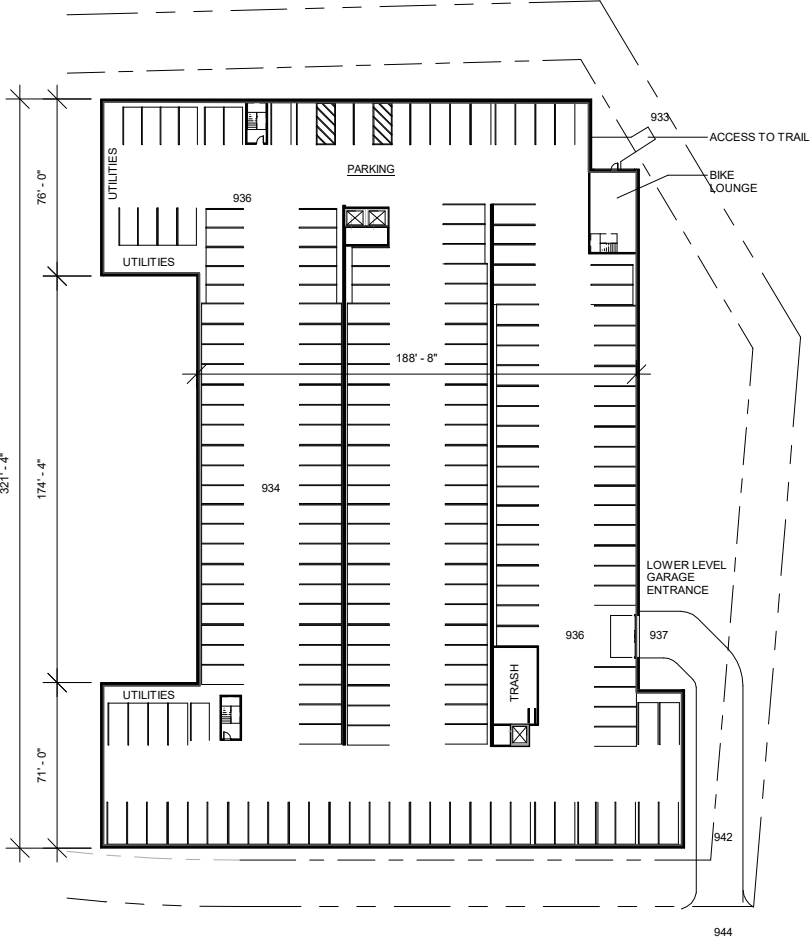
**Existing Site**



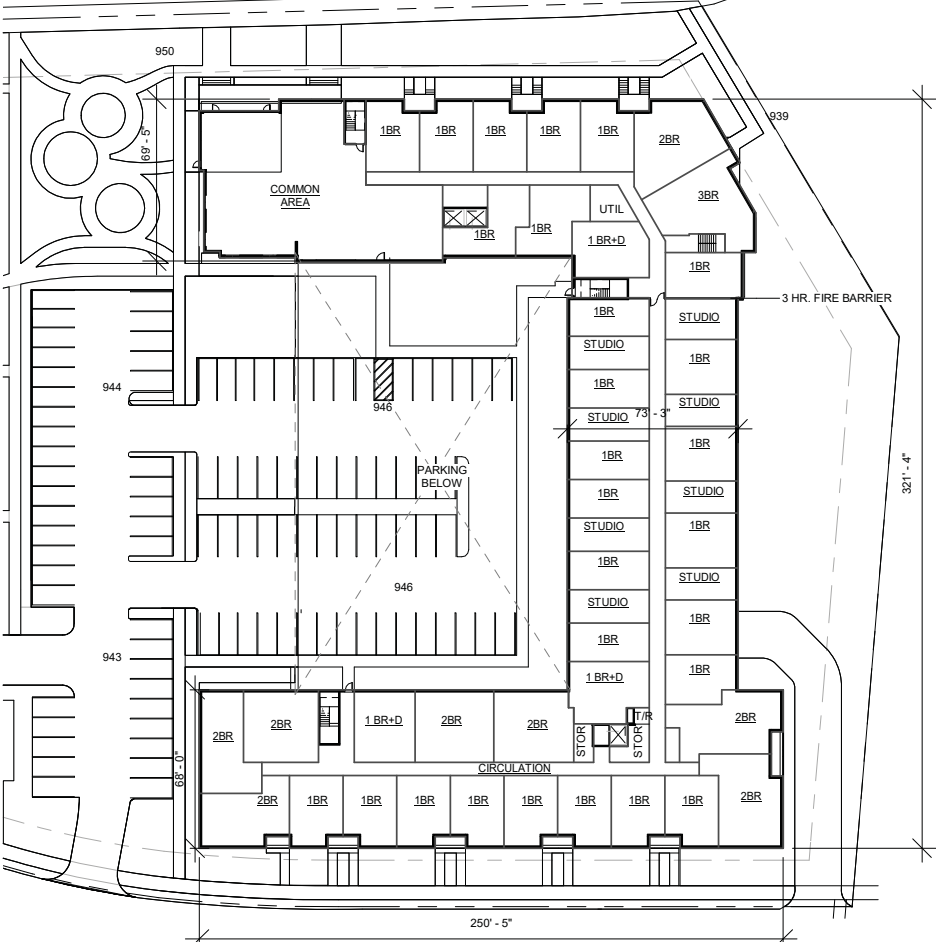
# Site Plan



# Floor Plans

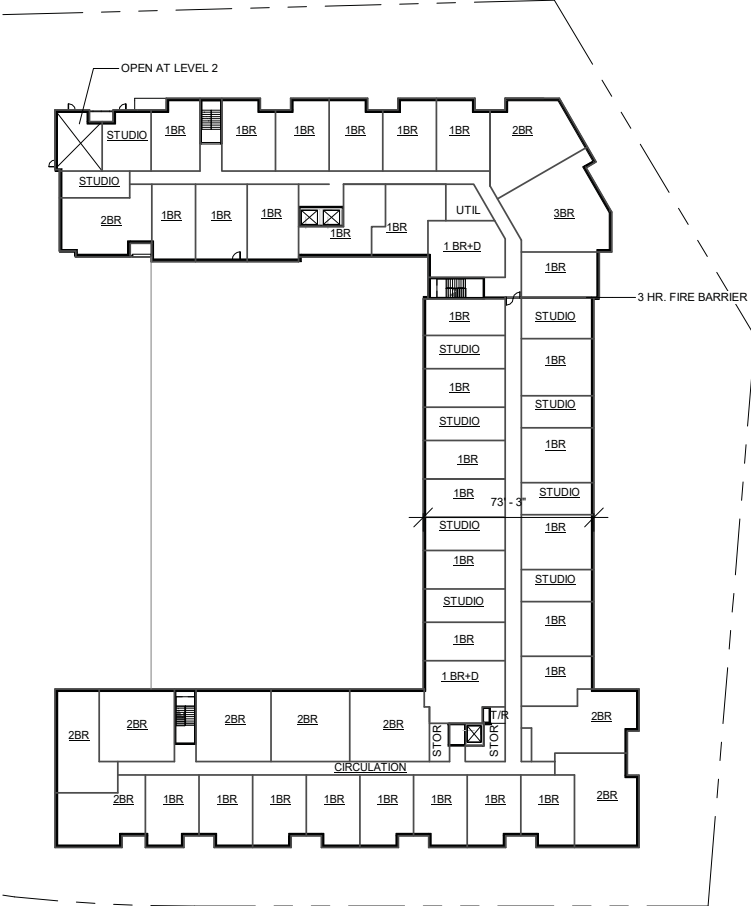


Lower Level

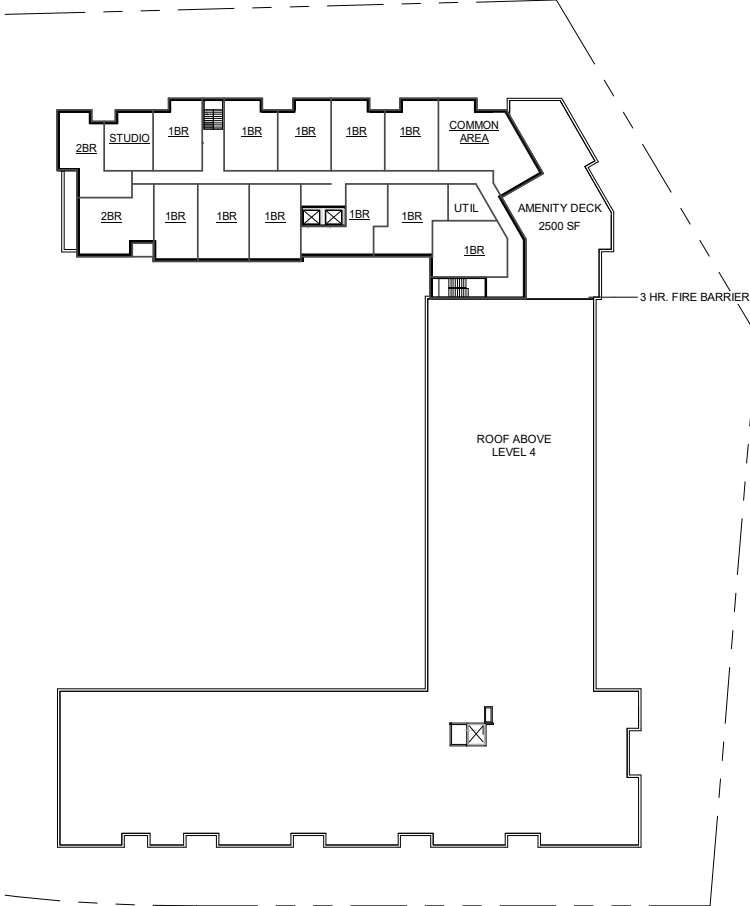


Level 1

# Floor Plans



Levels 2-4



Level 5

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**Policy Number 13.2  
Affordable Housing Policy**

**Purpose of Policy:** This policy establishes general procedures and requirements to govern the City’s commitment to affordable housing.

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**Introduction**

The City of Minnetonka has a long history of promoting diversity in the type and size of housing units in Minnetonka, including the production of new affordable rental and ownership opportunities.

This Policy recognizes the city’s commitment to provide affordable housing to households of a broad range of income levels in order to appeal to a diverse population and provide housing opportunities to those who live or work in the city. The goal of this policy is to ensure the continued commitment to a range of housing choices by requiring the inclusion of affordable housing for low and moderate-income households in new multifamily or for-sale developments.

The requirements in this policy further the Minnetonka Housing Action Plan and city’s Housing Goals and Strategies identified in the 2040 Comprehensive Plan.

**Applicability and Minimum Project Size**

This policy applies to all new multifamily rental developments with 10 or more dwelling units and all new for-sale common interest or attached community developments, (condominiums, townhomes, co-ops) with at least 10 dwelling units. This includes existing properties or mixed-use developments that add 10 or more units.

**Calculation of Units**

The number of Affordable Dwelling Units (ADUs) required shall be based on the total number of dwelling units approved by the city. If the final calculation includes a fraction, the fraction of a unit shall be rounded up to the nearest whole number.

If an occupied property with existing dwelling units is expanded by 10 or more units, the number of required ADUs shall be based on the total number of units following completion of expansion.

**Affordable Dwelling Unit (ADU)**

General Requirements.

For projects not requesting a zoning change and/or comprehensive plan amendment and not receiving city assistance.

- In multi-family rental developments, at least 5% of the units shall be affordable to and occupied by households with an income at or below 50% of

the AMI.

- In attached for-sale common interest or attached community developments (condominiums, townhomes, co-ops), at least 10% of the units shall be affordable to and occupied by households with an income at or below 80% AMI.

For projects requesting a zoning change or comprehensive plan amendment without city assistance.

- In multi-family rental developments, at least 10% of the units shall be affordable to and occupied by households with incomes at or below 60% AMI, with a minimum of 5% at 50% AMI.
- In attached for-sale common interest or attached community developments (condominiums townhomes, co-ops), at least 10% of the units shall be affordable to and occupied by households with an income at or below 80% AMI.

For projects receiving city assistance.

- For multi-family rental developments, at least 20% of the units shall be affordable to and occupied by households with an income at or below 50% of the AMI; or at least 40% of the units shall be affordable to and occupied by households with an income at or below 60% AMI.
- In attached for-sale common interest or attached community developments (condominiums, townhomes, co-ops), at least 10% of the units shall be affordable to and occupied by households with an income at or below 80% AMI.

### **Calculation of AMI**

For purposes of this policy, Area Median Income means the Area Median Income for the Twin Cities metropolitan area calculated annually by the Minnesota Housing Finance Agency for establishing rent limits for the Housing Tax Credit Program (multi-family ADU) and the Department of Housing and Urban Development (attached for-sale common interest or attached community developments, including: condominiums, townhomes, co-ops).

### **Rent Level Calculation (Multi- Family Rental Developments)**

The monthly rental price for an ADU receiving city assistance shall include rent and utility costs and shall be based on fifty percent (50%) or sixty percent (60%) for the metropolitan area that includes Minnetonka adjusted for bedroom size and calculated annually by Minnesota Housing Financing Agency for establishing rent limits for the Housing Tax Credit Program. This does not apply to units not receiving city assistance.

**For Sale Projects**

The qualifying sale price for an owner-occupied dwelling unit shall include property taxes, homeowner's insurance, principal payment and interest, private mortgage insurance, monthly ground lease, association dues, and shall be based upon eighty (80%) AMI for the metropolitan area that includes Minnetonka adjusted for bedroom size and calculated annually by the Department of Housing and Urban Development.

**Period of Affordability**

In developments subject to this policy, the period of affordability for the ADUs shall be thirty (30) years.

**Location, Standards, and Integration of ADUs**

Distribution of affordable housing units. Unless otherwise specifically authorized by this policy, the ADUs shall be integrated within the development and distributed throughout the building(s). The ADUs shall be incorporated into the overall project unless expressly allowed to be located in a separate building or a different location approved by the city council.

Number of bedrooms in the affordable units. The ADUs shall have a number of bedrooms proportional to the market rate units. The mix of unit types shall be approved by the city.

Size and Design of ADUs. The size and design of ADUs shall be consistent and comparable with the market rate units in the rest of the project.

Exterior/Interior Appearance of ADUs. The exterior/interior materials and design of the ADUs in any development subject to these regulations shall be indistinguishable in style and quality with the market rate units in the development.

**Non-Discrimination Based on Rent Subsidies**

Developments covered by this policy must not discriminate against tenants who would pay their rent with federal, state or local public assistance, including tenant based federal, state or local subsidies, but not limited to rental assistance, rent supplements, and Housing Choice Vouchers.

**Alternatives to On-Site Development of an ADU**

The city recognizes that it may not be economically feasible or practical in all circumstances to provide ADUs in all development projects due to site constraints resulting in extraordinary costs of development. The city reserves the right to waive this policy if the developer requests a waiver and can provide evidence of extraordinary costs prohibiting the inclusion of ADUs. The city will review on a case-by-case basis to determine if the waiver is justifiable and granted.



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**Recorded Agreements, Conditions and Restrictions**

A declaration of restrictive covenants shall be executed between the city, EDA and developer, in a form approved by the city's EDA attorney, which formally sets forth development approval and requirements to achieve affordable housing in accordance with this policy. The declaration shall identify:

- The location, number, type, and size of affordable units to be constructed;
- Sales and/or rental terms; occupancy requirements;
- A timetable for completion of the units; and
- Annual Tenant income and rent reporting requirements; and
- Restrictions to be placed on the units to ensure their affordability and any terms contained in the approval resolution by the city/EDA.

The applicant or owner shall execute all documents deemed necessary by the city manager, including, without limitation, restrictive covenants and other related instruments, to ensure affordability of the affordable housing unit within this policy.

The documents described above shall be recorded in the Hennepin County as appropriate.

**Definitions**

**Affordable Dwelling Unit:** A unit within a residential project subject to this policy that shall meet the income eligibility and rent affordability standards outlined in this policy.

**Financial Assistance:** Funds derived from the city or EDA, including but is not limited to fund from the following sources:

- City of Minnetonka
- Housing Redevelopment Authority (HRA) Funds
- Economic Development Authority (EDA) Funds
- Community Development Block Grant (CDBG)
- Reinvestment Assistant Program
- Revenue Bonds and/or Conduit Bonds
- Tax increment financing (TIF), TIF pooling, or tax abatement
- Land write downs
- Other government housing development sources

Adopted by Resolution 2019-060  
Council Meeting of July 8, 2019

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**Policy Number 2.18**  
**Tax Increment Financing and Tax Abatement**

**Purpose of Policy:** This policy establishes criteria which guide the economic development authority and the city council when considering the use of tax increment financing and tax abatement tools in conjunction with proposed development.

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### **Introduction**

Under the Minnesota Statutes Sections 469.152 to 469.1799, the city of Minnetonka has the authority to establish tax increment financing districts (TIF districts). Tax increment financing is a funding technique that takes advantage of the increases in tax capacity and property taxes from development or redevelopment to pay public development or redevelopment costs. The difference in the tax capacity and the tax revenues the property generates after new construction has occurred, compared with the tax capacity and tax revenues it generated before the construction, is the captured value, or increments. The increments then go to the economic development authority and are used to repay public indebtedness or current costs the development incurred in acquiring the property, removing existing structures or installing public services. The fundamental principle that makes tax increment financing viable is that it is designed to encourage development that would not otherwise occur.

Under Minnesota Statutes, Sections 469.1812 to 469.1815, the city of Minnetonka has the right to abate property taxes. A city may grant an abatement of some or all of the taxes or the increase in taxes it imposes on a parcel of property if the city expects the benefits of the proposed abatement agreement to at least equal the costs of the proposed agreement. Abatement would be considered a reallocation or rededication of taxes for specific improvements or costs associated with development rather than a “refund” of taxes.

It is the judgment of the city council that TIF and abatement are appropriate tools that may be used when specific criteria are met. The applicant is responsible for demonstrating the benefit of the assistance, particularly addressing the criteria below. The applicant should understand that although approval may have been granted previously by the city for a similar project or a similar mechanism, the council is not bound by that earlier approval. Each application will be judged on the merits of the project as it relates to the public purpose.

### **TAX INCREMENT FINANCING**

The Economic Development Authority (EDA), as authorized by the city, will be responsible to determine that (1) a project would not occur “but for” the assistance provided through tax increment financing; and (2) no other development would occur on the relevant site without tax increment assistance that could create a larger market value increase than the increase expected from the proposed development (after adjusting for

the value of the tax increment). At the time of any application for a Comprehensive Guide Plan amendment, rezoning or site plan approval for a project, whichever occurs first, the applicant must divulge that TIF financing will be requested.

Projects eligible for consideration of tax increment financing include but are not limited to the following:

- Projects must be compatible with the Comprehensive Guide Plan (or acquire an amendment) and the development and redevelopment objectives of the city.
- Priority will be given to those projects which:
  - are within the “village areas” identified in the city’s most recently adopted Comprehensive Guide Plan;
  - are mixed use or residential in nature, and include affordable housing units which meet the city’s affordable housing standards;
  - contain amenities or improvements which benefit a larger area than the identified development;
  - improve blighted or dilapidated properties, provide cohesive development patterns, or improve land use transitions; or
  - maximize and leverage the use of other financial resources.

**Costs Eligible for Tax Increment Financing Assistance**

The EDA will consider the use of tax increment financing to cover project costs as allowed for under Minnesota Statutes. The types of project costs that are eligible for tax increment financing are as follows:

Utilities design	Site related permits
Architectural and engineering fees directly attributable to site work	Soils correction
Earthwork/excavation	Utilities (sanitary sewer, storm sewer, and water)
Landscaping	Street/parking lot paving
Streets and roads	Curb and gutter
Street/parking lot lighting	Land acquisition
Sidewalks and trails	Legal (acquisition, financing, and closing fees)
Special assessments	Surveys
Soils test and environmental studies	Sewer Access Charges (SAC) and Water Access Charges (WAC)

Title insurance	Landscape design
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**Forms of Assistance**

Tax increment financing will generally be provided on a “pay-as-you-go” basis wherein the EDA compensates the applicant for a predetermined amount for a stated number of years. The EDA will have the option to issue a TIF Note with or without interest, where the principal amount of the TIF Note is equal to the amount of eligible project costs incurred and proven by the developer. In all cases, semi-annual TIF payments will be based on available increment generated from the project. TIF payments will be made after collection of property taxes.

**Fiscal Disparities**

TIF Districts will generally be exempt from the contribution to fiscal disparities. Tax revenues for fiscal disparities, generated by the TIF project, will be the responsibility of properties inside the district. The exception to this policy is when MN Statutes require that fiscal disparities be paid from within a TIF District, as is the case with Economic Development Districts.

**TAX ABATEMENT**

The tax abatement tool provides the ability to capture and use all or a portion of the property tax revenues within a defined geographic area for a specific purpose. Unlike TIF, tax abatement must be approved by each major authority under which the area is taxed, and therefore, usually only city property taxes will be abated. In practice, it is a tax “reallocation” rather than an exemption from paying property taxes. Tax abatement is an important economic development tool that, when used appropriately, can be useful to accomplish the city’s development and redevelopment goals and objectives. Requests for tax abatement must serve to accomplish the city’s targeted goals for development and redevelopment, particularly in the designated village center areas. At the time of any application for a Comprehensive Guide Plan amendment, rezoning or site plan approval for a project, whichever occurs first, the applicant must divulge that tax abatements will be requested.

**Projects Eligible for Tax Abatement Assistance**

Projects eligible for consideration of property tax abatement include but are not limited to the following:

- Projects must be compatible with the Comprehensive Guide Plan (or acquire an amendment) and the development and redevelopment objectives of the city; and
- Priority will be given to those projects which:
  - increase or preserve the tax base
  - provide employment opportunities in the City of Minnetonka;

- provide, help acquire or construct public facilities;
- finance or provide public infrastructure;
- improve blighted or dilapidated properties, provide cohesive development patterns, or improve land use transitions; or
- produce long-term affordable housing opportunities.

### **Fiscal Disparities**

Tax revenues for fiscal disparities, generated by the abatement project, will be the responsibility of properties inside the district.

### **REVIEW PROCESS**

All applications for TIF and tax abatement will be reviewed by city's community development director. After review by the city's financial consultant, the community development director may refer the request to the EDA. The EDA will hold appropriate public hearings and receive public input about the use of the financial tools. The EDA will provide a recommendation regarding the assistance to the city council.

The city council must consider, along with other development decisions, the request for assistance and will make the final decision as to the amount, length, and terms of the agreement.

Adopted by Resolution No. 2014-074  
Council Meeting of July 21, 2014

## 2020 AFFORDABLE HOUSING INCOME LIMITS

FY 2020 Income Limits Summary					
Household Size	30%	50%	60%	80%	120%
1	\$ 21,700.00	\$ 36,190.00	\$ 43,428.00	\$ 54,950.00	\$ 87,040.00
2	\$ 24,800.00	\$ 41,360.00	\$ 49,632.00	\$ 62,800.00	\$ 99,475.00
3	\$ 27,900.00	\$ 46,530.00	\$ 55,836.00	\$ 70,650.00	\$ 111,909.00
4	\$ 31,000.00	\$ 51,700.00	\$ 62,040.00	\$ 78,500.00	\$ 124,344.00
5	\$ 33,480.00	\$ 55,836.00	\$ 67,003.00	\$ 84,780.00	\$ 134,291.00
6	\$ 35,960.00	\$ 59,972.00	\$ 71,966.00	\$ 91,060.00	\$ 144,239.00
7	\$ 39,010.00	\$ 64,108.00	\$ 76,929.00	\$ 97,340.00	\$ 154,186.00
8	\$ 43,430.00	\$ 68,244.00	\$ 81,892.00	\$ 103,620.00	\$ 164,134.00
Median Family Income 2020 = \$103,400					

*Income limits are published on the US Department of Housing and Urban Development user portal:  
<https://www.huduser.gov/portal/datasets/il.html>*

How much do people pay for affordable housing?

*Affordability based on a family of four*

Monthly Rent	AMI	Annual Income
\$775	30%	up to \$31,000
\$775 - \$1,290	30%-50%	\$31,000 - \$51,700
\$1,290 - \$1,550	50%-60%	\$51,700 - \$62,040
\$1,550 - \$1,960	60%-80%	\$62,040 - \$78,500
\$1,960 - \$2,585	80%-100%	\$78,500 - \$103,400

Affordable rents, based on sample occupations and their average salaries

*Salary information obtained from [glassdoor.com](http://glassdoor.com)*

Occupation	Average Salary	Affordable Rent
Home Health Aide	\$33,000	\$825
Nurse	\$67,873	\$1,696
High School Teacher	\$44,435	\$1,110
Line Cook	\$25,043	\$626

Name of Project	Number of Affordable Units	Number of Market Rate Units	Total Assistance (for affordable units)	Years of Affordability	Assistance per Unit, per Year	Affordability Level
Linden Street (10400 Bren Rd)	28	247	\$553,000	30	\$658	10 @ 50% AMI
Doran (5959 Shady Oak)	38	337	No assistance requested	30	N/A	5@50% , 5@60% AMI
Wellington Management	67	223	Under discussion	30	TBD	10%@50% , 20%@80%AMI
United Properties (The Pointe )	19	167	\$400,000	30	\$701	9%@ 50% AMI, 9%@ 60% AMI
Dominium	482	0	\$7,809,000	30	\$540	60% AMI
Homes Within Reach (2004-2020 grant years)	59	0	\$2,981,435	99	\$510	80% AMI
The Ridge	52	0	\$1,050,000	30	\$673	60% AMI
Shady Oak Crossing	52	23	\$1,900,000	30	\$2,753	60%AMI
West Ridge Market (Crown Ridge, Boulevard Gardens, Gables, West Ridge)	185	0	\$8,514,000	30	\$1,534	<i>Crown Ridge—60% AMI Boulevard Gardens—60% AMI Gables—initially 80% AMI, now no income limit West Ridge—50% AMI</i>
Beacon Hill (apartments)	62	48	\$2,484,000	25	\$1,602	50% AMI
Ridgebury	56	163	\$3,243,000	30	\$1,930	Initially--80% AMI, Now no income limit
Glen Lake (St. Therese, Exchange)	43	119	\$4,800,000	30	\$3,721	60% AMI
Cedar Point Townhomes	9	143	\$512,000	15	\$3,792	50% AMI
Tonka on the Creek (Overlook)	20	80	\$2,283,000	30	\$3,805	50% AMI
At Home - The Chase at 9 Mile	21	106	\$2,500,000	30	\$3,968	50% AMI
Applewood Pointe	9	80	\$1,290,000	Initial Sale/Ongoing maximum %	\$4,777	80% AMI
Doran (Birke)	35 (20% of units)	175	\$4,800,000	30	\$4,571	50% AMI

updated 02/22/2021





# Community Development

2020 Annual Report

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## A Note from the Director

Community Development is both a process and an outcome. At its core, Community Development is the enhancement of a community in its many realms: physical, environmental, social, and economic.<sup>1</sup>

The 2020 COVID-19 pandemic offered staff unique challenges in its support of Minnetonka residents and business owners.

- ✓ Economic Development & Housing staff developed loan programs to assist business owners and residents affected by temporary or permanent loss of income;
- ✓ Permit Technicians and Building Inspectors utilized technology to schedule and conduct virtual inspections;
- ✓ Environmental Health Inspectors worked with restaurants learning to conduct business in new and socially-distant ways;
- ✓ Planners engaged with the public and policymakers in virtual ways to ensure legal requirements and state mandates continued to be met;
- ✓ Community Development staff worked with the city council to establish a sustainability commission; showing its importance among many other pandemic demands.
- ✓ Administrative Support Staff coordinated with business owners, license holders, applicants, and residents to ensure that all Community Development functions continued without pause; and
- ✓ All staff members “pitched in” where they saw a need and, in doing so, learned more about their department and themselves.

Community Development staff took on the challenges of 2020 and turned them into opportunities, adapting and embracing new ways of doing things and, in doing so, again proving that they are a resilient group. This resiliency was also displayed by so many employees in other city services provided.

Julie Wischnack, AICP  
Community Development Director

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<sup>1</sup> <https://loomio-uploads.s3.amazonaws.com/uploads/a857276f9762676b869e7112c396824c/An%20Introduction%20to%20Community%20Development.pdf>

# Economic Development & Housing

## Responsibilities

### ✓ Economic Development Forecasting

The economic development and housing division is responsible for the preparing the city's Economic Improvement Program (EIP), which establishes a five-year plan for housing, business, transit, redevelopment and economic development programs. The city council approved the 2021-2025 Plan on July 27, 2020.

### ✓ Business Development

The economic development and housing division supports local businesses with financial assistance programs, business consulting, workforce development, and site selection. In addition, staff connects business owners with contacts and programs at the state, region, county and federal level. In 2020, economic development staff:

- Deployed \$225,000 in emergency assistance grants to assist 37 businesses impacted by COVID-19.
- Increased business outreach efforts to ensure all businesses were informed of COVID-19 related assistance and resources. This resulted in 916 Minnetonka businesses receiving approximately \$27,000,000 in COVID relief when considering all funding sources at various levels of government.
- Partnered with students at the University of Minnesota's Resilient Communities Program to research the impacts of COVID-19 on the business community.
- Partnered with Hennepin County and hired a marketing consultant to develop nearly \$10,000 worth of marketing materials to drive customers to Glen Lake over the holiday season.
- Began participation in the Hennepin County's deconstruction grant program (\$5,000).



### ✓ Housing Programs and Initiatives

The division advocates for projects and programs that encourage diversity in housing options to meet the needs of Minnetonka residents and to attract new residents to the community. The city's programs focus on the production of new affordable housing, maintaining the existing housing stock, and attracting new residents. In 2020, initiatives included:

- Providing \$150,000 in assistance to renters impacted by COVID-19.
- Participating in COVID-19 related workgroups to better help businesses and residents.
- Establishing an Affordable Housing Trust Fund.
- Approval of new Livable Communities Housing Goals for 2021-2030.
- Renewal of Housing Policy Goals and Initiatives.

# 2020 Highlights

## ✓ Opus Alternative Urban Areawide Analysis

Due to the number of anticipated developments within Opus, the city sought to better understand the cumulative impacts that new developments could have on city infrastructure and the environment within Opus.

With funding awarded through a grant from Hennepin County, an Alternative Urban Areawide Analysis was performed through the summer and fall of 2020. This analysis has produced recommendations on methods to avoid, minimize, or mitigate identified environmental impacts as future development takes place. This analysis will be used by the city to inform developers and guide future city planning decisions.

## ✓ COVID-19 Business Grants

Early on in the pandemic, it quickly became apparent that many small Minnetonka businesses would need emergency financial assistance due to closures from COVID-19. The economic development team quickly mobilized to locate funds, set up necessary policies and procedures, communicate the availability of funds, and distribute dollars to businesses in need. From start to finish, the entire process to distribute \$225,000 out to those who need it took less than a month. Businesses that received funds fell into the following:

- 37 businesses
- 14 businesses were women-owned
- 8% Accommodation or Food Service, 10% Healthcare and Social Assistance, 21% Arts or Entertainment, 24% Professional Services, 27% Retail, and 8% Other.

## ✓ Business District Recovery Initiative

In the fall, city staff, with support from Hennepin County, selected the Glen Lake Business District to participate in the COVID Business District Recovery marketing program. The consulting firm Mod & Company Advertising worked with businesses and staff to develop a branding plan for the district that ran through the holiday season. The concept, “Love Local” included materials such as

- Print Inserts
- Print Ads
- Billboards
- District Tailored Campaigns
- Social Media



## ✓ COVID-19 Rental Assistance

In April, the city council approved \$150,000 in emergency assistance to assist renters impacted by Covid-19. Through a partnership with ICA, an additional \$105,860 in grant funding was provided to 75 households in 2020. Recipients of assistance reported the following information:



- The average amount of rental assistance provided was \$1,323
- The average household size served was 2.5 persons
- Demographics (out of 75 households)
  - White – 27 households
  - White/Other – 8 households
  - Hispanic – 9 households (fall within white/other)
  - African American – 24 households
  - American Indian – 2 households
  - Black – 3 households
  - Asian – 2 households
  - Female head of households - 52

Additionally, Minnetonka households received nearly \$409,000 in rental, mortgage, and utility assistance through all sources of COVID-19 related relief available through CARES, CDBG, FEMA and ICA.

✓ **Affordable Housing Trust Fund**

In December 2020, the city council approved an Affordable Housing Trust Fund. The trust fund is a mechanism that city's may utilize to provide mortgage and rental assistance, along with providing assistance for other affordable housing goals.

✓ **Grants**

In 2020, economic development staff secured a total of \$955,852 in grant funding for the Opus Alternative Urban Areawide Analysis (\$45,000) and Shady Oak Crossing project (\$910,852).

## Responsibilities

### ✓ Long Range Planning

The planning division is responsible for long-range planning, including the production of the city’s comprehensive guide plan and amendments to the zoning ordinance.

In 2020, the division completed the 2040 Comprehensive Guide Plan. The plan was approved by the Metropolitan Council and is now in effect to guide the city for the next ten years. In addition, the division presented the city council with three ordinance amendments and one study session topic.

### ✓ Land Use Review and Recommendations

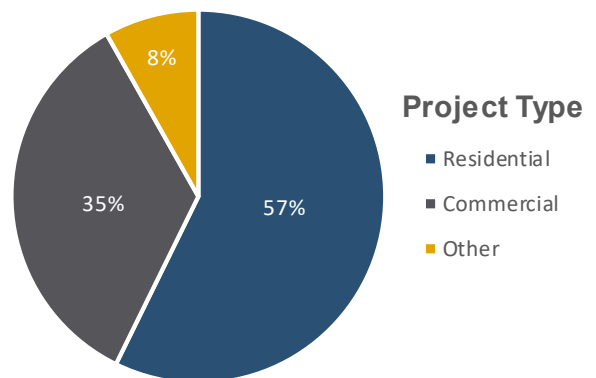
The planning division processes, reviews, and provides recommendations to the planning commission and city council on land use matters. In 2020, 110 individual land use applications were received. This number is noticeably lower than the previous five years.

Interestingly, the number of variance and expansion permit applications went down in 2020, while conditional use permits, site and building plan review and subdivision applications remained similar to those of preceding years.



### ✓ Inquiries

Daily, division staff answer land use inquiries from property owners, developers, real estate representatives, property research companies and prospective business owners. Questions are received via scheduled meetings and phone calls. Due to COVID-19 staffing restrictions, the number of customer “walk-ins” with planning-related questions was negligible.



# 2020 Highlights

## ✓ **Energy Action Plan**

Following a series of workshops with Xcel's Partners Energy Team and 16 members of the community and city staff, the city council adopted an Energy Action Plan. The plan focuses on short-term strategies and tactics to reduce greenhouse gases.

## ✓ **Sustainability Commission**

In Oct. 2020, the city council adopted an ordinance establishing a sustainability commission. The ordinance and commission's functional framework was outlined after thorough and diligent staff research and recommendations. The commission will formally be seated in 2021.

## ✓ **2040 Comprehensive Plan**

After two years of work, the 2040 Comprehensive Guide Plan was submitted to the Metropolitan Council for review and approval. The plan represents extensive community outreach and involvement to help shape this long-range policy document.

## ✓ **Ordinance Work**

Staff drafted and introduced three ordinance amendments in 2020. Two of the amendments – the appeals ordinance and small cell wireless ordinance – were necessary given federal and state rulings. The accessory dwelling units ordinance was drafted to reflect city goals and resident requests.

## ✓ **Residential Development**

In 2020, staff received and reviewed several applications for single-family subdivisions. The six plats presented to, and approved by, the planning commission and city council resulted in the creation of 26 new single-family lots. This number included 14 lots for attached townhomes; the first developed in the community in 20+ years.

## ✓ **Commercial/Institutional Development**

Several commercial and institutional development applications were received in 2020. Some of the projects included the construction of new buildings, while others were for remodeling and reuse of existing spaces. In total, these commercial projects comprised over 54,360 square feet of "new" activity space.

## ✓ **Small Projects**

In addition to new residential lots and commercial/institutional development projects, over 30 applications were received for smaller projects involving various property and business owners, some for the first time. These include setback variances for additions, conditional use permits for accessory dwelling units, and sign plans.

# Permits & Inspections

## Responsibilities

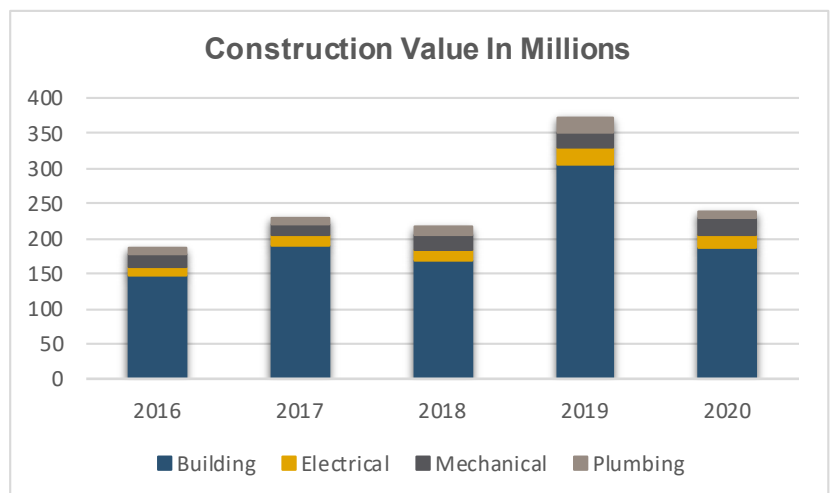
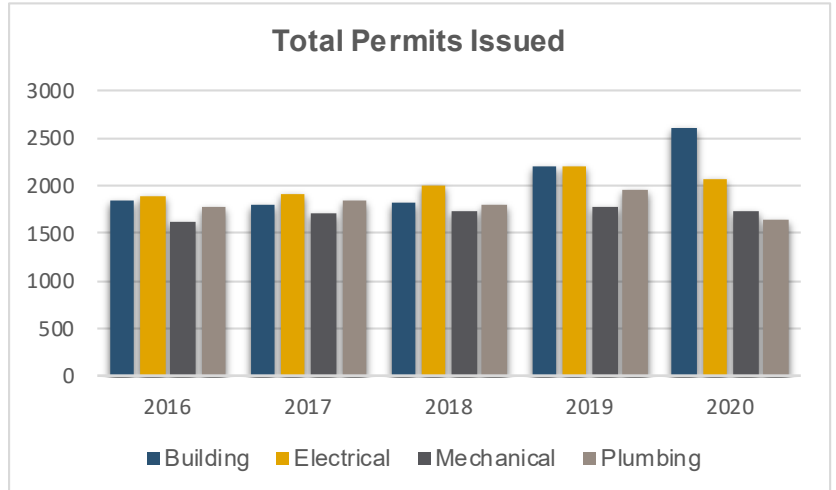
### ✓ Permit Application Review

The permits and inspections division is responsible for reviewing all residential, commercial, and institutional construction permit applications. Applications covering building, electrical, mechanical, and plumbing work are evaluated for compliance with international and state codes. In 2020, the division reviewed a total of 8,024 permit applications.

In addition to Minnetonka, the division also performs permit review and inspection for the cities of Deephaven, Woodland, and Greenwood.

### ✓ Inspections

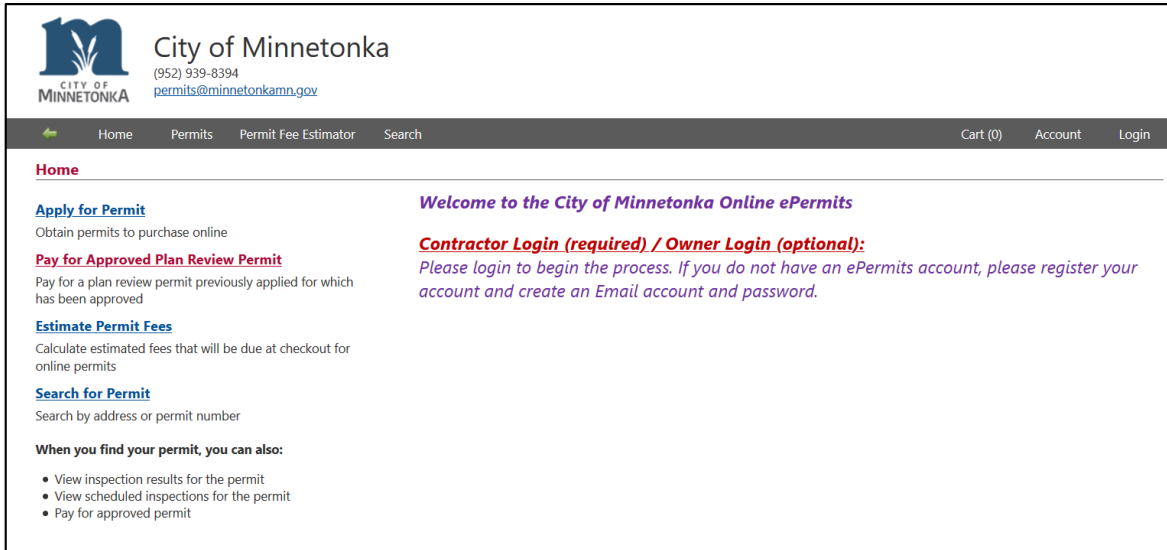
Following the issuance of permits, the division performs inspections to ensure compliance with approved plans. In 2020, city staff performed 18,267 inspections in Minnetonka. The large number was driven by (1) the number of new apartment buildings under construction; and (2) closing out of “old” permits. Staff also spent 1,552 hours on Deephaven, Woodland, and Greenwood construction sites.



# 2020 Highlights

## ✓ Electronic Applications and Permit Review

The city began accepting permit applications online in 2016 and reviewing permit applications electronically in 2017. While this technology quickly improved the level of staff efficiency and level of customer service when it was implemented, it proved to be invaluable in 2020. Of the over 8,000 permit application received in 2020, 90 percent were submitted online.



## ✓ Remote inspections

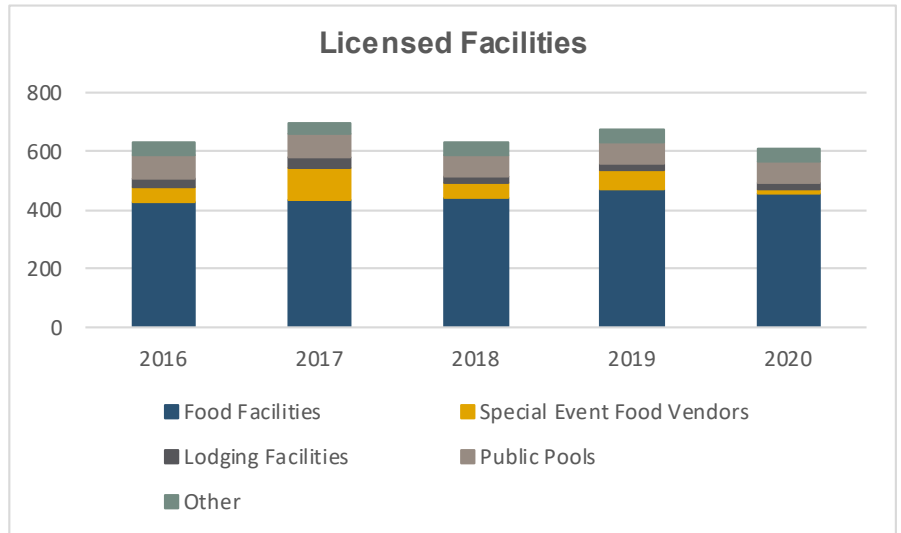
Though many aspects of daily life were necessarily curtailed by COVID-19, building inspections needed to continue. To minimize potential exposures, inspections for “small” projects – like bathroom and kitchen remodels – were performed via FaceTime or Zoom. Again, technology ensured an effective and efficient continuation of city services while preserving the integrity of the inspections required.

# Environmental Health

## Responsibilities

### ✓ Licensed Facility Inspections

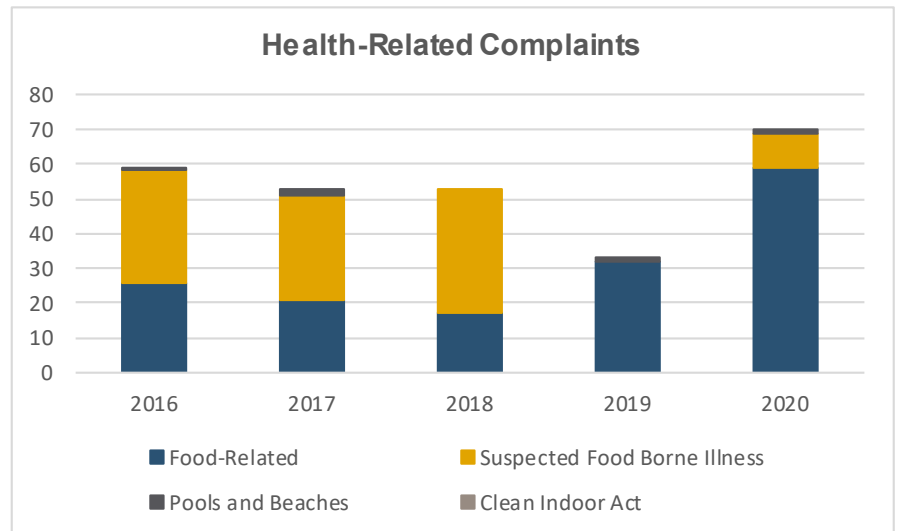
The Environmental Health Division is responsible for evaluating compliance with federal, state, and local regulations intended to promote public health. The division reviews permit applications for licensed facilities, which include: commercial food establishments, lodging facilities, public pools and beaches, and massage and tattoo establishments. Staff performs annual inspections – and re-inspections if needed – at each of the city’s 610 licensed facilities.



Staff also performs permit review and inspections of the city of Wayzata, which contracts with Minnetonka for these services.

### ✓ Health Complaint Investigation

This division investigates complaints related to public-health related issues. In 2020, 70 such complaints were received.



### ✓ Nuisances

Environmental Health staff receive and respond to complaints related to public nuisance issues. Complaints may include long grass, property neglect issues, hazardous conditions, or “hoarding” situations. In 2020, the city received 522 nuisance complaints. In some cases, property owners are unable or unwilling to resolve a nuisance issue. When this occurs, the city will abate the issue with charges associated with such abatement charged to the property owner via their property tax. In 2020, the city abated 13 nuisances.



# 2020 Highlights

## ✓ Indoor Dining

Restrictions on indoor dining, put in place in an effort to slow the spread of COVID-19, impacted restaurant operation. Environmental Health staff kept “up to date” on both mandates and allowances – particularly regarding expanded outdoor dining areas – to find creative ways to ensure public health and assist struggling restaurants.

## ✓ Promotion of Translated Materials

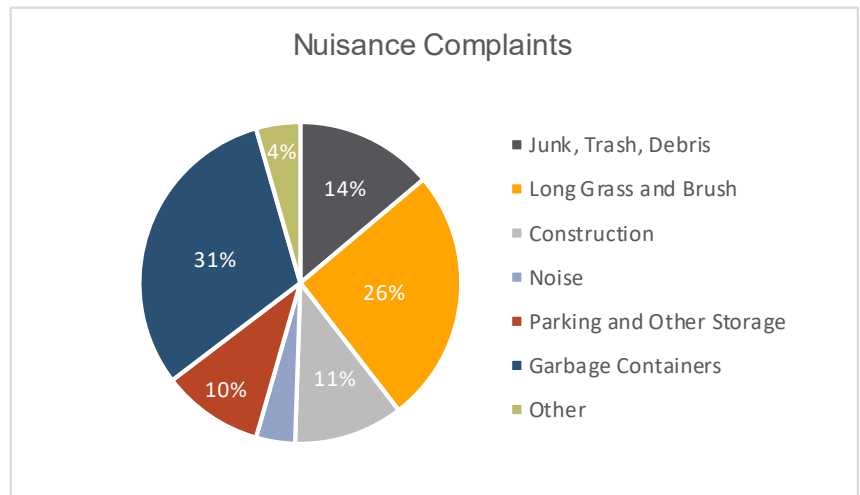
The city has translated materials available for food safety-related information as inspections of food establishments occur. However, the city had not promoted the availability on the city’s website. The information has been updated and each inspection record now indicates the openness for finding proper translation services, if needed. The city’s website now connects establishments to more than 20 languages.

## ✓ Self-Inspections

At the direction of staff, food establishments conducted periodic self-inspections. This successful program has assisted both the establishment and staff inspectors in spotting trends and areas for improvement.

## ✓ Nuisance Complaints

As many people worked from home during the COVID-19 pandemic, they became more aware – and sometimes more intolerant with – their neighbors. This was reflected by the types of nuisance by the broad types of nuisance complaints received in 2020.



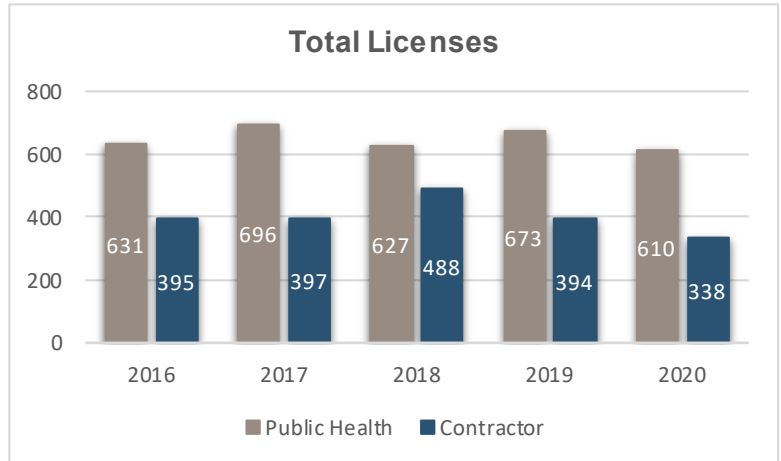
# Licensing & Support Services

## Responsibilities

### ✓ Licensing

Community Development support staff manages the review and issuance of contractor, liquor, and health licenses.

In 2020, staff issued a total of 948 licenses.

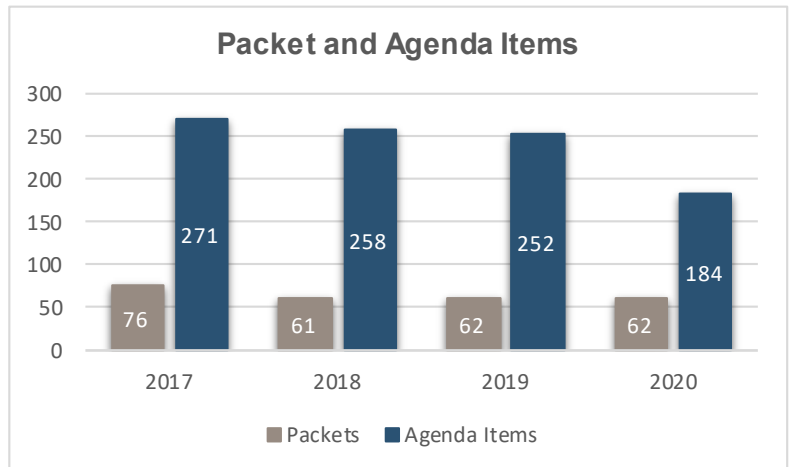


### ✓ Packets

Staff is responsible for producing packets for the economic development advisory commission (EDAC) and planning commission. In addition, the staff is integral in the production of packets for the economic development authority (EDA) and city council.

In 2020:

- Staff produced – or helped to produce – 62 packets.
- The packets include 184 reports written by community development staff.



### ✓ Mailings

Staff is responsible for producing mailing to comply with legal public notification requirements and Minnetonka's own best practices. In 2020, over 6,650 public notices were mailed for land use applications alone.

### ✓ Web Subscribers

Staff is responsible for maintaining web pages on minnetonkamn.gov for the EDAC, planning commission and individual development project pages. These pages – and regular updates to each – reach a large number of self-selected subscribers.

	Total Subscribers
EDAC Packet	589
Planning Commission Packet	760
Development Project Pages	3,469

# Community Development Staff

Community Development is comprised of 23 full-time and ten part-time/on-call staff, all of whom bring education, experience and expertise to their positions in the city. Staff further serve the broader region membership and leadership on a variety of committees, panels, and workgroups.

## ✓ Degrees

Associate's Degree in Food Products and Inspections  
Bachelor's Degree in Animal Science  
Bachelor's Degree in Community Health  
Bachelor's Degree in Community and Regional Planning  
Bachelor's Degree in Environmental Design  
Bachelor's Degree in Food Technology and Inspections  
Bachelor's Degree in Food and Nutrition  
Bachelor's Degree in Geography and Education  
Bachelor's Degree in Geography and Sociology  
Bachelor's Degree in Medical Laboratory Science  
Bachelor's Degree in Microbiology  
Bachelor's Degree in Landscape Architecture  
Bachelor's Degree in Urban Geography  
Bachelor's Degree in Urban Studies  
Bachelor's Degree in Urban Studies and Economic

Master's Degree in Public Administration  
Master's Degree in Public Health  
Master's Degree in Urban and Regional Planning (2)  
Master's Degree in Urban and Regional Studies  
Master's Degree in Urban Planning

## ✓ Certifications

Basic Development Certification, IEDC  
Building a Foundation, Urban Land Institute  
Certified Mediator (2)  
Certified Planner, American Institute Certified Planners (3)  
Certified Pool Operator (3)  
Community Development Block Grant Certification, Department of Housing and Urban Development  
Economic Development Finance Professional, National Development Council  
Housing Development Finance Professional, National Development Council (2)  
Human Resources Certificate  
ICC Certified Building Inspector  
ICC Certified Electrical Inspector  
ICC Certified Electrical Plan Reviewer  
ICC Certified Mechanical Inspector  
ICC Certified Permit Technician  
ICC Certified Plans Examiner  
ICC Certified Residential Building Inspector  
ICC Certified Residential Plan Review  
Leadership Academy Certification, University of Park (2)

MN Accessibility Specialist (3)  
MN Certified Building Official (3)  
MN Certified Building Official, Limited  
MN Certified Commercial Electrical Inspector  
MN Certified Journeyman Electrician  
MN Certified Licensed and Certified Master Plumber (2)  
MN Certified Master Electrician  
MN Certified Residential Electrical Inspector  
MN Liquor License Certification  
MN Standardized Environmental Health Specialist, State of Minnesota (3)  
Registered Environmental Health Specialist, National Environmental Health Association (3)

✓ **Committee Membership**

10,000 Lakes Chapter, ICC Building Officials Board of Directors  
AHIF and Home Program Advisory Committee  
Association of MN Building Officials Egress Committee  
Association of MN Building Officials Mechanical Code Committee  
Bottineau Community Works Technical Assistance Review Panel  
Community Development Block Grant Public Service Allocation Committee  
Housing Preservation Workgroup  
Hopkins Race and Equity Initiative  
Mankato State Urban Studies Leadership Council  
Metro Cities Housing and Economic Development Committee  
MN Building Permit Technician Association Education Committee  
MN Department of Health Lodging Workgroup  
MN Fire Department Association, Honorary Life Member  
Planning Commission Chair, city in Scott County  
SWLRT Technical Implementation Committee  
Urban Land Institute Community Development Council  
West Metro Home Remodeling Fair Committee

# APPENDIX

# Economic Development & Housing: The Projects

## ✓ Southwest LRT (GreenLine Extension)

Although the construction on Southwest LRT began in 2018, the project reached significant milestones in 2020. In Sept, the project received its Full Funding Grant Agreement (FFGA) from the Federal Transit Administration. The FFGA provided nearly a billion dollars in federal funds as a match to more than a billion dollars of local funding, authorizing the completion of the largest public works project in Minnesota's history. At one point during the year, every mile of the project was under construction in all five cities along the Green Line Extension. Other significant milestones included:

- Construction on 8 of the 16 stations underway
- 23 of the 29 bridges under construction
- Near completion of private utility work
- Arrival of new light rail vehicles

### Minnetonka Highlights:



Hwy 62 LRT Tunnel- Halfway complete



Opus Station construction underway in 2020



# Economic Development & Housing: The Numbers

## ✓ CDBG

The Community Development Block Grant (CDBG) Program provides funding for housing rehabilitation in Minnetonka. This program is under the management of Hennepin County.

CDBG Rehabilitation Loan Projects	2019	2020
Maximum deferred loan allowed	\$15,000	\$15,000
Average deferred loan amount	\$17,383*	\$10,882
Active Projects	6	11
Applicants on the waiting list	47	73
<b>Projects completed</b>	<b>4</b>	<b>8</b>
<b>Projects in process</b>	<b>8</b>	<b>8</b>
<b>TOTAL EXPENDITURES</b>	<b>\$69,532</b>	

\*In certain cases, the city allows for the total loan to exceed

## ✓ Levy

The city of Minnetonka offers down-payment and home rehabilitation loans funded through the Housing Redevelopment Authority (HRA) levy.

Minnetonka HRA Loan Programs	2019	2020
Application packets mailed	5	2
<b>Minnetonka Home Enhancement Loans</b>	<b>3</b>	<b>0</b>
<b>Welcome to Minnetonka Loans</b>	<b>4</b>	<b>6</b>
Loans in process	4	7
<b>TOTAL EXPENDITURES</b>	<b>\$65,838</b>	<b>\$62,956</b>

✓ **Housing Compliance**

Housing staff is responsible for tracking affordability for previously approved rental and homeownership projects with mandated affordability requirements. Each year, economic development staff spend time preparing maximum resale reports for homeowners, contacting rental properties to obtain annual rental compliance information, and counseling homeowners looking for low-income housing opportunities. There are currently six ownership properties containing 128 units that require annual maximum sales price compliance. In addition, there are 56 multifamily apartment buildings containing a total of 7,606 units of housing, many of which have current or prior rental compliance monitoring requirements.

✓ **Thrive Minnetonka**

In 2018, staff developed “Thrive Minnetonka” a biannual newsletter aimed at sharing business news, updates, helpful resources, and success stories.

Thrive Minnetonka	2019	2020
Newsletters Produced	2	1
<b>Business Mailings</b>	<b>1,164</b>	<b>1,175</b>
<b>Electronic Subscribers</b>	<b>458</b>	<b>846</b>
Business Requested Site Visits	5	0
Business Resource Meetings	10	7



# Planning: The Projects

The following are some of the projects reviewed by planning staff in 2020.

- **Dairy Queen**

In July 2020, the city approved the redevelopment of the existing Wendy's restaurant space at the Seven-Hi commercial area for a new Dairy Queen. A certificate of occupancy was issued for the new space in November 2020.



- **Lake Minnetonka Care Center**

After several neighborhood meetings, concept plan reviews, and formal public meetings, the city approved the Lake Minnetonka Care Center's development on Highway 7 in November 2020. The approval will accommodate the relocation of a 21-resident nursing home from Deephaven to a new location in Minnetonka.



- **Legacy Oaks Townhomes**

In February 2020, the city approved LEGACY OAKS 5<sup>th</sup> ADDITION. This final component of the LEGACY OAKS residential development will include the construction of 14 attached townhome units; the first to be constructed in Minnetonka in over 20 years.



- **Ridgedale Area Parks**

In October 2020, the planning commission and city council reviewed and approved plans for the construction of park buildings in the Ridgedale Village Center. Construction of these facilities is anticipated to begin in 2021.



- **Shady Oak Crossing**

In June 2020, the cities of Minnetonka and Hopkins approved a detachment and annexation agreement to accommodate the previously approved Shady Oak Crossing Development. Construction of the 67-unit workforce housing building started in the fall of 2020.



- **Taco Teresa’s**

In May 2020, the city approved restaurant occupancy of a restaurant space at 1800 Plymouth Road. Taco Teresa’s was able to open and provide in-person and take-out dining with all COVID-19 protocols.

- **The Pointe**

In June 2020, the city review and approved the development of the last remaining vacant space within the Carlson Center. As approved, a 186-unit senior rental building and roughly 135-room hotel will be constructed southwest of the Carlson Towers. Permit applications have not been submitted to date.



**The following projects, reviewed by planning staff in previous years, were completed in 2020.<sup>2</sup>**

- **Avidor**

In 2018, the city approved the construction of Avidor, a 168-unit senior rental facility at Ridgedale. A certificate of occupancy was issued in December 2020.



- **The Birke**

In 2018, the city approved the construction of The Birke, a 175-unit market-rate rental facility at the previous Marsh Run office site. A certificate of occupancy was issued in December 2020.



<sup>2</sup> Photos are from respective building websites.



- **The Luxe**

In 2018, the city approved a 77-unit market-rate rental building on the former Redstone site. A certificate of occupancy was issued in May 2020.



- **Preserve at Shady Oak and Legends of Minnetonka**

In 2018, the city approved the construction of a 482-unit, three building, workforce and affordable senior apartment development. The first of three certificates of occupancy was issued in October 2020.



# Planning: The Numbers

## ✓ Types of Applications

Planning applications were noticeably down from 2019 and from the 5-year average.

Types of Applications	2016	2017	2018	2019	2020	5-Year average
Amendments to Previous Projects	3	0	7	2	1	3
Concept Review	9	6	10	4	4	7
Conditional Use Permit	22	25	18	24	21	22
Environmental Assessment Worksheet	0	0	1	0	0	0
Expansion Permit	11	7	9	10	6	9
Interim Use Permit	0	2	2	1	1	1
Guide Plan Amendment	2	2	3	1	1	2
Rezoning & Master Development Plan	6	9	11	9	9	9
Sign Plan	2	4	2	13	2	5
Site and Building Plan	13	7	12	10	13	11
Subdivision	16	24	18	19	15	18
Variance	29	33	28	27	17	27
Telecommunications Facility (admin)	6	1	12	4	7	6
Wetland/Floodplain Alteration	3	4	2	1	2	2
Zoning Text Amendment	3	0	1	2	3	2
Other	8	11	3	10	8	8
<b>TOTAL</b>	<b>133</b>	<b>135</b>	<b>139</b>	<b>137</b>	<b>110</b>	<b>131</b>



# Permits and Inspections: The Numbers

## ✓ All Permits Issued

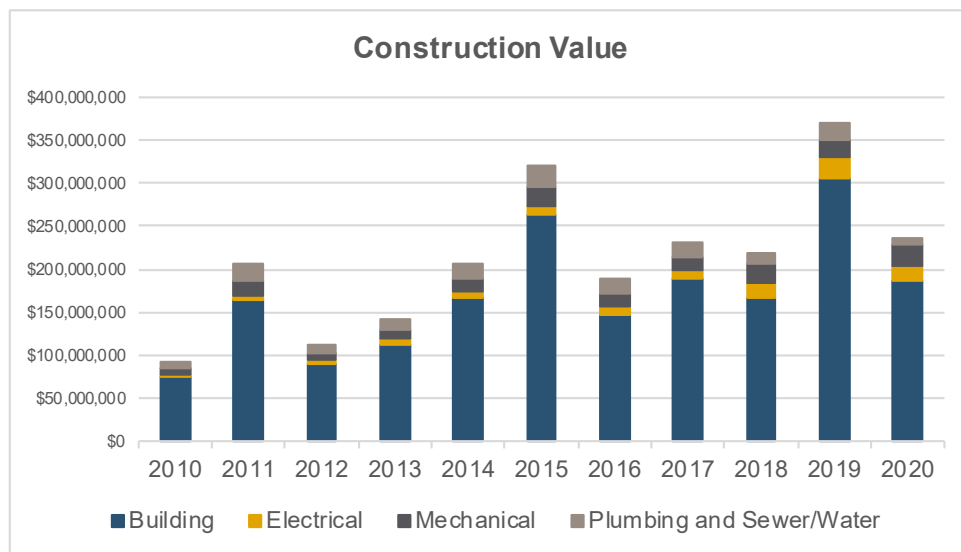
The number of total permits issued in 2020 was less than 2019, but greater than the five year average. While building permits were up, trade permits were down.

Permits Issued	2016	2017	2018	2019	2020	5-YR AVERAGE
Building	1,853	1,790	1,828	2,210	2,596	2,055
Electrical	1,886	1,918	1,994	2,196	2,071	2,013
Mechanical	1,613	1,699	1,737	1,772	1,719	1,708
Plumbing	1,767	1,837	1,799	1,961	1,638	1,800
<b>TOTAL</b>	<b>7,119</b>	<b>7,244</b>	<b>7,358</b>	<b>8,139</b>	<b>8,024</b>	<b>7,577</b>

## ✓ All Permits Issued – Construction Value

Construction value was down from 2020. This was predominately due to the large number of new apartment buildings constructed in 2019.

	2016	2017	2018	2019	2020
Building	\$145,968,254	189,189,513	\$167,488,245	\$306,329,747	\$186,195,575
Electrical	\$11,236,479	8765821	\$16,254,467	\$23,923,923	\$17,991,991
Mechanical	\$13,565,935	16,099,036	\$22,074,974	\$20,861,296	\$23,617,137
Plumbing and Sewer/Water	17142801	15,993,819	\$13,354,714	\$19,623,997	\$8,641,984
<b>TOTAL</b>	<b>\$187,913,469</b>	<b>\$230,048,189</b>	<b>\$219,172,400</b>	<b>\$370,738,963</b>	<b>\$236,446,687</b>



✓ **Building Permits Issued**

The number of commercial building permits issued was less than 2019 and was noticeably less than the five year average. Conversely, the number of residential building was up in 2020.

Building Permits Issued	2016	2017	2018	2019	2020	5-YR AVERAGE
<b>Commercial</b>						
New	4	7	2	2	3	4
Addition, Remodel, Maint.	327	267	190	183	135	220
Tenant Finish	8	13	46	34	23	25
Misc. (Demo, Move Bldg.)					2	2
<b>Subtotal</b>	<b>339</b>	<b>287</b>	<b>238</b>	<b>219</b>	<b>163</b>	<b>249</b>
<b>Residential</b>						
New, Single-family	42	41	60	43	42	47
New, Twinhome/Townhome	4	5	2	6	8	4
New, Multi-family	1	4	4	6	4	4
Addition, Remodel, Maint.	1,576	1,448	1,484	1,860	2,323	1,592
Garage, Shed, Pool, Solar	5	5	30	39	36	20
Misc.				31	20	31
<b>Subtotal</b>	<b>1,628</b>	<b>1,503</b>	<b>1,580</b>	<b>1,985</b>	<b>2433</b>	<b>1674</b>
<b>TOTAL</b>	<b>1,967</b>	<b>1,790</b>	<b>1,818</b>	<b>2,210</b>	<b>2,596</b>	<b>1945</b>

✓ **Building Permits Issued – All Construction Value**

Construction value went down in 2020. Again, this was predominately due to the number of new apartment buildings constructed in 2019.

		2018	2019	2020
Commercial	New	\$6,571,000	\$1,735,000	\$39,240,811
	Addition/Remodel	\$50,070,219	\$54,666,290	\$56,784,016
	Maintenance/Repair/Replace	\$3,784,469	\$4,504,044	\$5,536,078
	Tenant Finish	\$12,944,038	\$10,098,575	\$2,627,370
	Misc.			\$2,500
Residential	New Single-Family Homes	\$31,506,224	\$24,638,013	\$23,802,572
	New Townhomes/Multi Family	\$27,201,295	\$178,085,703	\$15,820,000
	Addition/Remodel	\$20,168,840	\$21,875,834	\$22,409,877
	Maintenance/Repair/Replace	\$14,126,485	\$12,875,834	\$19,263,588
	Garage, Shed, Pool, Solar	\$1,157,775	\$987,353	\$708,763
	Misc.		\$14,812,889	
<b>TOTAL</b>		<b>\$167,530,345</b>	<b>\$324,279,535</b>	<b>\$186,195,575</b>

✓ **Building Permits Issued – Commercial Construction Value**

Several large commercial and institutional remodel projects occurred in 2020 with values over \$3 million.

PROJECT	LOCATION	VALUE
Hennepin County Medical Examiner	Co Rd 62	\$36,784,8111
City Police and Fire Facility	Minnetonka Blvd	\$25,617,440
Eagle Ridge Academy	Bren Rd W	\$4,121,573
12500 Whitewater	Whitewater Drive	\$4,000,000
Parking Ramp	Bren Road E	\$3,944,145
Hopkins High School	Lindbergh Drive	\$3,164,800

✓ **Building Permits Issued – New Single-Family Homes**

The number of new, detached single-family homes permits issued in 2020 was one less than that issued in 2019. While the average permit value went down, the average floor area increased. It is important to note that the values in the chart below do not include land values.

	2016	2017	2018	2019	2020
Number of Permits	42	41	60	43	42
Average Permit Value	\$553,956	\$447,976	\$525,104	\$572,977	\$566,728
Average Area <sup>3</sup>	4,277 sq.ft.	4,832 sq.ft.	4,407 sq.ft.	4,576 sq.ft.	4,650 sq.ft.

✓ **Building Permits Issued – Residential Additions, Remodels, Maintenance and Repair**

The number of residential addition, remodel, and maintenance/repair permit application increased, as did total value. The average permit value decreased slightly.

	2016	2017	2018	2019	2020
Number of Permits	1,576	1,448	1,484	1,860	2,323
Total Permit Value	\$29,091,823	\$28,457,861	\$34,295,325	\$34,510,319	\$41,673,465
Average Permit Value	\$18,459	\$19,653	\$23,110	\$18,594	\$17,940

✓ **Inspections**

Total inspections increased in 2020. This was predominately due to: (1) the number of new apartment buildings under construction; and (2) “closing out” old permits.

<sup>3</sup> For single-family homes, floor area is defined as “the sum of the following as measured from exterior walls: the fully exposed gross horizontal area of a building, including attached garage space and enclosed porch areas, and one-half the gross horizontal area of any partially exposed level such as a walkout or lookout level.” Average total area of the homes constructed in 2020 was 5,617 sq.ft.

Inspection Type	2016	2017	2018	2019	2020	5-YR AVERAGE
<b>Minnetonka</b>						
Building	4,857	4,132	3,969	4,962	6,840	4,952
Electrical	3,503	3,279	3,152	3,608	3,740	3,456
Mechanical	3,063	3,052	3,006	3,450	4,200	3,354
Plumbing	2,454	2,623	2,679	2,962	3,487	2,841
<b>TOTAL INSPECTIONS</b>	13,877	13,086	12,806	14,982	18,267	14,604
<b>Deephaven, Woodland, and Greenwood</b>						
<b>TOTAL HOURS</b>	1,511	1,442	1,544	1,501	1,552	1,510

# Environmental Health: The Numbers

## ✓ Inspections

Restrictions on indoor dining, put in place in an effort to slow the spread of COVID-19, impacted restaurant operation. This is clearly shown in the numbers of restaurant inspections, which were significantly down in 2020.

	2016	2017	2018	2019	2020	5-YR AVERAGE
<b>Minnetonka</b>						
Routine Food Inspections	466	500	487	465	295	443
Re-Inspections	169	159	183	143	28	137
<b>Subtotal</b>	635	659	670	608	323	580
<b>Wayzata</b>						
Routine Food Inspections	136	143	139	136	74	126
Re-Inspections	43	45	54	48	11	40
<b>Subtotal</b>	179	188	193	184	85	166
<b>TOTAL</b>	814	847	863	792	408	746

## ✓ Health Related Complaints

Conversely, health related complaints increased from 2019 numbers and were above the 5-year average.

	2016	2017	2018	2019	2020	5-YR AVERAGE
Food-Related	26	21	17	32	59	31
Suspected Food Borne Illness	32	30	36	0	10	22
Pools and Beaches	1	2	0	1	1	1
Clean Indoor Act	0	0	0	0	0	0
<b>TOTAL</b>	58	53	53	33	70	54

## ✓ Nuisance Complaints

Nuisance complaints were slightly down from 2019 and the 5-year average.

	2016	2017	2018	2019	2020	5-YR AVERAGE
<b>TOTAL</b>	609	607	459	578	522	555

✓ **Citations Issued**

The number of citations issued was less than both 2019 and the 5-year average.

	2016	2017	2018	2019	2020	5-YR AVERAGE
<b>TOTAL</b>	13	3	7	10	2	7

✓ **Nuisance Abatements Completed**

Abatement completed in 2020 were also fewer than 2019 and the 5-year average.

	2016	2017	2018	2019	2020	5-YR AVERAGE
<b>TOTAL</b>	123	22	18	25	13	40



# Licensing: The Numbers

## ✓ Licensed Facilities

Licensed facilities were down from 2019 and the 5-year average.

	2016	2017	2018	2019	2020	5-YR AVERAGE
Food Facilities	425	434	438	474	453	445
Special Event Food Vendors	53	111	55	60	16	59
Lodging Facilities	31	35	22	24	20	26
Public Pools	81	77	75	76	79	78
Other – massage, bowling, food vending, refuse haulers pet shops, and body art	41	39	37	39	42	40
<b>TOTAL</b>	<b>631</b>	<b>696</b>	<b>627</b>	<b>673</b>	<b>610</b>	<b>647</b>

## ✓ Contractor Licensing

Contractor licensing decreased in 2020 and was below the 5-year average.

	2016	2017	2018	2019	2020	5-YR AVERAGE
Gas	146	150	194	140	127	151
HVAC/Warm Air	120	122	145	123	100	122
Refrigeration	71	69	85	69	63	71
Steam/Hot Water	58	56	64	56	45	56
Fireplace Only				6	3	5
<b>TOTAL</b>	<b>395</b>	<b>397</b>	<b>488</b>	<b>394</b>	<b>338</b>	<b>402</b>

## ✓ Business/Sales Licenses

Business licensing remained relatively stable and was consistent with the 5-year average.

	2016	2017	2018	2019	2020	5-YR AVERAGE
Dumpsters/Portable Containers	3	3	3	4	1	3
Pawn/Precious Metal/Secondhand	6	6	5	4	4	5
Peddler/Solicitor	99	79	70	95	89	86
Tobacco	32	24	30	28	27	28
<b>TOTAL</b>	<b>140</b>	<b>112</b>	<b>108</b>	<b>131</b>	<b>121</b>	<b>122</b>

✓ **Liquor Licenses**

Liquor licensing decreased slightly in 2020. This was due to a decrease in temporary licensing, as there were presumably fewer gatherings (charitable, community, etc.) due to COVID-19.

	2016	2017	2018	2019	2020	5-YR AVERAGE
On-Sale Intoxicating Liquor	22	22	22	23	23	22
Off-Sale Intoxicating Liquor	11	12	11	10	10	11
On-Sale Wine	16	17	17	14	14	16
On-Sale 3.2 Percent Malt Liquor	15	19	17	15	15	16
Off-Sale 3.2 Percent Malt Liquor	2	2	2	2	2	2
On-Sale Brewers Taproom	0	1	1	2	2	1
Temporary Liquor	4	14	9	4	1	6
<b>TOTAL</b>	70	87	79	70	67	75

# Packets and Reports: The Numbers

Though total agenda items were down, community development staff continued to produce a large number of packets and agenda items for EDA, EDAC, planning commission and city council. In 2020, staff wrote an average of 3.5 formal reports per week.

	2017	2018	2019	2020	AVERAGE
Packets	76	61	62	62	65
Agenda Items	271	258	252	184	241

# Neighborhood and Planning Study Meetings

In addition to staffing city council, planning commission, economic development advisory commission and economic development authority meetings, there were many other neighborhood meetings, planning studies, and community outreach meetings that also occurred outside of a typical workday.

2017	2018	2019	2020
30 (21 neighborhood)	51 (19 neighborhood)	19 (13 neighborhood)	11 (7 neighborhood)