



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

April 29, 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 March 11, 2021 minutes

**BUSINESS ITEMS**

4. Doran Apartments (5959 Shady Oak Road)

*Recommendation: Review the financing request and contract for private development and make a recommendation*

5. Kraus-Anderson(KA)/Aeon "Bren Road Development" (10701 Bren Road East)

*Recommendation: Review the request and provide feedback*

6. 2022-2026 EIP

*Recommendation: Review and provide feedback for the draft 2022-2026 EIP*

7. Staff Report

8. Other Business

The next regularly scheduled EDAC meeting will be held on **May 27, 2021 at 6:00 p.m.**

9. Adjourn

If you have questions about any of the agenda items, please contact:  
Alisha Gray, EDPF, Economic Development and Housing Manager (952) 939-8285  
Julie Wischnack, AICP, Community Development Director, (952) 939-8282

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

**March 11, 2021**

**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, Lee Jacobsohn, Steven Tyacke, and Charlie Yunker were present. Jay Hromatka and Melissa Johnston were absent.

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 Feb. 25, 2021 Meeting Minutes**

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

**4. Doran Development at 5959 Shady Oak Road**

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

Tyacke confirmed with Gray and Wischnack that without assistance, five percent of the units at 50 percent AMI and five percent of the units at 60 percent AMI would meet the affordable housing policy to rezone the property. The renewal and renovation district allows a little more flexibility with the level of affordability.

Jacobsohn felt all three of the proposals are good and meet the criteria. He likes proposal two the most, with five percent of the units affordable at 50 percent AMI, five percent of the units affordable at 60 percent AMI, and five percent of the units affordable at 80 percent AMI. It would provide more income diversity, and it would be a little more bang for the buck for the city. Proposal three might give more income diversity to all of Opus. He likes having more income diversity within a particular property.

In response to Duginske Cibulka's question, Gray explained how the renewal and renovation district allows more flexibility in options two and three. Wischnack clarified that the proposal would meet the affordable housing policy. Staff is asking for more diversity of affordable housing and unit types.

Duginske Cibulka asked if there is any research available to determine what types of affordable housing are most in demand. Gray answered that from working on the comprehensive guide plan, it had been determined that there is a shortage of affordable housing below 50 percent AMI across the city and in Opus. Affordable units between 30 percent and 50 percent AMI are very difficult to get. Wischnack added that Dominion is doing quite well leasing its 482 units which are at 60 percent AMI. The affordable units at The Burke and The Rize were also leased very quickly. The market is still strong for affordable units.

In response to Tyacke's question, Gray explained that once the commission provides its recommendation and the city council reviews the proposal at its meeting, then staff will work with the developer to refine the level of assistance based on the feedback and a more thorough analysis of the request would be completed.

Wischnack identified the first issue for commissioners to consider is whether Minnetonka should desire more affordable housing than what the policy requires. If that answer is yes, then the next step would be to consider the three options.

Duginske Cibulka would like to hear from the applicant.

Tony Kuechle, with Doran Companies, stated that the initial concept included 375 units to 400 units. After receiving feedback from residents in the neighborhood, planning commissioners, and councilmembers, the number was scaled back, and the current application includes 354 units of affordable housing. The proposal would be happy to meet the affordable housing policy. To do scenario two or three, there would need to be an additional subsidy to get to the original return on cost. As it relates to demand, The Burke opened 175 units in December, and 55 percent of the units are leased, and the majority of the affordable units are leased.

Falk asked if he thought that if The Burke had additional affordable housing units, then would those also be leased. Mr. Kuechle answered in the affirmative. He stated that especially units in the 50 percent AMI level and 80 percent AMI level. He said that many applicants could not quite qualify for the 80 percent AMI level.

Tyacke asked what prompted a change from the original proposal of 10 percent of units at 80 percent AMI with no assistance. Mr. Kuechle said that after watching previous EDAC meetings, he learned of the need for three-bedroom affordable units for families. He tried to get creative to be able to provide large affordable units with 10 percent of the units at 80 percent AMI, but not actually do the small studio and one-bedroom units, but

to provide two-bedroom and three-bedroom units. The three options would meet the existing return on cost.

Duginske Cibulka felt the discussion was organized well. The affordable housing policy sets a baseline, and anything above or beyond is good, and it is good to have a discussion with the developer about the possibilities. She appreciates the willingness of the developer to have this discussion. She understands that the structure of the proposal could change. She felt that the policy needs to be enforced and supported. The understanding of the distribution of the different percentages has been helpful. There is a demand at the 60 percent AMI level. She appreciates knowing what types of units are most in demand. She hopes to promote projects that would be successful. The most likely need seems to be 60 percent AMI, or an option to provide diversity might be the best option.

Jacobsohn agrees with Duginske Cibulka's comments. He supports providing financial assistance in exchange for additional affordable units.

Chair Yunker agreed. He acknowledged a consensus among commissioners that Minnetonka should take advantage of an opportunity to increase the number of affordable units in the proposal in exchange for assistance. He asked commissioners if they favored option two or option three.

Tyacke prefers option two because it would provide a greater range of affordability options.

Falk agrees with Tyacke. Having more options would be helpful.

Duginske Cibulka agrees that option two would provide more flexibility and be able to meet a wider range of market demand by providing a variety of different affordability options. She would be interested in learning which affordability options and unit types would be most in demand.

Jacobsohn and Chair Yunker concurred with commissioners. The second scenario makes the most sense.

Calvert noted that councilmembers have conflicted feelings with concentrating affordable units in one square mile of the city, but, on the other hand, locating affordable housing near transit makes a great deal of sense. Councilmembers support real diversity in AMI throughout Minnetonka. She is happy that the proposed developments integrate affordable units with market-rate units.

## **5. Wellington Management at 10901 Red Circle Drive**

Gray gave the staff report.

In response to Tyacke's question, Dahl explained that within a TIF district, items might be financed by up-front grants, pay-as-you-go notes over time, or city-issued bonds that are either repaid or the assistance would be provided through tax income revenues that are generated within the district over time. Linden Street Partners favored an up-front grant. Wellington found that a pay-go structure would be more beneficial to them.

In response to Tyacke's question, Wischnack clarified that the building would have mixed uses and be considered its own project. Phase two would be structured separately when and if it would be completed.

Casey Dziejewczynski, the applicant, explained that the initial intent was to do two buildings and develop both sides, but the decision was made to wait until the east side would be completed to gain an understanding of the product mix and market demand before starting the building on the west side.

Tyacke appreciated that approach. He suggested having a condition of approval be included to require the developer to meet certain milestones to complete phase two within certain time limits. Wischnack explained why that would not be the best option for this project. Dahl explained that to get the infrastructure necessary for this development, the city would be able to utilize the increment from other projects, including Linden Street Partners and Doran.

Steve Wellington, the applicant, explained that completing phase two is the only way to make the land a reasonable investment. He wants to get started on phase two as soon as possible. His market research shows that there is a demand for multi-family residential senior and non-age restricted housing in the area. The community is attractive, has a lot of wonderful amenities, and is located close to retail. He is looking forward to getting the project underway this year.

Duginske Cibulka asked if Wellington Management would keep ownership of the land. Mr. Wellington answered in the affirmative. He would be a major investor in the apartment building and plans to hold onto that for a long time as well. Duginske Cibulka did not feel that it would be reasonable to require phase two to be completed within a certain time period. She favors responding to current market research. She was happy to hear that Wellington Management would keep ownership of the land. It would be in the property owners' best interest to maximize the use of the land. She was excited that the applicant is willing to go above and beyond the affordability policy guidelines. Given the analysis done by Ehlers, it helps understand the benefits of pay as you go. She asked Dahl to explain the necessity of the minimum assessment agreement and the look-back provision.

Dahl explained that Ehlers Financial Group usually requires a minimum assessment agreement with every pay-as-you-go structure because it is the base floor that the

assumptions are made on. The hypothetical market values are based on the current market. The base floor sets the amount projected for the increments that would be generated to pay for the TIF note over time. The look-back provision is standard for most agreements in Minnetonka and St. Louis Park to make sure that a project is not being over subsidized based on the assumptions used today when projections are made for future development. There would be look-back provisions done for total development cost, return on investment, and purchase price if sold.

Duginske Cibulka appreciated the overview. She found it very helpful. She asked for the expected timeline for occupancy. Mr. Wellington hoped to begin construction this summer in August. It should be completed and open in the spring of 2023. Lease up should take 12 to 15 months.

Tyacke liked the building, the electric vehicle charging stations, and amenities. The project makes a lot of sense and meets the affordable housing policy. It would fit in the TIF renewal and renovation district. He supports the proposal with Ehlers' recommendation of \$2.4 million in assistance, a pay-as-you-go note with a six-year term, minimum assistance agreement, and look-back provisions.

Tyacke motioned, Duginske Cibulka seconded the motion to recommend that the city council approve items for Wellington Management at 10901 Red Circle Drive as recommended by Ehlers' to provide \$2.4 million in assistance, a pay-as-you-go note with a six-year term, a minimum-assistance agreement, look-back provisions, and a developer's agreement acceptable to city staff. Duginske Cibulka, Falk, Jacobsohn, Tyacke, and Yunker voted yes. Hromatka and Johnston were absent. Motion passed.

## 6. 2020 Annual Report

Wischnack briefed the commission on the Minnetonka Community Development 2020 Annual Report. She stated that Minnetonka Community Development staff:

- 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 million in COVID relief from all funding sources at various levels of government.
- Deployed \$225,000 in emergency assistance grants to 37 Minnetonka businesses impacted by COVID-19.
- Partnered with Hennepin County and hired a marketing consultant to develop nearly \$10,000 worth of marketing materials to encourage customers to visit the Glen Lake area over the holiday season.
- Began participating in Hennepin County's deconstruction grant program.
- Created many programs to assist residents with rent and mortgage payments. \$1,300 was the average amount of assistance.

- Continue to encourage the public to contact city staff or the ICMA food shelf staff if rent or mortgage assistance is needed.
- Dealt with 110 land-use applications in 2020 that included some very complex cases.
- Completed an energy action plan and created a sustainability commission.
- Completed the 2040 Minnetonka Comprehensive Guide Plan.
- Processed a significantly higher number of building permits in 2020.
- Utilized on-line building permitting and virtual inspections when possible.
- Researched health-related complaints and food-borne illnesses.
- Dealt with 500 nuisance complaints often relating to tall grass and garbage containers being left outside. She encouraged neighbors to check on neighbors who may need assistance.
- Issued 610 licenses, including those for alcohol, restaurants, massage, tobacco, and garbage haulers.
- Produced 62 agenda packets for the planning commission, economic development authority commission, and city council meetings.
- Created a business newsletter that was mailed to 1,100 businesses and sent electronically to 846 subscribers.
- Worked on numerous major redevelopments that occurred in 2020.
- Hosted 18 neighborhood meetings in 2020.
- The EDAC has close to 600 subscribers to its meeting agenda packets. The planning commission has 760 subscribers to its meeting agenda packets.
- 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.
- New commercial building permits totaled \$39 million.

Jacobsohn appreciated the report and thanked all of the people behind the scenes who do the work to keep the city running efficiently.

Duginske Cibulka agreed it is a moment of pride to look back at 2020 and commended staff on how well they pivoted and adjusted to deal with 2020. The long hours resulted in phenomenal results, which allowed the city to continue to grow, and the creative financing tools are awesome.

Chair Yunker agreed and offered compliments on behalf of the EDAC commissioners to staff and everyone who kept projects going, including administering the CARES money.

Calvert appreciated the work done to this point and the work yet to come.

## **7. Other Business**

The next EDAC meeting is scheduled to be held on April 15, 2021.

**8. Adjournment**

The meeting was adjourned at 7:36 p.m.

By: \_\_\_\_\_  
Lois T. Mason  
Planning Secretary



**EDAC Agenda Item #4  
Meeting of April 29, 2021**

<b>Brief Description</b>	Doran Apartments (5959 Shady Oak Road)
<b>Recommendation</b>	Review the financing request and contract for private development and make a recommendation.

**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 six-story apartment building with 356 units (54 affordable units). The units would be a mix of an alcove, one, two, and three-bedroom units.

**Previous Concept Proposals**

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.

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 number 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

The EDAC reviewed this request at the [March 11, 2021 EDAC meeting](#) and recommended that the city council consider the second option at its upcoming study session. The council met to discuss the concept again on [March 15, 2021](#), at a study session. The general feedback from

the council was support for option 2, which would provide some level of assistance to the developer to add an additional 5% of the units at 80% AMI (above the policy minimum).

### Current Proposal

The proposed project would include a six-story apartment building with 356 units (54 affordable units). The units would be a mix of an alcove, one, two, and three-bedroom units, with the following unit mix:

**Total Unit Mix:**

Unit Type	Unit Count
Studio	30
Alcove	44
1BR	187
1 BR+Den	25
2 BR	55
3 BR	15

**Market Rate:**

Unit Type	Unit Count
Studio	25
Alcove	38
1BR	155
1 BR+Den	25
2 BR	47
3 BR	12

**Affordable:**

Unit Type	Unit Count
Studio	5
Alcove	6
1BR	32
1 BR+Den	0
2 BR	8
3 BR	3

Proposed affordable rents (based upon 4/1/2020 effective rates):

Unit Type	Unit Count	50% AMI	60% AMI	80% AMI
Studio	5	2 units at \$905	1 unit at \$1,086	2 units at \$1,448
Alcove	6	2 units at \$970	2 units at \$1,164	2 units at \$1,552
1BR	32	11 units at \$970	10 units at \$1,164	11 units at \$1,552
2 BR	8	3 units at \$1,163	2 units at \$1,396	3 units at \$1,862
3 BR	3	1 unit at \$1,344	1 unit at \$1,613	1 unit at \$2,151
<b>Total</b>	<b>54 units</b>	19 units	16 units	19 units

Market rate rents on the remaining 302 units range from approximately \$1,400 to \$3,400 per month.

### Financing Request

The EDAC and city council both recommended that the developer pursue providing an additional 5% of the units at 80% AMI as indicated in the current proposal. Ehlers has reviewed the developer's request of \$280,000 to provide the 19 units at 80% AMI for a 30-year term. Ehlers finds the level of assistance is appropriate as it has an approximate cost to the developer of \$700,000 to provide the additional units. The attached memo from Ehlers provides further detail on the financing request and analysis.

### Contract or Private Development

#### *Construction Commencement and Completion*

- Project abatement and demolition are anticipated to commence by Dec. 31, 2021 and be completed by Dec. 31, 2023.

### *Declaration of Restrictive Covenants*

- The developer will make 54 units affordable to households:
  - 19 units at or below 50% AMI
  - 16 units at or below 60% AMI
  - 19 units at or below 80% AMI
  - The city's policy requires a minimum of 30 years of affordability.
- Rents on the affordable units are anticipated to be between \$905 and \$2,151 per month (depending on the size of the unit) and based on 2020 income limits.
- Include language prohibiting practices that discriminate against Section 8 voucher holders.

### *Assistance*

Staff is recommending up to \$280,000 to assist with the financing of the affordable units. The funding source is the city's development fund. Keith Dahl, from Ehlers, reviewed this request and prepared the attached memo that includes an analysis of the request and a recommendation.

The following is a summary of Ehlers' recommendation that is included in the memo:

- Provide up to \$280,000 in up-front assistance through the city's development fund.
- Require a 30-year term of affordability.

The assistance requested from the developer would result in a per-unit cost of approximately \$491 per year over a 30-year affordability period based on total assistance of \$280,000. The per-unit assistance on previously approved housing redevelopment projects ranges from \$500 per unit/per year to \$4,571 per unit/per year.

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. The developer will also be available to answer questions related to this request.

### **Project Schedule**

- EDAC April 29, 2021
- Planning Commission TBD
- City Council TBD

### **Recommendation**

Staff recommends the EDAC review the financing request and contract for private development and make a recommendation. The EDAC recommendation will be shared with the city council at the May 10, 2021 council meeting.

Submitted through:

Julie Wischnack, AICP, Community Development Director

Originated by:

Alisha Gray, EDFP, Economic Development and Housing Manager

**Additional Information**

[March 15, 2021 – City Council Study Session](#)

[March 11, 2021 – EDAC Meeting](#)

[Feb. 25, 2021 – EDAC Meeting](#)

[Oct. 29, 2020 – EDAC Meeting](#)

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

Location Map

Memo from Ehlers

Memo from Doran Development

Draft Concept Plan

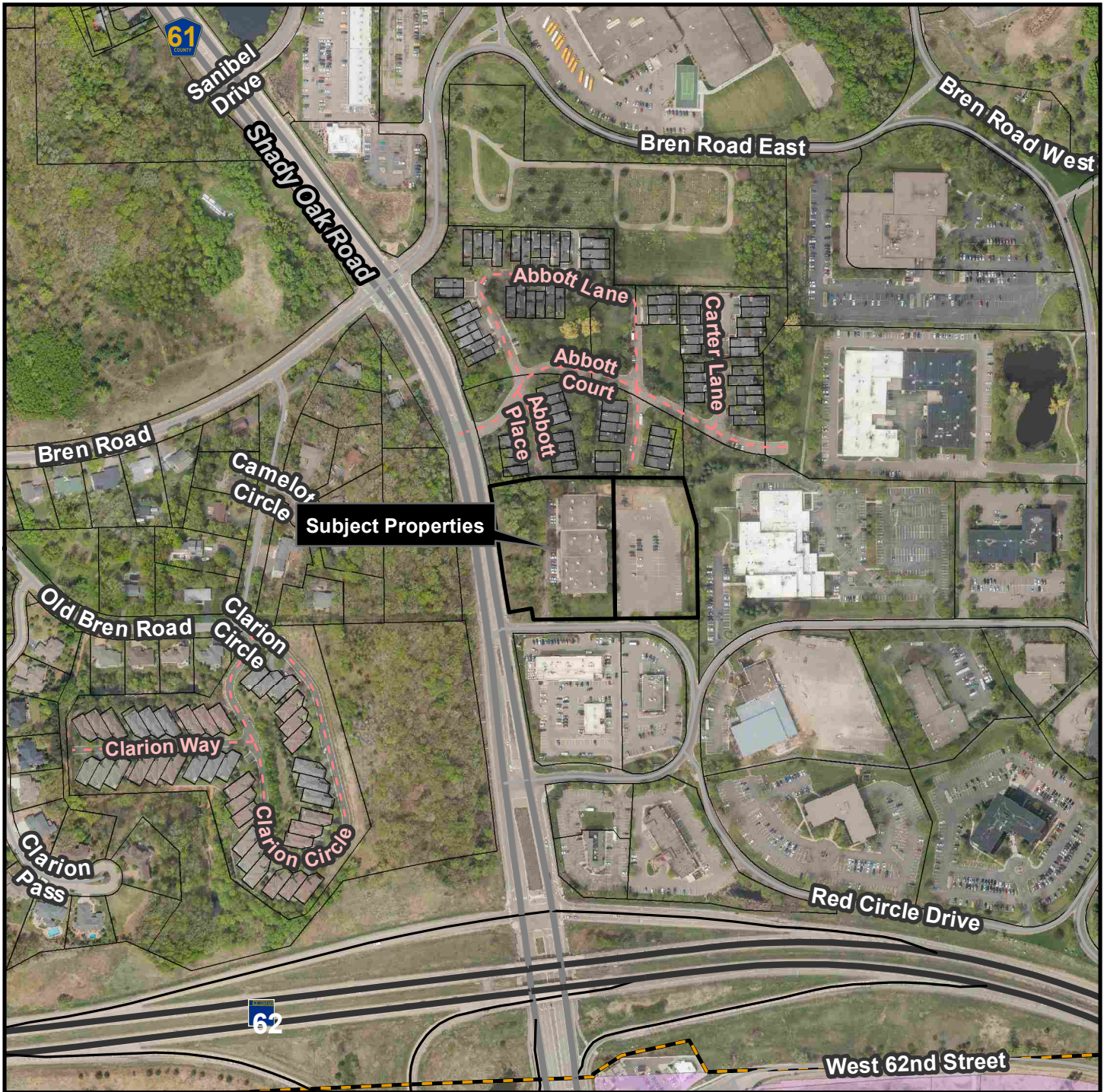
Draft Contract for Private Development

Affordable Housing Policy

2020 Affordable Housing Limits

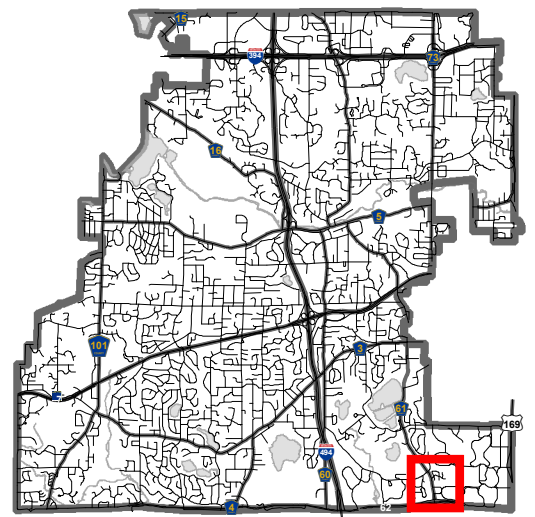
History of Affordable Housing Production and Assistance

[Opus Public Realm Design Guidelines](#)



### Location Map

Project: Doran Development  
Address: 5959 Shady Oak Rd



## MEMORANDUM

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

FROM: Stacie Kvilvang & Keith Dahl - Ehlers

DATE: March 31, 2021

SUBJECT: Doran Development – Analysis of Financial Request

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Earlier this year, the City requested Doran Development (the “Developer”) to exceed the City’s affordable housing policy in their proposed project, specifically to incorporate an additional 5% of the units affordable at 80% of the area median income (AMI). Subsequently, the Developer submitted a request for public financial assistance seeking \$280,000 in an up-front grant. The Developer is now proposing to construct a 356-unit apartment with studio, alcove, 1, 2, and 3-bedroom units with 5% of the units affordable at 50% AMI, 5% of the units at 60% AMI, and 5% of the units at 80% AMI. The project is anticipated to commence construction later this summer or fall and cost approximately \$90.5 million, or \$254,330 per unit.

Based on our review, we’ve concluded the Developer’s financial request is warranted to support the additional increase in affordable housing units. The annual difference in income by incorporating an additional 5% of the units affordable at 80% AMI is approximately \$43,270 per year. Over a 30-year term (required term of affordability) discounted at a rate of 4.5% (Developers proposed financing rate), the present value calculation or affordability impact to the Developer is slightly over \$700,000.

**Therefore, we conclude assistance in the amount of \$280,000 in up front assistance is supported for this project.** Similar to the Minnetonka Station development, approved earlier this year, the City will be able to reimburse themselves through future tax increment generated from within the proposed Opus Business Park TIF district.

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



## 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 revised affordable mix is noted in the staff report.

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.

The new unit mix is 356 units.

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.

# 5959 SHADY OAK ROAD REDEVELOPMENT MINNETONKA, MN

## LAND USE PLANS: January 15th, 2021

### Design Narrative

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 the following: 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.

### Project Team

**Owner:**  
Shady Oak Partners, LLC  
7803 Glenroy Road  
Suite 200  
Bloomington, MN 55349  
952-288-2089

**Architect:**  
Doran Architects, LLC  
7803 Glenroy Road  
Suite 200  
Bloomington, MN 55349  
PH: 952-288-2078

**Structural:**  
BKBM Engineers  
6120 Earle Brown Drive,  
Suite 700  
Minneapolis, MN 55430  
PH: 763-843-0423

**Attorney:**  
Doran Companies  
7803 Glenroy Road  
Suite 200  
Bloomington, MN 55349  
PH: 952-288-2000

**Developer:**  
Doran RE Partners, LLC  
7803 Glenroy Road  
Suite 200  
Bloomington, MN 55349  
PH: 952-288-2084

**Contractor:**  
Doran Companies  
7803 Glenroy Road  
Suite 200  
Bloomington, MN 55349  
PH: 952-641-9473

**Surveyor / Landscape / Civil:**  
Kimley Horn and Assoc., Inc  
767 Eustis Street  
Suite 100  
Saint Paul, MN 55114  
PH: 651-645-4197

### Site Map



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A 1.1	SITE PLAN
A 1.2	SHADOW STUDIES
A 2.1	LEVEL P2 FLOOR PLAN
A 2.2	LEVEL 1/P1 FLOOR PLAN
A 2.3	LEVEL 2 FLOOR PLAN
A 2.4	LEVEL 3, 4, 5, & 6 PLAN
A 3.1	EXTERIOR ELEVATIONS
A 3.2	EXTERIOR ELEVATIONS
A 3.3	EXTERIOR RENDERING
A 3.4	EXTERIOR RENDERING

Unit Type	Beds	
	#	%
STUDIO	30	8%
ALCOVE	44	12%
1 Bedroom	212	60%
2 Bedroom	55	15%
3 Bedroom	15	4%
<b>Total Units</b>	<b>356</b>	

Building Gross Floor Areas	Residence Levels						Totals	Effic.
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6		
Units	8,416	55,101	58,259	58,259	58,259	58,259	296,553	83%
Amenities	9,533	6,252	-	-	-	-	15,785	4%
Commons	2,390	9,281	8,641	8,641	8,641	8,641	46,235	13%
<b>Total</b>	<b>20,339</b>	<b>70,634</b>	<b>66,900</b>	<b>66,900</b>	<b>66,900</b>	<b>66,900</b>	<b>358,573</b>	<b>100%</b>

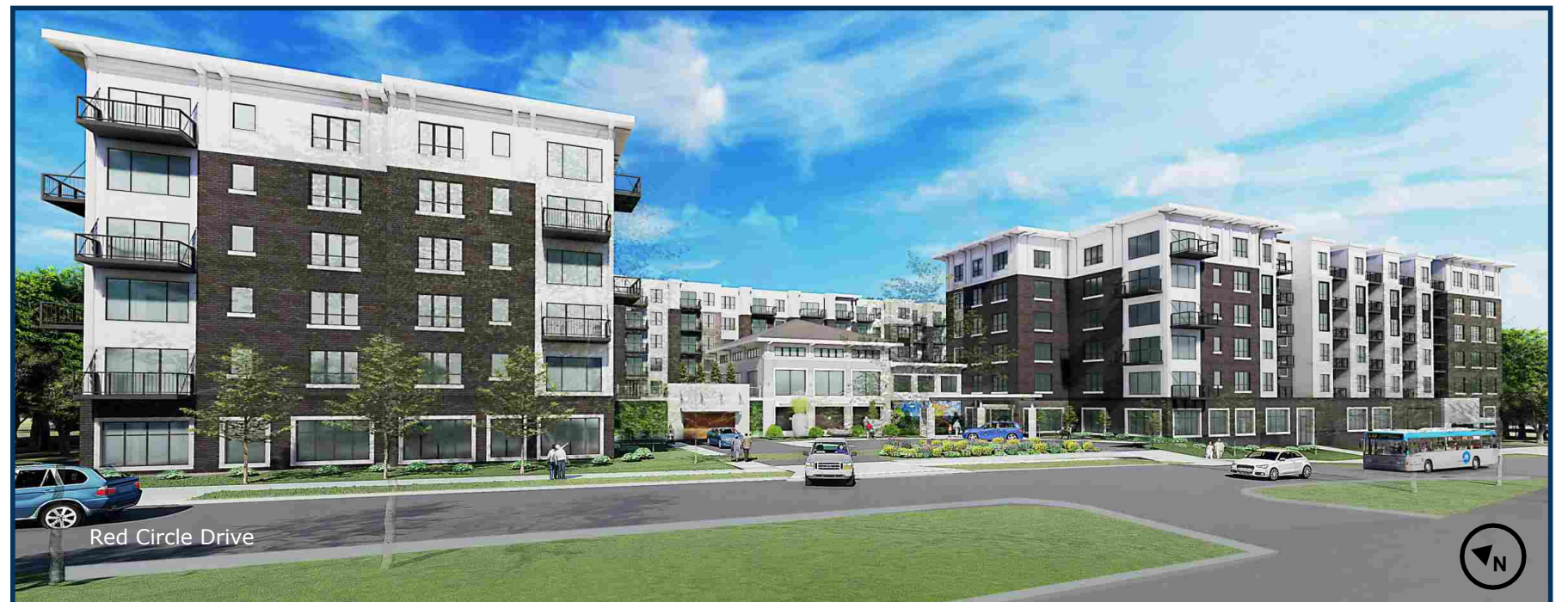
  

Parking Level Gross Floor Areas		Parking Stall Counts	
Level P2	97,409	Level P2	284
Level P1	74,658	Level P1	213
<b>Total</b>	<b>172,067</b>	On Grade	7
		<b>Total Parking Stalls</b>	<b>504</b>

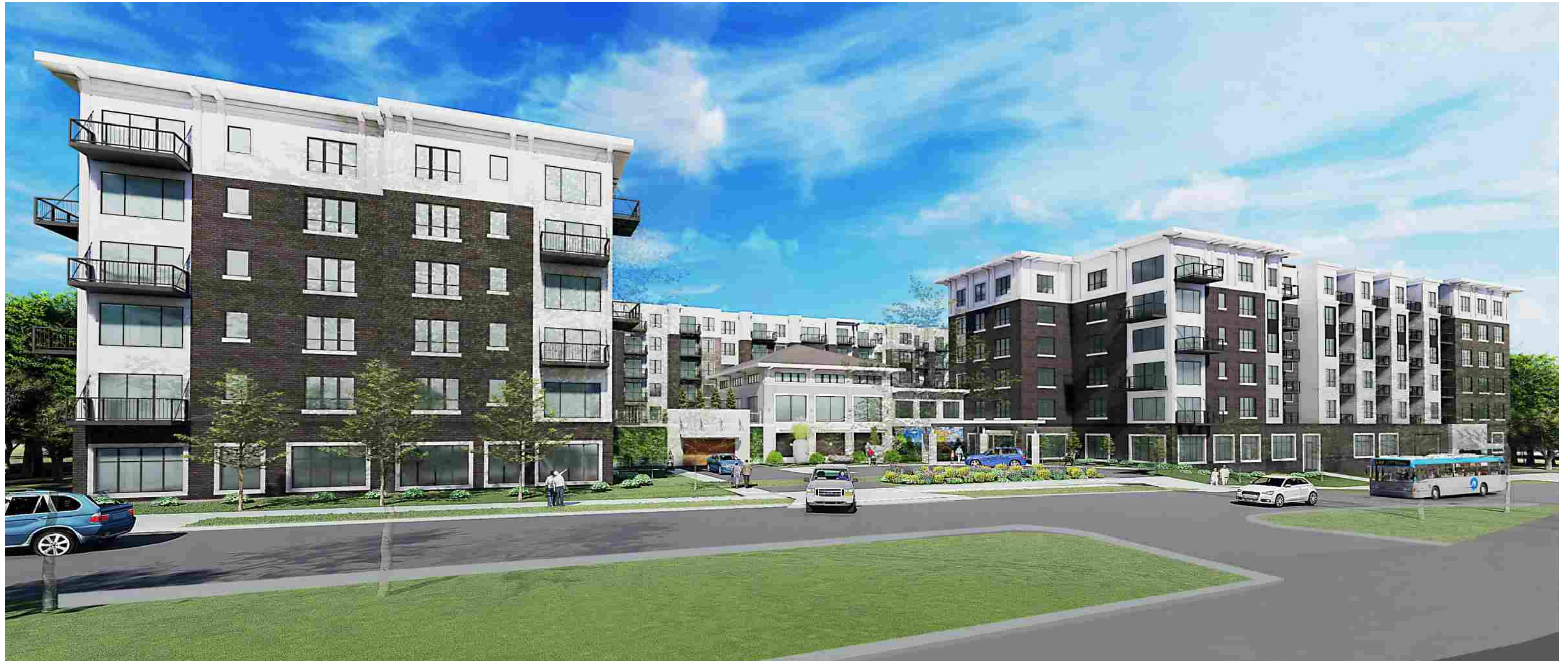
  

Parking Level Gross Floor Areas		Stalls Per Unit
Level P2	97,409	
Level P1	74,658	
<b>Total</b>	<b>172,067</b>	<b>1.42</b>

### Unit, Bed, & Parking Counts; FAR, and Stalls Per Unit









**First Draft  
April 6, 2021**

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**CONTRACT  
FOR  
PRIVATE DEVELOPMENT**

**between**

**ECONOMIC DEVELOPMENT AUTHORITY  
IN AND FOR THE  
CITY OF MINNETONKA, MINNESOTA,**

**and**

**[DEVELOPMENT ENTITY]**

**Dated \_\_\_\_\_, 2021**

---

This document was drafted by:

KENNEDY & GRAVEN, CHARTERED (JAE)  
150 South Fifth Street, Suite 700  
Minneapolis, Minnesota 55402  
Telephone: (612) 337-9300



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## CONTRACT FOR PRIVATE DEVELOPMENT

THIS CONTRACT FOR PRIVATE DEVELOPMENT, made on or as of the \_\_\_\_ day of \_\_\_\_\_, 2021 (the “Agreement”), is between the ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MINNETONKA, MINNESOTA, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”), and [DEVELOPMENT ENTITY], a Minnesota limited liability company (the “Developer”).

### WITNESSETH:

WHEREAS, the Authority was created pursuant to Minnesota Statutes, Sections 469.090 through 469.1082, as amended, and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of Minnetonka, Minnesota (the “City”); and

WHEREAS, the Developer has proposed a development of a rental housing development with approximately 356 units as described further herein as the “Minimum Improvements” on certain property (the “Development Property”) located in the City; and

WHEREAS, the Authority has proposed to provide the Developer with a grant in the amount of \$280,000 (the “Authority Grant”) from the Authority’s Development Fund to assist in financing the acquisition and construction of the Minimum Improvements on the Development Property; and

WHEREAS, the Authority will be reimbursed for the costs of the Authority Grant with tax increment generated from a tax increment financing district to be created within the City pursuant to an interfund loan resolution adopted by the Board of Commissioners of the Authority on \_\_\_\_\_, 2021; and

WHEREAS, the Authority believes that the development of the Minimum Improvements pursuant to this Agreement, and fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State of Minnesota and local laws and requirements; and

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

(The remainder of this page is intentionally left blank.)

## ARTICLE I

### Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Act” means the Economic Development Authority Act, Minnesota Statutes, Sections 469.090 through 469.1082, as amended.

“Affiliate” means (a) any corporation, partnership, corporation or other business entity or person controlling, controlled by or under common control with the Developer; and (b) any successor to such party by merger, acquisition, reorganization or similar transaction involving all or substantially all of the assets of such party (or such Affiliate). For the purpose hereof the words “controlling,” “controlled by,” and “under common control with” shall mean, with respect to any corporation, partnership, corporation or other business entity, the ownership of fifty percent (50%) or more of the voting interests in such entity, possession, directly or indirectly, of the power to direct or cause the direction of management policies of such entity, whether ownership of voting securities or by contract or otherwise.

“Agreement” means this Contract for Private Development, as the same may be from time to time modified, amended, or supplemented.

“Authority” means the Economic Development Authority in and for the City of Minnetonka, Minnesota, a public body corporate and politic under the laws of the State, or any successor or assign.

“Authority Grant” has the meaning provided in Section 3.3(a) hereof.

“Authority Representative” means the Executive Director of the Authority, or any person designated by the Executive Director to act as the Authority Representative for the purposes of this Agreement.

“Business Day” means any day except a Saturday, Sunday, legal holiday, a day on which the City is closed for business, or a day on which banking institutions in the City are authorized by law or executive order to close.

“Business Subsidy Act” means Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

“Certificate of Completion” means the certification to be provided the Developer, pursuant to Section 4.4 hereof and substantially in the form attached hereto as EXHIBIT B.

“City” means the City of Minnetonka, Minnesota.

“Closing Date” has the meaning provided in Section 3.3(b) hereof.

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed on the Development Property (including the Minimum Improvements) which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following for each building: (1) site plan; (2) foundation plan; (3) basement plans; (4) floor plan for each floor; (5) cross-sections of each (length and width); (6) elevations (all sides); (7) landscape plan; and (8) such

other plans or supplements to the foregoing plans as the Authority may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means the County of Hennepin, Minnesota.

“Declaration” means the Declaration of Restrictive Covenants attached hereto as EXHIBIT C.

“Developer” means [DEVELOPMENT ENTITY], a Minnesota limited liability company, its successors and assigns.

“Development Property” means the property legally described in EXHIBIT A attached hereto.

“Event of Default” means an action by a party described in Section 9.1 hereof.

“Holder” means the owner or mortgagee of a Mortgage.

“Interfund Loan” means the Authority’s interfund loan in the amount of \$280,000, which will be used to reimburse the Authority for the Authority Grant to the Redeveloper.

“Interfund Loan Resolution” means the resolution adopted by the Board of Commissioners of the Authority on \_\_\_\_\_, 2021, approving the Interfund Loan.

“Material Change” means any change which would (i) cause the Construction Plans to fail to conform with the terms and conditions of this Agreement, the goals and objectives of the Redevelopment Plan and/or all applicable federal, State, and local laws, ordinances and regulations; or (ii) would materially alter the design and/or construction of the Minimum Improvements.

“Minimum Improvements” means the construction on the Development Property of a rental housing development with approximately 356 units, with 54 Rental Housing Units subject to the affordability requirements described in Section 4.5 hereof, and \_\_\_\_\_ enclosed parking spaces and \_\_\_\_\_ surface parking spaces.

“Mortgage” means any mortgage made by the Developer in favor of one of the Other Lenders which is secured, in whole or in part, with the Development Property, and which is a permitted encumbrance pursuant to the provisions of Article VIII hereof.

“Other Lenders” means any entities (other than the Authority) that provide grants or loans to the Developer in order to finance a portion of the cost of the Minimum Improvements.

“Other Loans” means a construction loan to be obtained by the Developer for the construction of the Minimum Improvements, a permanent first mortgage loan to be obtained by the Developer for permanent financing of the Minimum Improvements, and any other loan financing obtained by the Developer and related to the construction of the Minimum Improvements.

“Redevelopment Costs” means land acquisition, demolition, underground parking, excavation/grading, and utilities costs.

“Rental Housing Units” means the rental housing units constructed as part of the Minimum Improvements.

“State” means the State of Minnesota.

“Tax Official” means any County assessor, County auditor, County or State board of equalization, the commissioner of revenue of the State, or any State or federal court including the tax court of the State.

“Termination Date” means the date of termination of the “Qualified Project Period” as defined in the Declaration.

“Transfer” has the meaning set forth in Section 8.2(a) hereof.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of war, terrorism, strikes, other labor troubles, fire or other casualty to the Minimum Improvements, acts of God, war, unavailability of labor or materials, national emergency, acts of a public enemy, epidemics, infectious diseases, adverse weather conditions that are abnormal for the time of year and geographic location and have had a material and adverse effect on the construction schedule, concealed or unknown site conditions not revealed prior to the date of this Agreement, or other causes beyond the reasonable control of a party, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the Authority in exercising its rights under this Agreement) which directly result in delays. Unavoidable Delays shall not include delays in the Developer’s obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under Section 4.3 hereof, unless (a) the Developer has timely filed any application and materials required by the City for such permit or approvals, and (b) the delay is beyond the reasonable control of the Developer.

(The remainder of this page is intentionally left blank.)

## ARTICLE II

### Representations and Warranties

#### Section 2.1. Representations of the Authority.

(a) The Authority is an economic development authority duly organized and existing under the laws of the State. Under the provisions of the Act, the Authority has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The Authority will use its best efforts to facilitate development of the Minimum Improvements, including but not limited to cooperating with the Developer in obtaining necessary administrative and land use approvals and construction and/or permanent financing pursuant to Section 7.1 hereof.

(c) The activities of the Authority are undertaken for the purpose of fostering the development of affordable rental housing, which will alleviate a shortage of, and maintain existing supplies of, decent, safe, and sanitary housing.

(d) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of charter or statutory limitation or any indebtedness, agreement or instrument of whatever nature to which the Authority is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(e) The Authority shall promptly advise the Developer in writing of all litigation or claims affecting any part of the Minimum Improvements.

Section 2.2. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) The Developer is a limited liability company organized and in good standing under the laws of the State, is not in violation of any provisions of its organization documents, or, to the best of its knowledge, the laws of the State, is duly authorized to transact business in the State, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its partners.

(b) The Developer will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, the Construction Plans, and all applicable local, State and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations) in all material respects.

(c) The Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, State and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

(d) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of

this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any partnership or company restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which either is bound, or constitutes a default under any of the foregoing.

(e) The Developer shall promptly advise the Authority in writing of all litigation or claims affecting any part of the Minimum Improvements and all written complaints and charges made by any governmental authority materially affecting the Minimum Improvements or materially affecting the Developer or its business, which may delay or require changes in construction of the Minimum Improvements.

(f) The proposed redevelopment on the Development Property hereunder would not occur but for the financial assistance being provided by the Authority hereunder.

(The remainder of this page is intentionally left blank.)



## ARTICLE III

### Financial Assistance

Section 3.1. Status of the Property. As of the date of this Agreement, the Developer has entered into a purchase agreement to purchase the Development Property. The Authority has no obligation to acquire the Development Property or any portion thereof.

#### Section 3.2. Environmental Conditions.

(a) The Developer acknowledges that the Authority makes no representations or warranties as to the condition of the soils on the Development Property or the fitness of the Development Property for construction of the Minimum Improvements or any other purpose for which the Developer may make use of such property, and that the assistance provided to the Developer under this Agreement neither implies any responsibility by the Authority for any contamination of the Development Property or poor soil conditions nor imposes any obligation on such parties to participate in any cleanup of the Development Property or correction of any soil problems.

(b) Without limiting its obligations under Section 8.3 hereof, the Developer further agrees that it will indemnify, defend, and hold harmless the Authority and its members, commissioners, officers, and employees, from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants on the Development Property as a result of the actions or omissions of the Developer, unless and to the extent that such hazardous wastes or pollutants are present as a result of the actions or omissions of the indemnitees. Nothing in this Section will be construed to limit or affect any limitations on liability of the Authority under State or federal law, including without limitation Minnesota Statutes, Sections 466.04 and 604.02.

#### Section 3.3. Financial Assistance.

(a) *Authority Grant.* In order to make development of the Minimum Improvements financially feasible, the Authority will provide a grant to the Developer in an amount of \$280,000 (the "Authority Grant") to reimburse the Developer for qualified Redevelopment Costs.

(b) *Disbursement of Authority Grant.* Notwithstanding anything to the contrary herein, if the total costs of developing the Minimum Improvements required to be financed as of the closing date for the construction financing for the Minimum Improvements (the "Closing Date") are reduced below the amounts estimated as of the date of this Agreement due to additional financing for the Minimum Improvements from other sources or a reduction in anticipated total development costs, such reduction shall be applied first to reduce the principal amount of the Authority Grant, prior to reducing any other funding sources. Subject to the immediately following conditions, the Authority Grant shall be funded in a single disbursement of funds to the Developer on the Closing Date. The Authority's obligation to fund the Authority Grant is subject to satisfaction of the following conditions as of the Closing Date:

(i) the Developer having provided evidence satisfactory to the Authority that the Developer has paid the costs associated with Redevelopment Costs in at least the principal amount of the Authority Grant;

(ii) the Developer having provided evidence satisfactory to the Authority that the Developer has established a separate accounting system for the Minimum Improvements for the purpose of recording the receipt and expenditure of the Authority Grant proceeds;

(iii) the Authority having approved Construction Plans for the Minimum Improvements in accordance with Article IV hereof;

(iv) the Developer having obtained, and the Authority having approved, financing as described in Article VII hereof;

(v) the Developer having delivered to the Authority the executed Declaration in accordance with Section 4.5 hereof;

(vi) the Developer having delivered to the Authority a list of all sources of funding to be used to develop the Minimum Improvements and evidence of the total costs of developing the Minimum Improvements, in a form reasonably satisfactory to the Authority, evidencing any reduction in the amount of the Authority Grant as described in this paragraph; and

(vii) there being no uncured Event of Default under this Agreement.

Section 3.4. Interfund Loan. The Interfund Loan is derived from funds from the Authority's Development Fund. The Authority shall reimburse itself for the principal of and interest on the Interfund Loan pursuant to the terms of the Interfund Loan Resolution.

Section 3.5. Payment of Administrative Costs. The Authority acknowledges that the Developer has deposited \$5,000 with the Authority. The Authority will use such deposit to pay "Administrative Costs," which term means out-of-pocket costs incurred by the Authority together with staff costs of the Authority, all attributable to or incurred in connection with the negotiation and preparation of this Agreement and other documents and agreements in connection with the development of the Development Property. At the Developer's request, but no more often than monthly, the Authority will provide the Developer with a written report including invoices, time sheets or other comparable evidence of expenditures for Administrative Costs and the outstanding balance of funds deposited. If at any time the Authority determines that the deposit is insufficient to pay Administrative Costs, the Developer is obligated to pay such shortfall within fifteen (15) days after receipt of a written notice from the Authority containing evidence of the unpaid costs. If any balance of funds deposited remains upon the issuance of the Certificate of Completion pursuant to Section 4.4 hereof, the Authority shall promptly return such balance to the Developer; provided that Developer remains obligated to pay subsequent Administrative Costs related to any amendments to this Agreement requested by the Developer. Upon termination of this Agreement in accordance with its terms, the Developer remains obligated under this section for Administrative Costs incurred through the effective date of termination.

Section 3.7. Exemption from Business Subsidy Act. The parties agree and understand that all financial assistance provided by the Authority under this Agreement represents assistance for housing, and accordingly is not subject to the Business Subsidy Act.

(The remainder of this page is intentionally left blank.)

## ARTICLE IV

### Construction of Minimum Improvements

Section 4.1. Construction of Improvements. The Developer agrees that it will construct the Minimum Improvements on the Development Property substantially in accordance with the approved Construction Plans. The Developer agrees that, at all times prior to the Termination Date, it will operate and maintain, preserve, and keep the Minimum Improvements or cause the improvements to be maintained, preserved, and kept with the appurtenances and every part and parcel thereof, in good repair and condition. The Authority will have no obligation to operate or maintain the Minimum Improvements.

#### Section 4.2. Construction Plans.

(a) Before commencement of construction of the Minimum Improvements, the Developer will submit to the Authority the Construction Plans. The Construction Plans must provide for the construction of the Minimum Improvements and must be in substantial conformity with the Redevelopment Plan, this Agreement, and all applicable State and local laws and regulations. The Authority Representative will approve the Construction Plans in writing if: (i) the Construction Plans conform to the terms and conditions of this Agreement; (ii) the Construction Plans conform to the goals and objectives of the Redevelopment Plan; (iii) the Construction Plans conform to all applicable federal, State, and local laws, ordinances, rules and regulations; (iv) the Construction Plans are adequate to provide for construction of the Minimum Improvements; (v) the Construction Plans do not provide for expenditures in excess of the funds available to the Developer from all sources (including the Developer's equity) for construction of the Minimum Improvements; and (vi) no Event of Default has occurred. Approval may be based upon a review by the City's Building Official of the Construction Plans. No approval by the Authority Representative will relieve the Developer of the obligation to comply with the terms of this Agreement or of the Redevelopment Plan, applicable federal, State, and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the Authority Representative will constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by the Developer in writing at the time of submission, the Construction Plans will be deemed approved unless rejected in writing by the Authority Representative, in whole or in part. The rejections must set forth in detail the reasons therefor, and must be made within twenty (20) days after the date of their receipt by the Authority. If the Authority Representative rejects any Construction Plans in whole or in part, the Developer must submit new or corrected Construction Plans within twenty (20) days after written notification to the Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans will continue to apply until the Construction Plans have been approved by the Authority. The Authority Representative's approval will not be unreasonably withheld, delayed or conditioned. Said approval will constitute a conclusive determination that the Construction Plans (and the Minimum Improvements constructed in accordance with said plans) comply to the Authority's satisfaction with the provisions of this Agreement relating thereto.

(b) If the Developer desires to make any Material Change in the Construction Plans after their approval by the Authority, the Developer must submit the proposed change to the Authority for its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 with respect to the previously approved Construction Plans, the Authority will approve the proposed change and notify the Developer in writing of its approval. Any change in the Construction Plans will, in any event, be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Developer, setting forth in detail the reasons therefor. Any rejection must be made within twenty (20) days after receipt of the notice of such change prior to the

commencement of construction and within ten (10) days after commencement of construction. The Authority's approval of any Material Change in the Construction Plans will not be unreasonably withheld.

Section 4.3. Commencement and Completion of Construction.

(a) Subject to Unavoidable Delays, the Minimum Improvements must be constructed in accordance with the following schedule: the Developer shall commence construction on or before December 31, 2021 and complete construction on or before December 31, 2023. Construction is considered to be commenced upon the beginning of physical improvements on the Development Property beyond grading.

(b) All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in substantial conformity with the Construction Plans as submitted by the Developer and approved by the Authority. The Developer agrees for itself, its successors and assigns, and every successor in interest to the Development Property, or any part thereof, that the Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the redevelopment of the Development Property through the construction of the Minimum Improvements thereon, and that, subject to Unavoidable Delays, such construction shall be commenced and completed within the period specified in this Section 4.3. Until construction of the Minimum Improvements has been completed, the Developer shall make reports, in such detail and at such times as may reasonably be requested by the Authority, as to the actual progress of the Developer with respect to such construction.

Section 4.4. Certificate of Completion.

(a) Promptly after substantial completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Developer to construct the Minimum Improvements (including the dates for completion thereof), the Authority will furnish the Developer with a Certificate of Completion in substantially the form attached hereto as EXHIBIT B. Such certification by the Authority shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in any deed with respect to the obligations of the Developer, and its successors and assigns, to construct the Minimum Improvements and the dates for the completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) The Certificate of Completion provided for in this Section 4.4 shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property. If the Authority shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4, the Authority shall, within thirty (30) days after written request by the Developer, provide the Developer with a written statement, indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Authority, for the Developer to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements will be considered substantially complete when the Developer has received a certificate of occupancy from the City for all Rental Housing Units.

Section 4.5. Affordable Housing Covenants.

(a) The Developer expects that the Minimum Improvements will include a mix of studio, alcove, one-bedroom, two-bedroom, and three-bedroom units. As further described in the Declaration, the Developer shall cause (i) at least nineteen (19) of the Rental Housing Units to be available to individuals and their families at or below fifty percent (50%) of the area median income; (ii) at least sixteen (16) of the Rental Housing Units to be available to individuals and their families at or below sixty percent (60%) of the area median income; and (iii) at least nineteen (19) of the units to be available to individuals and their families at or below eighty percent (80%) of the area median income. As of the date of execution of this Agreement, the Developer expects that the Rental Housing Units will be affordable as set forth in the tables below:

Type of Unit	Area Median Income	Number of Units
Studio	50%	2
Alcove	50%	2
One-Bedroom	50%	11
Two-Bedroom	50%	3
Three-Bedroom	50%	1

Type of Unit	Area Median Income	Number of Units
Studio	60%	1
Alcove	60%	2
One-Bedroom	60%	10
Two-Bedroom	60%	2
Three-Bedroom	60%	1

Type of Unit	Area Median Income	Number of Units
Studio	80%	2
Alcove	80%	2
One-Bedroom	80%	11
Two-Bedroom	80%	3
Three-Bedroom	80%	1

Such restrictions shall remain in effect for the thirty (30) year period described in the Declaration. On or before the Closing Date, the Developer shall deliver the executed Declaration to the Authority in recordable form.

(b) The Authority and its representatives shall have the right at all reasonable times while the covenants in this Section are in effect, after reasonable notice, to inspect, examine and copy all books and records of Developer and its successors and assigns relating to the Developer's satisfaction of the covenants described in this Section and in the Declaration.

(c) During the term of this Declaration, the Developer shall not adopt any policies that specifically prohibit or exclude rental to tenants holding certificates/vouchers under Section 8 of the United States Housing Act of 1937, as amended, codified as 42 U.S.C. Sections 1401 et seq., or its successor, because of such prospective tenant's status as such a certificate/voucher holder. Additionally, the Developer shall not adopt policies that have the effect of making it difficult for tenants holding certificates/vouchers under Section 8 of the United States Housing Act of 1937, as amended, codified as

42 U.S.C. Sections 1401 et seq., or its successor, to rent units within the Minimum Improvements (for example, policies that require income of more than two times the rent to be paid for a unit).

(d) The Developer will immediately notify the Authority if at any time during the term of the Declaration the dwelling units in the Minimum Improvements are not occupied or available for occupancy as required by the terms of the Declaration.

(e) In consideration for the issuance of the Authority Grant, the Developer agrees to provide the Authority with at least ninety (90) days' notice of any sale of the Minimum Improvements.

Section 4.6. Affordable Housing Reporting. At least annually, no later than April 1 of each year commencing on the April 1 first following the issuance of the Certificate of Completion for the Minimum Improvements, the Developer shall provide a report to the Authority evidencing that the Developer complied with the income affordability covenants set forth in Section 4.5 hereof during the previous calendar year. The income affordability reporting shall be on the form entitled "Tenant Income Certification" from the Minnesota Housing Finance Agency (MHFA HTC Form 14), or if unavailable, any similar form. The Authority may require the Developer to provide additional information reasonably necessary to assess the accuracy of such certification. Unless earlier excused by the Authority, the Developer shall send affordable housing reports to the Authority until the Declaration terminates.

Section 4.7. Records. The Authority, the legislative auditor, and the State auditor's office, through any authorized representatives, shall have the right after reasonable notice to inspect, examine and copy all books and records of the Developer relating to the construction of the Minimum Improvements. The Developer shall maintain such records and provide such rights of inspection for a period of six (6) years after issuance of the Certificate of Completion for the Minimum Improvements.

Section 4.8. Property Management Covenant. The Developer shall cause its property manager to operate the Minimum Improvements in accordance with the policies described in this Section. For any documented disorderly violations by a tenant or guest, including but not limited to prostitution, gang-related activity, intimidating or assaultive behavior (not including domestic), unlawful discharge of firearms, illegal activity, or drug complaints (each a "Violation"), the Developer agrees and understands that the following procedures shall apply:

(a) After a first Violation regarding any unit in the Minimum Improvements, the City police department will send notice to the Developer and the property manager requiring the Developer and the property manager to take steps necessary to prevent further Violations.

(b) If a second Violation occurs regarding the same tenancy within twelve (12) months after the first Violation, the City police department will notify the Developer and the property manager of the second Violation. Within ten (10) days after receiving such notice, the Developer or the property manager must file a written action plan with the Authority and the City police department describing steps to prevent further Violations.

(c) If a third Violation occurs regarding the same tenancy within twelve (12) continuous months after the first Violation, the City police department will notify the Developer and the property manager of the third Violation. Within ten (10) days after receiving such notice, the Developer or the property manager shall commence termination of the tenancy of all occupants of that unit. The Developer shall not enter into a new lease agreement with the evicted tenant(s) for at least one (1) year after the effective date of the eviction.

(d) If the Developer or the property manager fails to comply with any the requirements in this Section, then the Authority may provide at least ten (10) days' written notice to the Developer and the property manager directing attendance at a meeting to determine the cause of the continuing Violations in the Minimum Improvements and provide an opportunity for the Developer and the property manager to explain their failure to comply with the procedures in this Section.

(e) If the Developer and property manager fail to respond to the written notice under paragraph (d) above, or at least two (2) additional Violations occur within the next twelve (12) month period after the date of the notice under paragraph (d) above, then the Authority may direct the Developer to terminate the management agreement with the existing property manager and to replace that entity with a replacement property manager selected by the Developer but approved by the Authority. The parties agree and understand that appointment of any replacement manager may also be subject to consent by the Holder of one (1) or more of the Other Loans on the Development Property.

Section 4.9. Fees. The Developer must pay all water and sewer hook-up fees, SAC, WAC, and REC fees, Engineering Inspection Fees and park dedication fees in accordance with applicable City policies and ordinances.

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## ARTICLE V

### Insurance

#### Section 5.1. Insurance.

(a) The Developer or the general contractor engaged by the Developer will provide and maintain at all times during the process of constructing the Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the Authority, furnish the Authority with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk – Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy. The interest of the Authority shall be protected in accordance with a clause in form and content satisfactory to the Authority;

(ii) Commercial general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with a Protective Liability Policy with limits against bodily injury and property damage of not less than \$2,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Workers' compensation insurance, with statutory coverage.

(b) Upon completion of construction of the Minimum Improvements and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the Authority shall furnish proof of the payment of premiums on, insurance as follows:

(i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses.

(ii) Comprehensive, general public liability insurance, including personal injury liability, against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$2,000,000 and shall be endorsed to show the Authority as an additional insured.

(iii) Such other insurance, including workers' compensation insurance respecting all employees of the Developer, if any, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure.

(c) All insurance required in this Article V shall be taken out and maintained in responsible insurance companies selected by the Developer that are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the Authority a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Developer and the Authority at least thirty (30) days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may



maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the Authority a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(d) The Developer agrees to notify the Authority immediately in the case of damage exceeding \$250,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Developer will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction, and restoration, the Developer will apply the net proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

(e) The Developer shall complete the repair, reconstruction and restoration of the Minimum Improvements, regardless of whether the net proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, construction, and restoration shall be the property of the Developer.

Section 5.2. Subordination. Notwithstanding anything to the contrary herein, the rights of the Authority and the obligations of the Developer with respect to the receipt and application of any insurance proceeds shall, in all respects, be subordinate and subject to the rights of any Holder under a Mortgage allowed pursuant to Article VII hereof.

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## ARTICLE VI

### Tax Increment; Taxes

Section 6.1. Right to Collect Delinquent Taxes. The Developer acknowledges that the Authority is providing substantial aid and assistance in furtherance of the redevelopment described in this Agreement. The Developer understands that, the purpose of the assistance under this Agreement is to increase the property tax base of the City. To that end, the Developer agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, that it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. The Developer acknowledges that this obligation creates a contractual right on behalf of the Authority through the Termination Date to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the County auditor. In any such suit, the Authority shall also be entitled to recover its costs, expenses and reasonable attorneys' fees. Notwithstanding the foregoing, nothing in this Agreement in any way limits or prevents the Developer from contesting the assessor's proposed market values for the Development Property or the Minimum Improvements.

Section 6.2. Review of Taxes. The Developer agrees that prior to the Termination Date, it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (A) willful destruction of the Development Property or any part thereof; or (B) willful refusal to reconstruct damaged or destroyed property pursuant to Section 5.1 hereof. The Developer also agrees that it will not, prior to the Termination Date, apply for a deferral of property tax on the Development Property pursuant to any law, or transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real estate taxes under State law (other than any portion thereof dedicated or conveyed to the City or Authority in accordance with this Agreement).

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## ARTICLE VII

### Financing

#### Section 7.1. Financing.

(a) Before the Closing Date, the Developer shall submit to the Authority evidence of commitments for other financing (including without limitation grants the Other Loans) which, together with committed equity for such construction, is sufficient for acquisition of the Development Property construction of the Minimum Improvements. Such commitments may be submitted as short-term financing, long-term mortgage financing, a bridge loan with a long-term take-out financing commitment, or any combination of the foregoing.

(b) If the Authority finds that the financing is sufficiently committed and adequate in amount to pay the costs specified in paragraph (a) then the Authority shall notify the Developer in writing of its approval. Such approval shall not be unreasonably withheld and either approval or rejection shall be given within twenty (20) days from the date when the Authority is provided the evidence of financing. A failure by the Authority to respond to such evidence of financing shall be deemed to constitute an approval hereunder. If the Authority rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection. In any event the Developer shall submit adequate evidence of financing within ten (10) days after such rejection or such longer period as is reasonably necessary to secure additional financing.

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## ARTICLE VIII

### **Prohibitions Against Assignment and Transfer; Indemnification**

Section 8.1. Representation as to Redevelopment. The Developer represents and agrees that its other undertakings pursuant to the Agreement are, and will be used, for the purpose of redevelopment of the Development Property by the Developer and not for speculation in land holding.

Section 8.2. Prohibition Against Transfer of Property and Assignment of Agreement. The Developer represents and agrees that until the Termination Date:

(a) Except as specifically described in this Agreement, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity (collectively, a "Transfer"), without the prior written approval of the Board of Commissioners of the Authority. The term "Transfer" does not include (i) encumbrances made or granted by way of security for, and only for, the purpose of obtaining construction, interim or permanent financing necessary to enable the Developer or any successor in interest to the Development Property or to construct the Minimum Improvements or component thereof; (ii) any lease, license, easement or similar arrangement entered into in the ordinary course of business related to operation of the Minimum Improvements; or (iii) a transfer of any ownership interest in the Developer in accordance with the terms of the Developer's partnership agreement. The Developer may not effect a Transfer of the Development Property to an Affiliate without approval by the Authority and complying with paragraph (b) below.

(b) If the Developer seeks to effect a Transfer, the Authority shall be entitled to require as conditions to such Transfer that:

(1) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Authority, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer as to the portion of the Development Property to be transferred; and

(2) Any proposed transferee, by instrument in writing satisfactory to the Authority and in form recordable in the public land records of the County, shall, for itself and its successors and assigns, and expressly for the benefit of the Authority, have expressly assumed all of the obligations of the Developer under this Agreement as to the portion of the Development Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the Authority) deprive the Authority of any rights or remedies or controls with respect to the Development Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or

practically, to deprive or limit the authority of the Authority or with respect to any rights or remedies on controls provided in or resulting from this Agreement with respect to the Development Property that the Authority would have had, had there been no such transfer or change. In the absence of specific written agreement by the Authority to the contrary, no such transfer or approval by the Authority thereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement or otherwise with respect to the Development Property, from any of its obligations with respect thereto; and

(3) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property governed by this Article VIII shall be in a form reasonably satisfactory to the Authority.

(c) If the conditions described in paragraph (b) above are satisfied, then the Transfer will be approved and the Developer shall be released from their obligations under this Agreement, as to the portion of the Development Property that is transferred, assigned, or otherwise conveyed, unless the parties mutually agree otherwise. Notwithstanding anything to the contrary herein, any Transfer that releases the Developer from its obligations under this Agreement (or any portion thereof) shall be approved by the Board of Commissioners of the Authority, which approval shall not be unreasonably withheld, conditioned, or delayed. If the Developer remains fully bound under this Agreement notwithstanding the Transfer, as documented in the transfer instrument, the Transfer may be approved by the Authority Representative. The provisions of this paragraph (c) apply to all subsequent transfers.

(d) Except as otherwise provided herein, upon the sale of the Minimum Improvements, the principal amount of the Authority Grant shall be due and payable in full in accordance with Section 3.3(c) hereof.

### Section 8.3. Release and Indemnification Covenants.

(a) The Developer releases from and covenants and agrees that the Authority and its members, commissioners, officers, agents, servants and employees shall not be liable for and agrees to indemnify and hold harmless the Authority and its members, officers, commissioners, agents, servants and employees against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements.

(b) Except for willful or negligent misrepresentation, misconduct or negligence of the Indemnified Parties (as hereafter defined), and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Developer agrees to protect and defend the Authority and its members, commissioners, officers, agents, servants and employees (the "Indemnified Parties"), now or forever, and further agrees to hold the Indemnified Parties harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Minimum Improvements.

(c) Except for any negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Minimum Improvements due to any act of negligence of any person.

(d) All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations

of the Authority and not of any member, commissioner, officer, agent, servant or employee of the Authority in the individual capacity thereof.

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## ARTICLE IX

### Events of Default

Section 9.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement, any one or more of the following events, after the non-defaulting party provides thirty (30) days’ written notice to the defaulting party of the event, but only if the event has not been cured within said thirty (30) days or, if the event is by its nature incurable within thirty (30) days, the defaulting party does not, within such thirty (30) day period, provide assurances reasonably satisfactory to the party providing notice of default that the event will be cured and will be cured as soon as reasonably possible:

(a) The Developer or the Authority fails to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement or the Declaration; or

(b) The Developer:

(i) files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law;

(ii) makes an assignment for benefit of its creditors;

(iii) admits in writing its inability to pay its debts generally as they become due; or

(iv) is adjudicated as bankrupt or insolvent.

### Section 9.2. Remedies on Default.

(a) Whenever any Event of Default referred to in Section 9.1 hereof occurs, the non-defaulting party may exercise its rights under this Section 9.2 after providing thirty (30) days’ written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days or, if the Event of Default is by its nature incurable within thirty (30) days, the defaulting party does not provide assurances reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible.

(b) Upon an Event of Default by the Developer, the Authority may (i) demand repayment of the Authority Grant from the Developer, and (ii) take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

(c) Upon an Event of Default, the non-defaulting party may take whatever action, including legal, equitable, or administrative action, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

Section 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority or the Developer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given

under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.5. Attorneys' Fees. Whenever any Event of Default occurs and if the Authority employs attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, and the Authority prevails in the action, the Developer agrees that it will, within ten (10) days of written demand by the Authority, pay to the Authority the reasonable fees of the attorneys and the other expenses so incurred by the Authority.

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**ARTICLE X**

**Additional Provisions**

Section 10.1. Conflict of Interests; Authority Representatives Not Individually Liable. The Authority and the Developer, to the best of their respective knowledge, represent and agree that no member, commissioner, official, or employee of the Authority shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No member, commissioner, official, or employee of the Authority shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the Authority or for any amount which may become due to the Developer or its successors or on any obligations under the terms of the Agreement.

Section 10.2. Equal Employment Opportunity. The Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in the Agreement it will comply with all applicable federal, State and local equal employment and non-discrimination laws and regulations.

Section 10.3. Restrictions on Use. The Developer agrees that until the Termination Date, the Developer, and such successors and assigns, shall devote the Development Property to the operation of the Minimum Improvements for uses described in the definition of such term in this Agreement and shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon or any part thereof.

Section 10.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 10.5. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, overnight mail, or delivered personally; and

(a) in the case of the Developer, is addressed to or delivered personally to the Developer at \_\_\_\_\_, Attn: \_\_\_\_\_; and

(b) in the case of the Authority, is addressed to or delivered personally at 14600 Minnetonka Boulevard, Minnetonka, Minnesota 55345-1502, Attn: Community Development Director;

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 10.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.8. Recording. The Authority may record this Agreement and any amendments thereto with the County Recorder or Registrar of Titles of the County, as the case may be. The Developer shall pay all costs for recording.

Section 10.9. Amendment. This Agreement may be amended only by written agreement approved by the Authority and the Developer.

Section 10.10. Authority Approvals. Unless otherwise specified, any approval required by the Authority under this Agreement may be given by the Authority Representative.

Section 10.11. Termination. This Agreement terminates on the Termination Date, except that termination of the Agreement does not terminate, limit or affect the rights of any party that arise before the Termination Date.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, each of the parties hereto has caused this Contract for Private Development to be duly executed in its name and behalf on or as of the date and year first written above.

**ECONOMIC DEVELOPMENT AUTHORITY IN  
AND FOR THE CITY OF MINNETONKA,  
MINNESOTA**

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF HENNEPIN    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2021, by Brad Wiersum, the President of the Economic Development Authority in and for the City of Minnetonka, Minnesota, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

\_\_\_\_\_  
Notary Public

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF HENNEPIN    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2021, by Geralyn Barone, the Executive Director of the Economic Development Authority in and for the City of Minnetonka, Minnesota, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

\_\_\_\_\_  
Notary Public

Execution page of the Developer to the Contract for Private Development, dated as of the date and year first written above.

**[DEVELOPMENT ENTITY]**

By \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021,  
by \_\_\_\_\_, the \_\_\_\_\_ of [DEVELOPMENT ENTITY], a  
Minnesota limited liability company, on behalf of the Developer.

\_\_\_\_\_  
Notary Public

**EXHIBIT A**  
**DESCRIPTION OF DEVELOPMENT PROPERTY**

[Insert legal description]

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**EXHIBIT B**

**CERTIFICATE OF COMPLETION**

The undersigned hereby certifies that [DEVELOPMENT ENTITY], a Minnesota limited liability company (the "Developer"), has fully complied with its obligations under Articles III and IV of that document titled Contract for Private Development, dated \_\_\_\_\_, 2021 (the "Contract"), between the Economic Development Authority in and for the City of Minnetonka, Minnesota and the Developer, with respect to construction of the Minimum Improvements in accordance with the Construction Plans, and that the Developer is released and forever discharged from its obligations to construct the Minimum Improvements under Articles III and IV of the Contract, but all other covenants under the Contract remain in full force and effect.

Dated: \_\_\_\_\_, 20\_\_.

**ECONOMIC DEVELOPMENT AUTHORITY IN  
AND FOR THE CITY OF MINNETONKA,  
MINNESOTA**

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF HENNEPIN    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, the Executive Director of the Economic Development Authority in and for the City of Minnetonka, Minnesota, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

\_\_\_\_\_  
Notary Public

This document was drafted by:

KENNEDY & GRAVEN, CHARTERED (JAE)  
150 South Fifth Street, Suite 700  
Minneapolis, Minnesota 55402  
Telephone: (612) 337-9300

## EXHIBIT C

### DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS (the “Declaration”) dated \_\_\_\_\_, 2021, by [DEVELOPMENT ENTITY], a Minnesota limited liability company (the “Developer”), is given to the ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MINNETONKA, MINNESOTA, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”).

#### RECITALS

WHEREAS, the Authority entered into that certain Contract for Private Development, dated \_\_\_\_\_, 2021, filed \_\_\_\_\_, 20\_\_\_\_ in the Office of the [County Recorder] [Registrar of Titles] of Hennepin County as Document No. \_\_\_\_\_ (the “Contract”), between the Authority and the Developer; and

WHEREAS, pursuant to the Contract, the Developer is obligated to cause construction of a multifamily apartment building (the “Project”) with approximately 356 rental housing units (the “Rental Housing Units”) on the property described in EXHIBIT A attached hereto (the “Property”), and to cause compliance with certain affordability covenants described in Section 4.5 of the Contract; and

WHEREAS, Section 4.5 of the Contract requires that the Developer cause to be executed an instrument in recordable form substantially reflecting the covenants set forth in Section 4.5 of the Contract; and

WHEREAS, the Developer intends, declares, and covenants that the restrictive covenants set forth herein shall be and are covenants running with the Property for the term described herein and binding upon all subsequent owners of the Property for such term, and are not merely personal covenants of the Developer; and

WHEREAS, capitalized terms in this Declaration have the meaning provided in the Contract unless otherwise defined herein.

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Developer agrees as follows:

1. Term of Restrictions.

(a) Occupancy Restrictions. The term of the Occupancy Restrictions set forth in Section 3 hereof shall commence on the date a certificate of occupancy is received from the City of Minnetonka, Minnesota for all rental units on the Property. The period from commencement to termination is the “Qualified Project Period.”

(b) Termination of Declaration. This Declaration shall terminate upon the date that is thirty (30) years after the commencement of the Qualified Project Period.

(c) Removal from Real Estate Records. Upon termination of this Declaration, the Authority shall, upon request by the Developer or its assigns, file any document appropriate to remove this Declaration from the real estate records of Hennepin County, Minnesota.

2. Project Restrictions.

(a) The Developer represents, warrants, and covenants that:

(i) All leases of units to Qualifying Tenants (as defined in Section 3(a)(i) hereof) shall contain clauses, among others, wherein each individual lessee:

(1) Certifies the accuracy of the statements made in its application and Eligibility Certification (as defined in Section 3(a)(ii) hereof); and

(2) Agrees that the family income at the time the lease is executed shall be deemed substantial and material obligation of the lessee's tenancy, that the lessee will comply promptly with all requests for income and other information relevant to determining low or moderate income status from the Developer or the Authority, and that the lessee's failure or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the lessee's tenancy.

(ii) The Developer shall permit any duly authorized representative of the Authority to inspect the books and records of the Developer pertaining to the income of Qualifying Tenants residing in the Project.

3. Occupancy Restrictions.

(a) Tenant Income Provisions. The Developer represents, warrants, and covenants that:

(i) Qualifying Tenants. From the commencement of the Qualified Project Period, at least 54 of the Rental Housing Units shall be occupied (or treated as occupied as provided herein) or held vacant and available for occupancy by Qualifying Tenants. Qualifying Tenants shall mean one or more occupants of a unit who are determined from time to time by the Developer to have combined adjusted income that does not exceed fifty percent (50%), sixty percent (60%), or eighty percent (80%) of the Minneapolis-St. Paul metropolitan statistical area (the "Metro Area") median income for the applicable calendar year, subject to the following: (1) at least nineteen (19) of the Rental Housing Units shall be occupied or held vacant and available for occupancy by Qualifying Tenants with a combined adjusted income that does not exceed fifty percent (50%) of the Metro Area median income for the applicable calendar year; (2) at least sixteen (16) of the Rental Housing Units shall be occupied or held vacant and available for occupancy by Qualifying Tenants with a combined adjusted income of sixty percent (60%) of the Metro Area median income for the applicable calendar year; and (3) at least nineteen (19)es3 of the Rental Housing Units shall be occupied or held vacant and available for occupancy by Qualifying Tenants with a combined adjusted income of eighty percent (80%) of the Metro Area median income for the applicable calendar year. For purposes of this definition, the occupants of a residential unit shall not be deemed to be Qualifying Tenants if all the occupants of such residential unit at any time are "students," as defined in Section 151(c)(4) of the Internal Revenue Code of 1986, as amended (the "Code"), not entitled to an exemption under the Code. The determination of whether an individual or family is of low or moderate income shall be made at the time the tenancy commences and on an ongoing basis thereafter, determined at least annually. If during their tenancy a Qualifying Tenant's income exceeds one hundred forty percent (140%) of the



maximum income qualifying as low or moderate income for a family of its size, the next available unit (determined in accordance with the Code and applicable regulations) (the “Next Available Unit Rule”) must be leased to a Qualifying Tenant or held vacant and available for occupancy by a Qualifying Tenant. If the Next Available Unit Rule is violated, the Rental Housing Unit will not continue to be treated as a Qualifying Unit. The annual recertification and Next Available Unit Rule requirements of this paragraph 3(a)(i) shall not apply to a given year if, during such year, no Rental Housing Unit is occupied by a new resident whose income exceeds the applicable income limit for Low Income Tenants.

(ii) Certification of Tenant Eligibility. As a condition to initial and continuing occupancy, each person who is intended to be a Qualifying Tenant shall be required annually to sign and deliver to the Developer a Certification of Tenant Eligibility substantially in the form attached as EXHIBIT B hereto, or in such other form as may be approved by the Authority (the “Eligibility Certification”), in which the prospective Qualifying Tenant certifies as to qualifying as low or moderate income. In addition, such person shall be required to provide whatever other information, documents, or certifications are deemed necessary by the Authority to substantiate the Eligibility Certification, on an ongoing annual basis, and to verify that such tenant continues to be a Qualifying Tenant within the meaning of Section 3(a)(i) hereof. Eligibility Certifications will be maintained on file by the Developer with respect to each Qualifying Tenant who resides in a Rental Housing Unit or resided therein during the immediately preceding calendar year.

(iii) Lease. The form of lease to be utilized by the Developer in renting any Rental Housing Unit to any person who is intended to be a Qualifying Tenant shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by such person with respect to the Eligibility Certification.

(iv) Annual Report. The Developer covenants and agrees that during the term of this Declaration, it will prepare and submit to the Authority on or before January 31 of each year, a certificate substantially in the form of EXHIBIT C attached hereto, executed by the Developer, (a) identifying the tenancies and the dates of occupancy (or vacancy) for all Qualifying Tenants, including the percentage of the Rental Housing Units which were occupied by Qualifying Tenants (or held vacant and available for occupancy by Qualifying Tenants) at all times during the year preceding the date of such certificate; (b) describing all transfers or other changes in ownership of the Minimum Improvements or any interest therein; and (c) stating, that to the best knowledge of the person executing such certificate after due inquiry, all such units were rented or available for rental on a continuous basis during such year to members of the general public and that the Developer was not otherwise in default under this Declaration during such year.

(v) Notice of Non-Compliance. The Developer will immediately notify the Authority if at any time during the term of this Declaration the Rental Housing Units are not occupied or available for occupancy as required by the terms of this Declaration.

(b) Section 8 Housing. During the term of this Declaration, the Developer shall not adopt any policies that specifically prohibit or exclude rental to tenants holding certificates/vouchers under Section 8 of the United States Housing Act of 1937, as amended, codified as 42 U.S.C. Sections 1401 et seq., or its successor, because of such prospective tenant’s status as such a certificate/voucher holder. Additionally, the Developer shall not adopt policies that have the effect of making it difficult for tenants holding certificates/vouchers under Section 8 of the United States Housing Act of 1937, as amended, codified as 42 U.S.C. Sections 1401 et seq., or its successor, to rent units within the Project (for example, policies that require income of more than two times the rent to be paid for a unit).

4. [Intentionally omitted.]

5. Transfer Restrictions. The Developer covenants and agrees that the Developer will cause or require as a condition precedent to any Transfer that the transferee of the Minimum Improvements pursuant to the Transfer assume in writing, in a form acceptable to the Authority, all duties and obligations of the Developer under this Declaration, including this Section 5, in the event of a subsequent Transfer by the transferee prior to expiration of the Occupancy Restrictions provided herein (the "Assumption Agreement"). The Developer shall deliver the Assumption Agreement to the Authority prior to the Transfer.

6. [Intentionally omitted.]

7. Enforcement.

(a) The Developer shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the Authority to inspect any books and records of the Developer regarding the Minimum Improvements with respect to the incomes of Qualifying Tenants.

(b) The Developer shall submit any other information, documents or certifications requested by the Authority which the Authority deems reasonably necessary to substantial continuing compliance with the provisions specified in this Declaration.

(c) The Developer acknowledges that the primary purpose for requiring compliance by the Developer with the restrictions provided in this Declaration is to ensure compliance of the property with the housing affordability covenants set forth in Section 4.5 of the Contract, and by reason thereof, the Developer, in consideration for assistance provided by the Authority under the Contract that makes possible the construction of the Minimum Improvements on the Property, hereby agrees and consents that the Authority shall be entitled, upon any breach of the provisions of this Declaration and the Developer's failure to cure such breach within the cure periods described in Section 9.1 of the Contract, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the Developer of its obligations under this Declaration in a state court of competent jurisdiction. The Developer hereby further specifically acknowledges that the Authority cannot be adequately compensated by monetary damages in the event of any default hereunder.

(d) The Developer understands and acknowledges that, in addition to any remedy set forth herein for failure to comply with the restrictions set forth in this Declaration, the Authority may exercise any remedy available to it under Article IX of the Contract.

8. Indemnification. The Developer hereby indemnifies, and agrees to defend and hold harmless, the Authority from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses), causes of action, suits, allegations, claims, demands, and judgments of any nature arising from the consequences of a legal or administrative proceeding or action brought against them, or any of them, on account of any failure by the Developer to comply with the terms of this Declaration, or on account of any representation or warranty of the Developer contained herein being untrue.

9. Agent of the Authority. The Authority shall have the right to appoint an agent to carry out any of its duties and obligations hereunder, and shall inform the Developer of any such agency appointment by written notice.

10. Severability. The invalidity of any clause, part or provision of this Declaration shall not affect the validity of the remaining portions thereof.

11. Notices. All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing. The Developer and the Authority may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent. The initial addresses for notices and other communications are as follows:

To the Authority: Economic Development Authority in and for the  
City of Minnetonka  
14600 Minnetonka Blvd.  
Minnetonka, MN 55345  
Attention: Community Development Director

To the Developer: [DEVELOPMENT ENTITY]  
[ADDRESS]  
Attention: \_\_\_\_\_

12. Governing Law. This Declaration shall be governed by the laws of the State of Minnesota and, where applicable, the laws of the United States of America.

13. Attorneys' Fees. In case any action at law or in equity, including an action for declaratory relief, is brought against the Developer to enforce the provisions of this Declaration, the Developer agrees to pay the reasonable attorneys' fees and other reasonable expenses paid or incurred by the Authority in connection with such action.

14. Declaration Binding. This Declaration and the covenants contained herein shall run with the real property comprising the Minimum Improvements and shall bind the Developer and its successors and assigns and all subsequent owners of the Minimum Improvements or any interest therein, and the benefits shall inure to the Authority and its successors and assigns for the term of this Declaration as provided in Section 1(b) hereof.

15. Notice of Sale. In consideration for the issuance of the Authority Grant, the Developer agrees to provide the Authority with at least ninety (90) days' notice of any sale of the Minimum Improvements.

IN WITNESS WHEREOF, the Developer has caused this Declaration of Restrictive Covenants to be signed by its respective duly authorized representatives, as of the day and year first written above.

**[DEVELOPMENT ENTITY]**

By \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by \_\_\_\_\_, the \_\_\_\_\_ of [DEVELOPMENT ENTITY], a Minnesota limited liability company, on behalf of the Developer.

\_\_\_\_\_  
Notary Public

This document was drafted by:  
KENNEDY & GRAVEN, CHARTERED (JAE)  
150 South Fifth Street, Suite 700  
Minneapolis, MN 55402

This Declaration is acknowledged and consented to by:

**ECONOMIC DEVELOPMENT AUTHORITY IN  
AND FOR THE CITY OF MINNETONKA,  
MINNESOTA**

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF HENNEPIN    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2021,  
by Brad Wiersum, the President of the Economic Development Authority in and for the City of  
Minnetonka, Minnesota, a public body corporate and politic under the laws of the State of Minnesota, on  
behalf of the Authority.

\_\_\_\_\_  
Notary Public

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF HENNEPIN    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2021,  
by GERALYN BARONE, the Executive Director of the Economic Development Authority in and for the City of  
Minnetonka, Minnesota, a public body corporate and politic under the laws of the State of Minnesota, on  
behalf of the Authority.

\_\_\_\_\_  
Notary Public

EXHIBIT A TO DECLARATION OF RESTRICTIVE COVENANTS

LEGAL DESCRIPTION

[Insert legal description]

DRAFT

EXHIBIT B TO DECLARATION OF RESTRICTIVE COVENANTS

CERTIFICATION OF TENANT ELIGIBILITY

Project: 10901 Red Circle Drive, Minnetonka, Minnesota

Developer: [DEVELOPMENT ENTITY]

Unit Type: \_\_\_ Studio \_\_\_ Alcove \_\_\_ 1 BR \_\_\_ 2 BR \_\_\_ 3 BR

1. I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully, frankly and personally each of the following questions for all persons (including minors) who are to occupy the unit in the above apartment development for which application is made, all of whom are listed below:

Name of Members of the Household	Relationship To Head of Household	Age	Place of Employment
_____	_____	___	_____
_____	_____	___	_____
_____	_____	___	_____
_____	_____	___	_____
_____	_____	___	_____

Income Computation

2. The anticipated income of all the above persons during the 12-month period beginning this date,

(a) including all wages and salaries, overtime pay, commissions, fees, tips and bonuses before payroll deductions; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness); interest and dividends; the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts; payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay; the maximum amount of public assistance available to the above persons; periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling; and all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the household or spouse; but

(b) excluding casual, sporadic or irregular gifts; amounts which are specifically for or in reimbursement of medical expenses; lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a

serviceman head of a family who is away from home and exposed to hostile fire; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged for the allotments; and payments received pursuant to participation in ACTION volunteer programs, is as follows: \$\_\_\_\_\_.

3. If any of the persons described above (or whose income or contributions was included in item 2) has any savings, bonds, equity in real property or other form of capital investment, provide:

(a) the total value of all such assets owned by all such persons: \$\_\_\_\_\_;

(b) the amount of income expected to be derived from such assets in the 12 month period commencing this date: \$\_\_\_\_\_; and

(c) the amount of such income which is included in income listed in item 2: \$\_\_\_\_\_.

4. (a) Will all of the persons listed in item 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes \_\_\_\_\_

No \_\_\_\_\_

(b) Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?

Yes \_\_\_\_\_

No \_\_\_\_\_



THE UNDERSIGNED HEREBY CERTIFY THAT THE INFORMATION SET FORTH ABOVE IS TRUE AND CORRECT. THE UNDERSIGNED ACKNOWLEDGE THAT THE LEASE FOR THE UNIT TO BE OCCUPIED BY THE UNDERSIGNED WILL BE CANCELLED UPON 10 DAYS WRITTEN NOTICE IF ANY OF THE INFORMATION ABOVE IS NOT TRUE AND CORRECT.

\_\_\_\_\_  
Head of Household

\_\_\_\_\_  
Spouse

DRAFT

FOR COMPLETION BY OWNER  
(OR ITS MANAGER) ONLY

1. Calculation of Eligible Tenant Income:

(a) Enter amount entered for entire household in 2 above: \$ \_\_\_\_\_

(b) If the amount entered in 3(a) above is greater than \$5,000, enter the greater of (i) the amount entered in 3(b) less the amount entered in 3(c) or (ii) 10% of the amount entered in 3(a): \$ \_\_\_\_\_

(c) TOTAL ELIGIBLE INCOME (Line 1(a) plus Line 1(b)): \$ \_\_\_\_\_

2. The amount entered in 1(c) is less than or equal to [50%] [60%] [80%] of median income for the area in which the Project is located, as defined in the Declaration. [50%] [60%] [80%] is necessary for status as a "Qualifying Tenant" under Section 3(a) of the Declaration.

3. Rent:

(a) The rent for the unit is \$ \_\_\_\_\_.

(b) The amount entered in 3(a) is less than or equal to the maximum rent permitted under the Declaration.

4. Number of apartment unit assigned: \_\_\_\_\_.

5. This apartment unit was \_\_\_\_\_ was not \_\_\_\_\_ last occupied for a period of at least 31 consecutive days by persons whose aggregate anticipated annual income as certified in the above manner upon their initial occupancy of the apartment unit was less than or equal to [50%] [60%] [80%] of Median Income in the area.

6. Check as applicable: \_\_\_\_\_ Applicant qualifies as a Qualifying Tenant (tenants of at least \_\_\_\_\_ units must meet), or \_\_\_\_\_ Applicant otherwise qualifies to rent a unit.

THE UNDERSIGNED HEREBY CERTIFIES THAT HE/SHE HAS NO KNOWLEDGE OF ANY FACTS WHICH WOULD CAUSE HIM/HER TO BELIEVE THAT ANY OF THE INFORMATION PROVIDED BY THE TENANT MAY BE UNTRUE OR INCORRECT.

NAME OF OWNER, a \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

EXHIBIT C TO DECLARATION OF RESTRICTIVE COVENANTS

CERTIFICATE OF  
CONTINUING PROGRAM COMPLIANCE

Date: \_\_\_\_\_, \_\_\_\_\_.

The following information with respect to the project located at \_\_\_\_\_, Minnetonka, Minnesota (the "Project"), is being provided by [DEVELOPMENT ENTITY], a Minnesota limited liability company (the "Developer"), to the Economic Development Authority in and for the City of Minnetonka, Minnesota (the "Authority"), pursuant to that certain Declaration of Restrictive Covenants, dated \_\_\_\_\_, 2021 (the "Declaration"), with respect to the Project:

(A) The total number of residential units which are available for occupancy is 356. The total number of such units occupied is \_\_\_\_\_.

(B) The following residential units (identified by unit number) have been designated for occupancy by "Qualifying Tenants," as such term is defined in the Declaration (for a total of \_\_\_\_\_ units):

Studio Units:

Alcove Units:

1 BR Units:

2 BR Units:

3 BR Units:

(C) The following residential units which are included in (B) above, have been re-designated as units for Qualifying Tenants since \_\_\_\_\_, 20\_\_\_\_, the date on which the last "Certificate of Continuing Program Compliance" was filed with the Authority by the Developer:

Unit Number	Previous Designation of Unit (if any)	Replacing Unit Number
_____	_____	_____
_____	_____	_____

(D) The following residential units are considered to be occupied by Qualifying Tenants based on the information set forth below:

	Unit Number	Name of Tenant	Number of Persons Residing in the Unit	Number of Bedrooms	Total Adjusted Gross Income	Date of Initial Occupancy	Rent
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
etc.							

(E) The Developer has obtained a “Certification of Tenant Eligibility,” in the form provided as EXHIBIT B to the Declaration, from each Tenant named in (D) above, and each such Certificate is being maintained by the Developer in its records with respect to the Project. Attached hereto is the most recent “Certification of Tenant Eligibility” for each Tenant named in (D) above who signed such a Certification since \_\_\_\_\_, \_\_\_\_\_, the date on which the last “Certificate of Continuing Program Compliance” was filed with the Authority by the Developer.

(F) In renting the residential units in the Project, the Developer has not given preference to any particular group or class of persons (except for persons who qualify as Qualifying Tenants); and none of the units listed in (D) above have been rented for occupancy entirely by students, no one of which is entitled to file a joint return for federal income tax purposes. All of the residential units in the Project have been rented pursuant to a written lease, and the term of each lease is at least \_\_\_ months.

(G) The information provided in this “Certificate of Continuing Program Compliance” is accurate and complete, and no matters have come to the attention of the Developer which would indicate that any of the information provided herein, or in any “Certification of Tenant Eligibility” obtained from the Tenants named herein, is inaccurate or incomplete in any respect.

(H) The Project is in continuing compliance with the Declaration.

(I) The Developer certifies that as of the date hereof at least \_\_\_\_ of the residential dwelling units in the Project are occupied or held open for occupancy by Qualifying Tenants, as defined and provided in the Declaration.

(J) The rental levels for each Qualifying Tenant comply with the maximum permitted under the Declaration.

IN WITNESS WHEREOF, I have hereunto affixed my signature, on behalf of the Developer, on \_\_\_\_\_, 20\_\_.

**[DEVELOPER ENTITY]**

By \_\_\_\_\_  
Its \_\_\_\_\_

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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

## 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
<b>KA/AEON</b>	<b>75</b>	<b>294</b>	<b>\$8.13M requested</b>	<b>30</b>	<b>\$3,613</b>	<b>30%, 50%,80%</b>
Linden Street (10400 Bren Rd)	28	247	\$553,000	30	\$1,315	10% at 50% AMI
Doran (5959 Shady Oak)	54	302	\$280,000	30	\$491	5%@50%, 5%@60%, 5%@80%
Wellington Management	68	155	\$2,400,000	30	\$1,716	10%@50% AMI, 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	Crown Ridge—60% AMI Boulevard Gardens—60% AMI Gables—initially 80% AMI, now no income limit West Ridge—50% AMI
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 04/09/2021

**EDAC Agenda Item #5  
Meeting of April 29, 2021**

**Brief Description** Kraus-Anderson (KA)/Aeon “Bren Road Development” (10701 Bren Road East)

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

**Site Overview**

Kraus-Anderson (KA) and Aeon are exploring a redevelopment of the 3.16 acre at 10701 Bren Road East, which is currently occupied by an office building with surface parking. The project is being proposed as a collaborative partnership between KA and Aeon to create a mixed-income project.

The developers are proposing to construct a 14-story apartment building with 294 market-rate units in the first phase, owned by KA. The second phase would include an affordable apartment building with 75 units owned and operated by Aeon. The total unit count for both projects is 369 units. KA is proposing to prepare the site as “shovel ready” for Aeon, meaning that it will construct the parking, provide the land and site preparation costs on behalf of Aeon, and is requesting assistance to assist with offsetting the extraordinary costs for its project.

**Concept Image**



**Financing Request**

Staff began meeting with KA/Aeon in late 2020 to discuss the preliminary concept for the site. Initially, the developer was requesting \$13.6 million to fund the construction of a 13-story market-rate building and prepare the site as "shovel ready" for Aeon's 4-story building.

The developer worked to revise the plans to a 14-story building, and the current request represents the extraordinary costs of preparing the site for Aeon, resulting in nearly \$9.1 million that KA will pay upfront on Aeon's behalf. As a nonprofit affordable housing developer, Aeon will focus its efforts on providing 75 affordable units ranging from 30% to 80% AMI in its building. The unit mix is proposed as follows:

- Total of 75 affordable units
  - 12 units restricted at 30% AMI
  - 38 units restricted at 50% AMI
  - 25 units restricted at 80% AMI

Aeon's funding sources include tax credit financing and affordable housing grants. Aeon will not likely need to seek any additional funding from the city for its phase of the project. It is anticipated that KA would begin construction in 2021/2022, and Aeon would follow in 2023/2024 to allow time to prepare for the tax credit application process.

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 up to \$8.13 million in financial assistance.
  - Structured as a Pay-as-you-go TIF note over a 12.5-year term.
    - The remaining future value increment (approx. \$1.35 million) available at the end of this term could be used to fund road projects in Opus.
  - A Minimum Assessment Agreement and lookback provisions would be added to the contract to ensure the developer does not receive more assistance than what is needed for the project.

## **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 a market-rate project and is preparing a site for the future phase of an affordable housing project.

- 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 20% of the units affordable at varying levels of affordability across the two buildings.
    - KA - 294 units affordable
    - Aeon – 75 units affordable
    - Total of 369 units
      - Aeon's 75 units represent 20% affordability across two projects
- The proposed project amenities will benefit a larger area than identified in the development; and
  - 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 agencies.

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.

### **Project Schedule**

- Sept. 9, 2020 – Neighborhood Meeting (completed)
- April 22, 2021 – Planning Commission concept review
- May 10, 2021 – City Council concept review
- Summer 2021 – EDAC reviews contract
- Summer 2021 – Council and PC review of applications - TBD

### **Recommendation**

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

Submitted through:

Julie Wischnack, AICP, Community Development Director

Originated by:

Alisha Gray, EDFP, Economic Development and Housing Manager

### **Additional Information**

Location Map

Memo from Keith Dahl and Stacie Kvilvang - Ehlers

Draft Concept Plans

Affordable Housing Policy

TIF Policy

History of Affordable Housing Production and Assistance

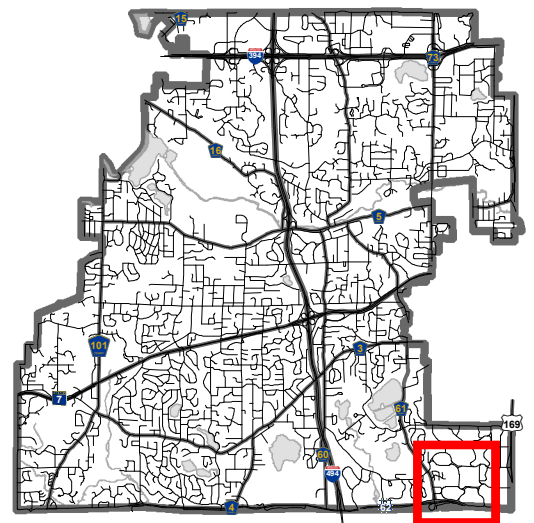
[Opus Public Realm Design Guidelines](#)

[Bren Road Development Project Page](#)



### Location Map

Project: Bren Road Development  
Address: 10701 Bren Road Develop





## MEMORANDUM

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

FROM: Keith Dahl & Stacie Kvilvang - Ehlers

DATE: April 7, 2021

SUBJECT: Kraus-Anderson – Analysis of Financial Request

At the end of 2020, the City received a financial assistance request from Kraus-Anderson (KA). KA was seeking \$13.6 million of Tax Increment Financing (TIF) assistance to support the construction of a 14-story, 294-unit market rate apartment consisting of studio, alcove, 1, 2, and 3-bedroom units; and a separate 75-unit affordable apartment with 12-units restricted at 30% of the area median income (AMI), 38-units restricted at 50% AMI and 25-units restricted at 80% AMI. While the affordable apartment would be developed and owned by AEON, KA agreed to construct parking, provide free land and undertake several site preparation costs on behalf of AEON so that their project wouldn't necessitate the need for any public assistance. The table below provides an overview of the costs KA will pay for on behalf of AEON and the amount of extraordinary costs associated to KA's project.

Expense	Amount
<b>KA Covered Costs on behalf of AEON</b>	
Land Acquisition	\$ 1,150,000
Parking	\$ 2,550,000
Site Preparation	\$ 2,083,300
<b>KA Extraordinary Costs</b>	
Demolition	\$ 278,000
Asbestos Abatement	\$ 67,500
Add. Landscaping & Trails (City Required)	\$ 457,700
Driven Pipe Pile Foundations	\$ 2,496,800
<b>TOTAL: \$ 9,083,300</b>	

KA's project is anticipated to commence construction early next year and cost approximately \$101.5 million, or \$345,280 per unit. Whereas, AEON's project is anticipated to commence construction in 2023 and cost approximately \$19.8 million, or \$264,850 per unit.

We completed a proforma analysis specifically on KA's project and reviewed their 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, however KA is using a Cash-on-Cost rate of return and we'd expect their annual ROI to be around 6%.

Based on our review of the updated project, **we've concluded assistance in the amount of \$8.13 million in the form of a Pay-As-You-Go TIF Note** from 90% of the available tax increment over an anticipated 12.5-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 KA 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.

Moreover, it should also be noted that the \$8.13 million TIF Note recommended above would only be repaid from tax increment generated from KA's project. This leaves tax increment generated from AEON's project (a future value of approximately \$1.35 million) and the remaining tax increment from KA's project (a future value of approximately \$2 million) to assist with financing the public infrastructure improvements contemplated in the Opus Business Park area.

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



# BREN ROAD DEVELOPMENT

CONCEPT PLAN REVIEW  
SUBMISSION DATE: APRIL 8, 2021



# DEVELOPMENT TEAM EXPERIENCE



## ABOUT KRAUS-ANDERSON DEVELOPMENT

Founded in 1897 and family owned and managed for more than 75 years, Kraus-Anderson (KA) is consistently ranked by Engineering News Record among the U.S. Top 20 Construction firms in the Midwest, providing award-winning construction and development services coast to coast. As an integrated development, construction and real estate management family of companies, we bring a long-term owner's perspective to our developments. Over the last 10 years, KA has developed and built over two million square feet in the Residential, Mixed Use/Transit-Oriented, Retail, Medical, and Office market sectors. Together, strengthening the communities we serve.



## ABOUT AEON

Aeon is a mission-driven, nonprofit provider of quality apartment homes for low- and moderate-income individuals and families. Since 1986, Aeon has built, purchased or renovated 5,650 apartments and townhomes. These homes provide stability to more than 15,000 people each year. Our mission is to create and sustain quality, affordable homes that strengthen lives and communities. We pride ourselves on acting boldly to create and preserve affordable housing that people are proud to call home.



## ABOUT ESG

ESG is a national leader in the planning, design and development of award-winning residences and communities throughout the US. Our architects and designers base their work on timeless design principles. These principles include the integration of pedestrian-friendly streetscapes and landscaping, proximity to mass transit, generating density, and the incorporation of sustainable-design strategies and mixed-use commercial enterprises.



# PROJECT NARRATIVE

## VISION STATEMENT

Through collaborative partnership, Aeon and Kraus Anderson aim to create a mixed-income community to serve residents at all economic levels in a neighborhood rich with transit opportunities and a remarkable network of recreational trails. Our new residents will enhance the experience within the Opus Park community and foster the development of a truly inclusive community centered around the light rail station.

## PROJECT GOALS

- Support the objective for a mixed-use community at the Opus campus by growing the resident population and the diversity of housing options.
- Create a Transit-Oriented Development community that will provide ridership on the new light rail line.
- Enhance and support the district's natural features and integrate the site into the existing landscape of trails, specifically the Red Circle Trail.
- Provide density to support the area's existing businesses and provide additional residents to serve as a catalyst for more retail/commercial development within the Opus Park.
- Connect the Red Circle Trail from Shady Oak Road to Bren Road as per the Opus Area Placemaking + Urban Design Implementation Guide.
- Deliver a mixed-income housing product to serve a varied population of residents.
- Develop a concept for connecting the project to the green space to the north with new trails, seating areas, landscaping and an updated stormwater management approach.

## PLACEMAKING AND DESIGN CONCEPT

The project's vision and design concept will align with the goals of the Opus Area Placemaking + Urban Design Implementation Guide.

- Located within the "Red Loop", the proposed development is an important part of the broader Opus Area Placemaking and Design trail system. The area is characterized by extensive natural open spaces stitched together with an exceptional network of pedestrian trails and a one-way road system.
- The proposed residential buildings will integrate into this well-established environment by giving precedence to landscape design and upgraded pedestrian connections.
  - New sidewalks will be integrated around the site to the east where it will connect to the proposed LRT station. Along the south side of the development, paths connect to both the Shady Oak Rd. trail system as well as the "Orange Loop". Designed connections within the site, and around the north and west will solidify pedestrian connections for residents and visitors of the Bren Road re-development.
- With the new Southwest Light Rail station located adjacent to the site, residents will have direct access to a transit option that will reduce dependency on automobile use.
- Visual and physical connections will be made to the existing trail system, the LRT station, adjacent longstanding businesses and new residential developments nearby.

A primary site design goal is to maximize the ground plane:

- The grounds immediately adjacent to the buildings will be highly landscaped, as there is no structured parking below ground. The landscape program will include full overstory canopy trees.
- The open space around the perimeter of the buildings will incorporate carefully designed stormwater features and native landscaping.
- Native vegetation will take precedence on the site based on the historic species located in this area.
- Hardscape areas will be thoughtfully designed and incorporate seating areas, exterior lighting and wayfinding elements.

## PROJECT DESCRIPTION

An office building and surface parking exist on the site today. The proposed project consists of a 14-story market-rate apartment (North Building) with 285 to 305 dwelling units, a six-story affordable housing apartment (South Building) with approximately 75 to 100 dwelling units, and an above-grade, six-story parking structure with approximately 520 to 540 parking spaces. One additional, partial story for the parking structure and one minor portion of an additional story for the South Building are proposed below grade.

Each residential building will be amenity-rich:

- The north building will include a lobby and common areas at ground level. These spaces will open onto the outdoor amenity courtyard that is visually shared between both buildings. A level 14 "sky lounge" will provide a gathering space with views toward the north and east.
- A lobby and common amenity spaces will be located at the ground level of the south building as well. The main entrance is just off Red Circle Drive, with a club room, fitness center and kid's zone nearby.
- A shared courtyard includes vehicular circulation designed to be a pedestrian friendly woonerf (shared street), for drop-off and service functions, as well as a limited number of convenience parking spaces for prospective renters and delivery vehicles. The landscape design is inspired by the naturally occurring landscapes in the Midwest region. Frozen lakes and ice bubbles, dense aspen and birch forests, wetlands and bogs, as well as the oak savannah ecosystem inspire forms and program throughout the site. By utilizing the existing topography of the site, stormwater will be captured in raingardens that will connect to the larger stormwater management system. Informal seating and grilling areas are scattered throughout the courtyard. A play berm and play forest provide in-direct play areas for children. The naturalistic, parabolic forms create interstitial connections and contiguous geometry for both the north and south buildings.
- Ample bike parking will be provided within each building in order to support and encourage bicycling.

## EXTERIOR MATERIALS

The proposed materials for each building will complement each other in order to create a campus-like feel. Materials under consideration include glass, brick, metal panel, stucco, cementitious board and accent materials.

# EXISTING CONDITIONS: AREA



## WALK

- ON SITE TRAIL ACCESS
- 4 MIN. TO LAKE
- 5 MIN. TO OPUS LIGHTRAIL STATION
- 6 MIN. BETWEEN RED CIR DR TO SHADY OAK BUS STOP

## DRIVE

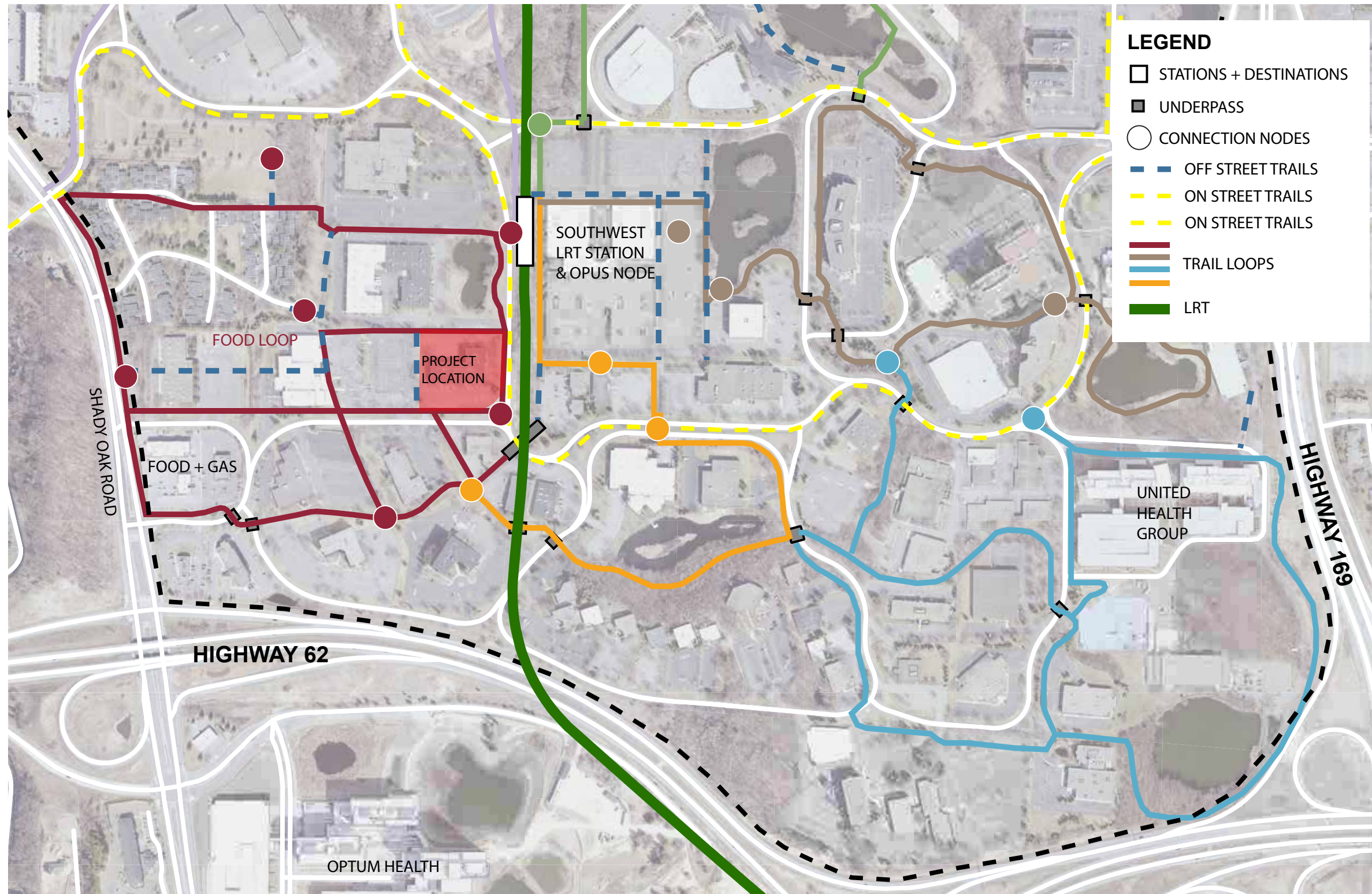
- 10 MIN. TO MEADOWBROOK GOLF COURSE
- 20 MIN. TO DOWNTOWN MINNEAPOLIS
- 22 MIN. TO MSP INTERNATIONAL AIRPORT
- 30 MIN. TO ST. PAUL

## ENGAGE

- 17 NEARBY RESTAURANTS
- 3 HOTELS NEARBY
- 3 PARKS W/TRAILS THROUGH THE SITE

	MAIN ROADWAYS
	MAIN APPROACH
	SW LIGHTRAIL - GREEN LINE
	TRAIL SYSTEM + PARKS
	RETAIL/COMMERCIAL/HOTEL
	CORPORATE & EDUCATION
	RESIDENTIAL

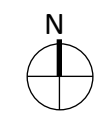
# EXISTING CONDITIONS: CONNECTIONS



# EXISTING CONDITIONS: SITE



- 1 MINNETONKA TRAIL SYSTEM
- 2 EXTENDED TRAIL
- 3 TRAIL UNDERPASS
- 4 FUTURE LRT CORRIDOR TO BE COMPLETED 2023
- 5 FUTURE LRT STATION TO BE COMPLETED 2023
- 6 FUTURE EXPRESSWAY RECONSTRUCTION TO BE COMPLETED 2023





# SITE PLAN

- A. Pool
- B. Pergola
- C. Seating/Firepits
- D. Seating/Plaza Area
- E. Bike Racks
- F. Dog Run
- G. Service
- H. Dropoff
- I. Zero-Curb Woonerf
- J. Stormwater Infiltration Landscape
- K. Lawn
- L. Pedestrian Crossing
- M. Play Berm
- N. Play Forest
- O. Slide/Play Steps/Seating
- P. Grilling/Seating/Pergola Structure
- Q. Stormwater Swale/Weirs
- R. Trail Connection
- S. Connection to Trail/LRT
- T. Trail Loop Connection



# PERSPECTIVE VIEW



# PERSPECTIVE VIEW



# PERSPECTIVE VIEW



# PERSPECTIVE VIEW



# PERSPECTIVE VIEW



# PERSPECTIVE VIEW



**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
-----------------	------------------

**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
<b>KA/AEON</b>	<b>75</b>	<b>294</b>	<b>\$8.13M requested</b>	<b>30</b>	<b>\$3,613</b>	<b>30%, 50%,80%</b>
Linden Street (10400 Bren Rd)	28	247	\$553,000	30	\$1,315	10% at 50% AMI
Doran (5959 Shady Oak)	54	302	\$280,000	30	\$491	5%@50%, 5%@60%, 5%@80%
Wellington Management	68	155	\$2,400,000	30	\$1,716	10%@50% AMI, 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	Crown Ridge—60% AMI Boulevard Gardens—60% AMI Gables—initially 80% AMI, now no income limit West Ridge—50% AMI
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 04/09/2021

**EDAC Agenda Item #6  
Meeting of April 29, 2021**

<b>Brief Description</b>	2022-2026 Economic Improvement Program
<b>Recommendation</b>	Review and provide feedback for the draft 2022-2026 EIP

**Background**

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

The city council will be reviewing a draft of the document at the June 21 study session, and the EDAC will review the final draft on July 8, before council adoption, which is scheduled for Sept. 13, 2021.

**EIP Review**

The existing 2021-2025 EIP is attached as a reference for discussion to help prepare commissioners to identify any changes or priorities for the 2022-2026 EIP document.

Components of the 2022-2026 EIP include:

- EIP Policy page (Chapter 1). Defines what funding categories the different programs will fall under and also details the funding principles.
- EIP Program Pages (Chapters 2 through 7). Each of the city's existing and potential future economic development efforts has its own program page. The program page will detail the program description, purpose, goals, budget impacts, schedule, and key measures. Additionally, it will outline the funds needed to develop or sustain the program over a period of years.
- Funding Sources and Expenditure Projections Pages (Chapter 8). A series of funding sources, expenditures, and TIF district fund balance sheets are included.
- Affordable Housing Goals Page (Chapter 9). This section focuses on how the city's affordable housing goals are being met through these programs is included.

EDAC feedback will be incorporated into the first draft of the document, which will be reviewed by the council on June 21. The EDAC will review again on July 8 and make a final recommendation to the council for the Sept. 13, 2021 meeting.

## **Recommendation**

Staff recommends the EDAC review the 2021-2025 EIP and provide feedback to include in the first draft of the 2021-2025 EIP.

The schedule for approval is as follows:

- April 15 EDAC — Review the existing 2021-2025 EIP and provide feedback for 2022-2026.
- June 21 City Council Study Session — Review draft 2022-2026 EIP and provide feedback.
- July 8 EDAC — Finalize full EIP document and make a recommendation to the city council.
- September 13 City Council meeting — Review and approve EIP.

Originated by:

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

## **Supplemental Information**

[July 27, 2020 City Council Minutes - EIP](#)

[June 25, 2020 EDAC Minutes - EIP](#)



CITY OF  
**MINNETONKA**

**2021-2025  
ECONOMIC  
IMPROVEMENT PROGRAM**



**ECONOMIC IMPROVEMENT PROGRAM  
2021-2025**

**CITY OF MINNETONKA**

Adopted XXXXX, 2020

**2021-2025  
ECONOMIC IMPROVEMENT PROGRAM**

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## **Economic Improvement Program Policy**

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

### **Funding Categories**

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

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

### **Planning Principles**

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





# HOUSING



**MINNETONKA  
ECONOMIC  
IMPROVEMENT  
PROGRAM**

## HOUSING CHAPTER SUMMARY

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

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

- The total five-year estimated cost of the programs is \$6,444,417.

Program	2021	2022	2023	2024	2025	5-Year Total
<b>CDBG Entitlement</b>	254,417	35,000	35,000	35,000	35,000	<b>\$394,417</b>
<b>Homes Within Reach</b>	0	125,000	125,000	125,000	125,000	<b>\$500,000</b>
<b>Housing Improvement Areas</b>	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	<b>\$5,000,000</b>
<b>Minnetonka Home Enhancement</b>	50,000	50,000	50,000	50,000	50,000	<b>\$250,000</b>
<b>Welcome to Minnetonka</b>	50,000	50,000	50,000	50,000	50,000	<b>\$250,000</b>
<b>Housing Trust Fund</b>	50,000	0	0	0	0	<b>\$50,000</b>
	<b>\$1,404,417</b>	<b>\$1,260,000</b>	<b>\$1,260,000</b>	<b>\$1,260,000</b>	<b>\$1,260,000</b>	<b>\$6,444,417</b>
<b>Conceptual Programs</b>						
Housing Program Research						

Programs in green=funding/program is expected to continue  
 Programs in yellow=funding/program is uncertain for a number of reasons  
 Programs in red=funding/program is ending

- The establishment of a permanent Housing Trust Fund would allow the city to continue to provide rental assistance to households impacted by COVID-19.
- The In 2020, the council allocated \$150,000 to Homes Within Reach. \$100,000 was dedicated to acquisition and rehabilitation and the remaining \$50,000 was allocated to pay for ongoing organizational support in 2020 and 2021.

# Economic Improvement Program

2021 *thru* 2025

Department 1-Housing

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Housing-20</b>
<b>Project Name</b>	<b>CDBG Entitlement (Prior to 2018)</b>

Type Program

Useful Life N/A

Category Housing

Priority Yellow

Key Measures Households Assisted

Key Measures

Key Measures

Key Measures

### Description

On July 1, 2018, Hennepin County began overseeing the entire CDBG program, on behalf of Minnetonka, as the city elected to join the Urban County CDBG Consortium. This page represents program income the city received from repayment of loans from loan made prior to 2018, when the city was an entitlement community and received a direct CDBG allocation from the Department of Housing and Urban Development.

#### SCHEDULING AND PROJECT STATUS:

This is an ongoing program.

### Justification

The city continues to receive program income from rehabilitation loans that were made prior to 2018 when the city was in its entitlement status. The city will receive repayment of prior year loans if an owner sells the property prior to the 10-year deferment period.

In 2019, the city council allocated \$202,000 in remaining grant funds to assist with business relocation at 4312 Shady Oak Road. The CDBG funds are no longer available for that purpose and staff is exploring alternatives to utilize this cash balance. Staff is anticipating that the fund balance of \$254,417 may be able to fund COVID-19 related impacts. Any additional program income received in 2020 and beyond will be transferred to Hennepin County for the Rehabilitation Loan Program.

Staff is anticipating that approximately \$35,000 a year in program income will be received from loan repayments.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS:

Comprehensive Plan-Promote housing maintenance programs that improve the livability of existing residential dwelling units in a cost effective manner.

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

#### KEY MEASURES

##### Households Assisted

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
47	25	14	10	N/A	N/A	N/A	N/A	N/A	N/A	N/A

##### Business Assisted

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Expenditures	2021	2022	2023	2024	2025	Total
Program Cost	254,417	35,000	35,000	35,000	35,000	394,417
<b>Total</b>	<b>254,417</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>394,417</b>

Funding Sources	2021	2022	2023	2024	2025	Total
CDBG	254,417	35,000	35,000	35,000	35,000	394,417
<b>Total</b>	<b>254,417</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>394,417</b>

### Budget Impact/Other

Program income received from loans made prior to 2018 flows through the city. Staff anticipates that this income will continue to fund new loans that are currently managed through Hennepin County. The city can also choose to reallocate funds to projects that meet one of the three national objectives. 1. Benefit low and moderate income persons 2. Help prevent and/or eliminate slums and/or blight 3. Meet other community development needs of particular urgency.

The city currently has 207 outstanding loans made between 2011 and 2020, with an outstanding balance of \$854,085.

The city will continue to offset any administrative expenses incurred by staff with available CDBG dollars.

# Economic Improvement Program

2021 *thru* 2025

Department 1-Housing

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Housing-03</b>
<b>Project Name</b>	<b>CDBG Consortium (2017-Present)</b>

Type Program

Useful Life N/A

Category Housing

Priority Yellow

Key Measures Households Assisted

Key Measures

Key Measures

Key Measures

### Description

On October 1, 2017, Hennepin County began overseeing the entire CDBG program, on behalf of Minnetonka, as the city elected to join the Urban County CDBG Consortium. Hennepin County is responsible for accepting applications for the small projects loan program, ongoing loan project management, and leads a process to distribute public service dollars each year.

For 2020, the estimated CDBG allocation for Minnetonka is \$132,614. In 2020, Hennepin County received an additional allocation of \$94,880 through the CARES ACT, which was used to provide emergency rent assistance and food assistance.

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

### Justification

A description of the programs under the consortium is listed below:

The Small Projects loan program offers ten-year, no interest deferred loans up to \$15,000. The loan amount was increased in 2018 to respond to increased cost of repairs. Households up to 80% of area median income qualify for the \$15,000 Small Projects Program, which allows for housing repairs and maintenance.

Up to 15 percent of the city's Community Development Block Grant funds can be used to fund public services (non-profits). In 2020, 30 organizations requested funding through the consortium. Hennepin County will consider approval of funding awards in May/June 2020 and HUD approval of awards will be announced in June/July 2020. In 2020, HOMELine, Resource West, Senior Community Services, TreeHouse, CAP-HC and ICA are anticipated to receive funding.

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

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

KEY MEASURES  
Households Assisted

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
47	25	14	8	9	9	8	8	8	8	8

### Budget Impact/Other

- As part of the Urban County Consortium, no CDBG funds flow through the city.
- One percent of the city's CDBG annual allocation is contributed to the Hennepin County Consortium to support fair housing activities.
- The administrative costs associated with the program are 15-17 % of the city's total allocation each year.

# Economic Improvement Program

2021 *thru* 2025

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

## City of Minnetonka, Minnesota

**Project #** Housing-05  
**Project Name** Homes Within Reach

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

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

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

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

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

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

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

**KEY MEASURES**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total HWR units in Minnetonka	54	55	56	61	61	62	63	64	64	64	64

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	0	125,000	125,000	125,000	125,000	500,000
<b>Total</b>	<b>0</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>500,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
HRA Levy	0	125,000	125,000	125,000	125,000	500,000
Other	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>500,000</b>

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

An EDAC subcommittee met in 2014 and recommended that HWR funding be decreased beginning in 2017. In 2020, an annual fee of \$25,000 was added to assist with ongoing operations. The proposed funding source for ongoing maintenance is the HRA levy.

HWR has a current funding commitment of approximately \$456,969 in available funding to complete four more projects between 2021-2025. For 2020, the EIP allocated an HRA levy of \$25,000 and the reallocation of \$125,000 from the existing fund balance of the Welcome to Minnetonka and Minnetonka Home Enhancement Programs to assist with ongoing administrative expenses and program dollars.

# Economic Improvement Program

2021 *thru* 2025

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

## City of Minnetonka, Minnesota

**Project #** Housing-06  
**Project Name** Housing Improvement Areas

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

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

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

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

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

KEY MEASURES  
 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025  
 Units Assisted  
 0 0 0 0 164 100 100 100 100 100 100

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Construction/Maintenance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>5,000,000</b>
<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Other	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>5,000,000</b>

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

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

Cedar Ridge was the first HIA in city and was established in early 2012. The total project costs were \$674,000

In August 2017, the city council approved an Housing Improvement Area for Cloud 9 for up to \$3.93 million to repair the curtain wall and make upgrades to the elevators and the HVAC system. The city issued bonds rather than the utilizing the development fund to finance the project. The project was completed in 2019.

# Economic Improvement Program

2021 *thru* 2025

Department 1-Housing

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Housing-08</b>
<b>Project Name</b>	<b>Minnetonka Home Enhancement</b>

**Type** Program

**Useful Life** N/A

**Category** Housing

**Priority** Yellow

**Key Measures** Loans Made

**Key Measures**

**Key Measures** Loans Defaulted

**Key Measures**

### Description

The Minnetonka Home Enhancement program (MHEP) offers up to \$15,000 through a low-interest loan for housing maintenance, repair, green investments, and some additions. The interest rate in 2020 is 3.225% (Annual Percentage Rate based on \$15,000 for 10 years).

#### SCHEDULING AND PROJECT STATUS

The program began June 2011. This is an ongoing program.

### Justification

Minnetonka’s housing stock is aging. Nearly two-thirds of the city’s homes were built between 1950 and 1970, and over 75% of the housing stock is 30 years or older. Many of these homes now need repairs for windows, roofs, and heating systems. The MHEP targets households up to 120% area median income with loans for rehabilitation and other housing maintenance activities for housing valued at \$330,000 or less.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Promote housing maintenance programs to improve the livability of residential dwelling units in a cost effective manner.

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

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Loans Made	5	3	1	3	4	0	4	4	4	4	4
Loans Defaulted	0	0	0	0	0	0	0	0	0	0	0

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
HRA Levy	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

### Budget Impact/Other

In January 2018, the city entered into a new contract with the Center for Energy and Environment to continue administration of the HRA Levy funded loan programs.

There is a current fund balance of approximately \$203,187 and the city receives monthly loan repayments of \$2,300 on average. There are currently 21 outstanding loans.

The 2020-2024 EIP reallocated \$125,000 from the existing fund balance of the Welcome to Minnetonka and Minnetonka Home Enhancement Programs to assist Homes Within Reach.

The guidelines are reviewed on an annual basis to ensure the program meets the needs of the target population.

# Economic Improvement Program

2021 *thru* 2025

Department 1-Housing

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Housing-14</b>
<b>Project Name</b>	<b>Welcome to Minnetonka Loan Program</b>

**Type** Program

**Useful Life** N/A

**Category** Housing

**Priority** Yellow

**Key Measures** Loans Made

**Key Measures**

**Key Measures** Loans Defaulted

**Key Measures**

### Description

The Welcome to Minnetonka program provides up to \$10,000 through a low-interest loan for down payment and closing cost assistance. The Center for Energy and Environment administers the program. This is a deferred loan program which is repaid at the time of sale or at the end of the 30-year term. The interest rate is currently 1%.

#### SCHEDULING AND PROJECT STATUS

The program began June 2011. This is an ongoing program.

### Justification

The Welcome to Minnetonka program is marketed to first-time homebuyer households earning up to 120% area median income with down payment and closing cost assistance. Those participating in the program provide at least 25% of the required down payment or closing costs.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Provide services that support residents to maintain attractiveness as a balanced community that is economically diverse. Strategic Plan-Initiate programs/policies to broaden housing choices to meet the needs of our aging population and attract young residents.

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Loans Made	1	5	1	1	2	2	5	5	5	5	5
Loans Defaulted	0	0	0	0	0	0	0	0	0	0	0

Expenditures	2021	2022	2023	2024	2025	Total
Program Cost	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

Funding Sources	2021	2022	2023	2024	2025	Total
HRA Levy	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

### Budget Impact/Other

In January 2018, the city entered into a new contract with the Center for Energy and Environment to continue administration of the HRA Levy funded loan programs.

There is a current fund balance of approximately \$203,187. The city receives monthly loan repayments of \$2,300 on average with 21 outstanding loans

The 2020-2024 EIP reallocated \$125,000 from the existing fund balance of the Welcome to Minnetonka and Minnetonka Home Enhancement Programs to assist Homes Within Reach.

On an annual basis the guidelines are reviewed to ensure the program meets the needs of the target population.



# Economic Improvement Program

2021 *thru* 2025

**Department** 1-Housing

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>Housing-12</b>
<b>Project Name</b>	<b>Affordable Housing via TIF Pooling/Blvd Gardens</b>

**Type** Program

**Useful Life** N/A

**Category** Housing

**Priority** Green

**Key Measures** Affordable Units Created

**Key Measures** Projects Considered

**Key Measures** Projects Assisted

**Key Measures**

### Description

TIF pooling is a way, under state statute, to use excess tax increment dollars from a district to invest in affordable housing projects in other areas of the city. TIF Pooling from Boulevard Gardens is available for tax credit eligible multifamily housing.

#### SCHEDULING AND PROJECT STATUS

It is expected that a majority of the funds will be used by 2023 in connection to LRT related projects.

The Ridge was the first project funded (2012) with \$1,025,000 in funds. The council also approved \$515,889 in pooled funding for Shady Oak Crossing.

### Justification

Pooling allows a percentage (35%) of the total increment generated by the district over its entire life to be used for tax credit eligible housing projects anywhere in the city. Depending on property values over the remaining three years of the district, the pooling dollars available during this time frame are estimated to be \$6,727,109 million by 2022. These funds are required to be spent according to an amended TIF plan, which can take place as projects are proposed. The current fund balance is estimated at \$5,193,714.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Continue working with developers to include affordable housing in their developments, where appropriate.

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

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Projects Considered	0	0	2	1	1	1	1	1	0	0	1
Projects Assisted	0	1	2	0	1	1	1	1	0	0	1
Affordable Units	0	27	104	50	45	23	50	50	0	0	50

### Budget Impact/Other

The use of pooling dollars does not affect staffing.

The funds are coming from the Boulevard Gardens TIF district.

# Economic Improvement Program

2021 *thru* 2025

**Department** 1-Housing

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>Housing-13</b>
<b>Project Name</b>	<b>Afford. Housing-TIF Pooling/Beacon/Tonka/Row</b>

**Type** Program

**Useful Life** N/A

**Category** Housing

**Priority** Yellow

**Key Measures** Affordable Units Created

**Key Measures** Projects Considered

**Key Measures** Projects Assisted

**Key Measures**

### Description

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

#### SCHEDULING AND PROJECT STATUS

The developer's TIF note was repaid in August 2017. The council should consider whether or not to use the pooled TIF that will be generated between 2018-2021 for future affordable housing projects. The dollars do not expire.

### Justification

Pooling allows a percentage (35%) of the total increment generated by the district over its entire life to be used for tax credit eligible housing projects anywhere in the city.

The current fund balances for TIF Pooling for affordable housing from these districts is \$921,215. By 2043, these districts are projected to create \$5,307,934.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Continue working with developers to include affordable housing in their developments, where appropriate.

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

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Projects Considered	N/A	N/A	N/A	0	0	0	0	0	0	0	0
Projects Assisted	N/A	N/A	N/A	0	0	0	0	0	0	0	0
Affordable Units	N/A	N/A	N/A	0	0	0	0	0	0	0	0

### Budget Impact/Other

The use of pooling dollars does not affect staffing.

The funds are coming from the Beacon Hill/Tonka on the Creek (Overlook) and Rowland (At Home) TIF districts.

# Economic Improvement Program

2021 *thru* 2025

Department 1-Housing

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Housing-22</b>
<b>Project Name</b>	<b>Housing Trust Fund</b>

**Type** Program

**Useful Life** N/A

**Category** Housing

**Priority** Red

**Key Measures** Households Assisted

**Key Measures** Housing Projects Assisted

**Key Measures**

**Key Measures**

### Description

On April 20, 2020 the city council approved an emergency ordinance to create a Housing Trust Fund. Under the temporary 60-day ordinance, the council authorized designating \$150,000 of the existing fund balance from the development fund to provide emergency rental assistance to households experiencing financial hardship due to COVID-19. A Housing Trust Fund is the only fund authorized by state statute that can be used to provide rental assistance, but also has many other eligible activities.

The temporary ordinance expires June 20, 2020.

### Justification

State Statute 462C.16 allows local governments to establish a Housing Trust Fund for local housing development. Authorized uses of these funds include:

- Administrative Expenses
- Loans, grants, and loan guarantees for the development, rehab, or financing of housing
- Match other funds from federal, state, or private resources for housing projects
- Provide down payment assistance, rental assistance, and homebuyer counseling services.

Staff is recommending that the EDAC consider recommending establishing a permanent Housing Trust Fund. This fund could be utilized to provide additional rental assistance, or other uses, if more state, federal, or local funds become available for the eligible uses of funds.

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	50,000	0	0	0	0	50,000
<b>Total</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
HRA Levy	50,000	0	0	0	0	50,000
Other	0	0	0	0	0	0
<b>Total</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>

### Budget Impact/Other

A local government may finance its local or regional housing trust fund with any money available to the local government, unless prohibited by state law. Sources may include:

- Donations
- Bond Proceeds
- Grants and loans from state, federal, or private sources
- Appropriations by a local government to the fund
- Investment earnings of the fund
- Housing and redevelopment authority levies

The following housing  
program pages are  
conceptual programs.

# Economic Improvement Program

2021 *thru* 2025

Department 1-Housing

## City of Minnetonka, Minnesota

Contact

**Project #** Housing-21  
**Project Name** Housing Program Research

**Type** Program

**Useful Life** N/A

**Category** Housing

**Priority** n/a

Key Measures

Key Measures

Key Measures

Key Measures

### Description

At the Feb. 4, 2019 City Council study session and March 14, 2019 EDAC meeting. Council members and commissioners recommended that staff keep track of potential housing programs/policies for future research. This page includes a list of housing topics for future research.

#### SCHEDULING AND PROJECT STATUS

This is a new concept that has not yet been explored or developed.

### Justification

Future Housing Program/Policy Research:

- Senior Affordable Housing
- Affordable Housing for Public Service
- Research General Funding for Affordable Housing
- Accessory Apartment (Ordinance Amendment)
- Payment-in-lieu for affordability requirements
- NOAH Legacy Education Program
- 4d Tax Classification Program
- Multifamily Housing Rental Rehabilitation Loan
- COVID-19 housing related matters

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Promote new affordable rental housing and encourage diversity in the types, sizes and prices of housing units.

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

### Budget Impact/Other

There will need to be staff time committed to researching budget impacts of this program.



# BUSINESS



**MINNETONKA  
ECONOMIC  
IMPROVEMENT  
PROGRAM**

## BUSINESS CHAPTER SUMMARY

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

For the 2021-2025 Economic Improvement Program, there are nine business programs, and one program under conceptual review.

- The total five-year estimated cost of the programs is \$13,000,000

Program	2021	2022	2023	2024	2025	5-Year Total
<b>Fire Sprinkler Retrofit</b>	50,000	50,000	50,000	50,000	50,000	<b>\$250,000</b>
<b>Pass-Through Grants</b>	2,600,000	2,000,000	1,000,000	1,000,000	500,000	<b>\$7,100,000</b>
<b>GreaterMSP</b>	25,000	25,000	25,000	25,000	25,000	<b>\$125,000</b>
<b>MIF/JCF</b>	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	<b>\$5,000,000</b>
<b>Open to Business</b>	15,000	15,000	15,000	15,000	15,000	<b>\$75,000</b>
<b>Outreach</b>	25,000	25,000	25,000	25,000	25,000	<b>\$125,000</b>
<b>MPLS Regional Chamber</b>	5,000	5,000	5,000	5,000	5,000	<b>\$25,000</b>
<b>SAC/REC Program</b>	50,000	50,000	50,000	50,000	50,000	<b>\$250,000</b>
<b>Emer. Business Assist.</b>	50,000	0	0	0	0	<b>\$50,000</b>
	<b>\$3,820,000</b>	<b>\$3,170,000</b>	<b>\$2,170,000</b>	<b>\$2,170,000</b>	<b>\$1,670,000</b>	<b>\$13,000,000</b>
<b>Conceptual Programs</b>						
Special Service Districts						\$0

Programs in green=funding/program is expected to continue

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

Programs in red=funding/program is ending

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

# Economic Improvement Program

2021 *thru* 2025

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

## City of Minnetonka, Minnesota

**Project #** Business-01  
**Project Name** Fire Sprinkler Retrofit

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

**Description**

Minnesota law (State Statute 429) gives cities the authority to specially assess the cost of installing fire sprinkler systems for existing buildings. The City Council adopted Council Policy 5.2 in 1986 setting criteria for the use of this authority. In 2018, Copper Cow utilized the program to retrofit its building located at 5445 Eden Prairie Road.

In 2021, staff will research applicability for residential properties to be included in the retrofit program.

**SCHEDULING AND PROJECT STATUS**  
 This program is ongoing, and use of this program is initiated by property owner petition.

**Justification**

The fire sprinkler retrofit program is intended to assist in the public safety and protection of commercial buildings.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**  
 Comprehensive Plan-Enhance personal and business safety.  
 Strategic Plan-Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

**KEY MEASURES**

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
0	0	0	1	1	1	1	1	1	1	1

Businesses Assisted

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Construction/Maintenance	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Special Assessment	50,000	50,000	50,000	50,000	50,000	250,000
Construction Fund						
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

**Budget Impact/Other**

Special assessments cannot last more than 10 years. The risk with this program is for the assessment to be paid back on the intended schedule. These dollars are financed through the special assessment fund.

There is some limited staff time involved once the petition is received and for the assessment.



# Economic Improvement Program

2021 *thru* 2025

Department 2-Business

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Business-02</b>
<b>Project Name</b>	<b>Pass-Through Grants</b>

**Type** Program

**Useful Life** N/A

**Category** Business

**Priority** Green

**Key Measures** Projects Assisted

**Key Measures** Housing Projects Assisted

**Key Measures** Businesses Assisted

**Key Measures** Housing Units Assisted

### Description

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

#### SCHEDULING AND PROJECT STATUS

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

In 2020, Metropolitan Council awarded the Shady Oak Crossing project \$414,200 through the Tax Base Revitalization Account . Hennepin County awarded Shady Oak Crossing \$250,000 in TOD funding. In addition, DEED awarded Shady Oak Crossing \$246,652. These grants have a spend down deadline of December 2022/203.

### Justification

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

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-

- Ensure the longevity of affordable housing through city programs and partnerships with other public, non-profit, and private entities.

- Facilitate connections between local businesses and programs that provide incentives/assistance for business retention and recruitment.

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

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Projects Assisted	1	1	1	3	1	0	1	1	1	1	1
Business projects	0	1	0	1	1	0	0	1	0	1	0
Housing projects	1	0	1	2	0	0	1	0	1	0	1
Housing units	30	0	45	60	0	527	60	0	55	0	75

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

Expenditures	2021	2022	2023	2024	2025	Total
Other	2,600,000	2,000,000	1,000,000	1,000,000	500,000	7,100,000
<b>Total</b>	<b>2,600,000</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>500,000</b>	<b>7,100,000</b>

Funding Sources	2021	2022	2023	2024	2025	Total
Development Fund	2,600,000	2,000,000	1,000,000	1,000,000	500,000	7,100,000
<b>Total</b>	<b>2,600,000</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>500,000</b>	<b>7,100,000</b>

### Budget Impact/Other

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

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

# Economic Improvement Program

2021 *thru* 2025

**Department** 2-Business

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>Business-04</b>
<b>Project Name</b>	<b>GreaterMSP</b>

**Type** Program

**Useful Life** N/A

**Category** Business

**Priority** Green

**Key Measures** Business Contacts

**Key Measures**

**Key Measures**

**Key Measures**

### Description

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

#### SCHEDULING AND PROJECT STATUS

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

### Justification

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

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business Projects	4	3	1	1	1	1	1	2	2	2	2
Media Headlines	25	35	33	12	6	40	40	40	40	40	40

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	25,000	25,000	25,000	25,000	25,000	125,000
<b>Total</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>125,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Development Fund	25,000	25,000	25,000	25,000	25,000	125,000
<b>Total</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>125,000</b>

### Budget Impact/Other

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

# Economic Improvement Program

2021 *thru* 2025

Department 2-Business

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Business-06</b>
<b>Project Name</b>	<b>MIF/JCF Projects</b>

**Type** Program

**Useful Life** N/A

**Category** Business

**Priority** Yellow

**Key Measures** Businesses Assisted

**Key Measures** Jobs Created

**Key Measures** Applications Submitted

**Key Measures**

### Description

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

#### SCHEDULING AND PROJECT STATUS

The city has received four MIF awards, one each for Cargill, Nestle and IMRIS, and NatureWorks. In 2019, Carlson Wagonlit Travel received an award of up to \$450,000 through the Job Creation Fund and PeopleNet applied for funds through both the Minnesota Investment Fund and Job Creation Fund. The 2019 awards would likely flow through the city in 2020-2021.

### Justification

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

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Applications Submitted	0	3	0	1	2	2	1	1	1	1	1
Businesses Assisted	0	1	0	1	1	1	1	1	1	1	1
Jobs Created	0	11	0	20	250	50	50	50	50	50	50

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Construction/Maintenance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>5,000,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Development Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>5,000,000</b>

### Budget Impact/Other

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

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

# Economic Improvement Program

2021 *thru* 2025

Department 2-Business

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Business-07</b>
<b>Project Name</b>	<b>Open to Business</b>

**Type** Program

**Useful Life** N/A

**Category** Business

**Priority** Green

**Key Measures** Technical Assistance Hours

**Key Measures** Loans Made

**Key Measures** Businesses Assisted

**Key Measures** Jobs Created/Supported

### Description

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

#### SCHEDULING AND PRORJECT STATUS

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

### Justification

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

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Businesses Assisted	36	33	22	32	39	50	50	50	50	50	50
Tech. Assist. Hours	125	157	190	250	362	250	250	250	250	250	250
Loans Made	1	0	1	2	3	4	4	4	4	4	4
Jobs Created/Supported	N/A	N/A	5	41	61	25	25	25	25	25	25

Expenditures	2021	2022	2023	2024	2025	Total
Program Cost	15,000	15,000	15,000	15,000	15,000	75,000
<b>Total</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>75,000</b>

Funding Sources	2021	2022	2023	2024	2025	Total
Development Fund	15,000	15,000	15,000	15,000	15,000	75,000
<b>Total</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>75,000</b>

### Budget Impact/Other

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

# Economic Improvement Program

2021 *thru* 2025

Department 2-Business

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Business-08</b>
<b>Project Name</b>	<b>Outreach</b>

Type Program

Useful Life N/A

Category Business

Priority Green

Key Measures Business Contacts

Key Measures Newsletter Distributed

Key Measures Business Visits

Key Measures

### Description

Business outreach will take a more proactive approach in contacting businesses.

SCHEDULING AND PROJECT STATUS  
Staff is coordinating through "Sales Force", which is an online tool for cities, chambers and GreaterMSP to enter business contacts.

### Justification

Business outreach in the past has been reactive to business needs. This outreach is another tool in creating a more proactive approach in supporting business retention and expansion. Business retention and expansion efforts are part of a collaborative effort between staff and Twin West Chamber, Grow Minnesota, and GreaterMSP.

In 2018, staff developed the Thrive Business publication. The publication is distributed to 2,400 businesses bi-annually and is available as an electronic newsletter. Additionally, staff advertised the city in the 2019 edition of Thriving in the North, the state's economic development publication that features Minnesota Industries.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS  
Comprehensive Plan-Promote public involvement by residents and businesses, and actively communicate city values and services.

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

KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business Contacts	N/A	25	80	35	23	40	40	40	40	40	40
Business Visits	N/A	N/A	7	8	5	8	8	8	8	8	10
Newsletters Distributed	N/A	N/A	N/A	2	2	2	2	2	2	2	2
Online Contacts	N/A	N/A	N/A	0	428	500	525	550	600	650	700

Expenditures	2021	2022	2023	2024	2025	Total
Program Cost	25,000	25,000	25,000	25,000	25,000	125,000
<b>Total</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>125,000</b>

Funding Sources	2021	2022	2023	2024	2025	Total
HRA Levy	25,000	25,000	25,000	25,000	25,000	125,000
<b>Total</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>125,000</b>

### Budget Impact/Other

Funds are budgeted for a business survey, Thrive business publications, and business marketing materials. Future uses of funding could include business centric events and economic development advertising as noted in the Business Development Strategy.

Outreach will be coordinated with GreaterMSP and TwinWest Chamber.

**Economic Improvement Program**

2021 *thru* 2025

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

**City of Minnetonka, Minnesota**

**Project #** Business-11  
**Project Name** MPLS Regional Chamber

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

**Description**

TwinWest is the local Chamber of Commerce.  
 SCHEDULING AND PROJECT STATUS  
 In 2020, Twin West announced it's plans to consolidate with the Minneapolis Regional Chamber. The combined organization will represent more than 2,000 businesses, large and small, urban and suburban, across the Greater MSP area.

**Justification**

The city is a member of TwinWest, which allows the city to connect with area businesses. Additionally, TwinWest advocates for a number of issues which the city is involved with, such as Southwest LRT.  
 PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS  
 Comprehensive Plan-Maintain a partnership with the TwinWest Chamber and collaborate with other agencies to recognize existing and new businesses.  
 Strategic Plan-Support business retention and expansion and attracting new businesses to help our private sector be economically competitive.  
 KEY MEASURES  
 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025  
 Minnetonka business members  
 N/A N/A 75 75 100 100 TBD TBD TBD TBD TBD  
 Business visits  
 N/A N/A 7 8 8 8 TBD TBD TBD TBD TBD

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	5,000	5,000	5,000	5,000	5,000	25,000
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>25,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
General Fund	5,000	5,000	5,000	5,000	5,000	25,000
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>25,000</b>

**Budget Impact/Other**

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

# Economic Improvement Program

2021 *thru* 2025

Department 2-Business

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Business-14</b>
<b>Project Name</b>	<b>SAC/REC Deferral Program</b>

**Type** Program

**Useful Life** N/A

**Category** Business

**Priority** n/a

**Key Measures** Businesses Assisted

**Key Measures**

**Key Measures**

**Key Measures**

### Description

The goal of this program is to minimize the impact of the Metropolitan Council Sewer Availability Charge (SAC) and city's Sewer and Water Residential Equivalency Charges (REC's) to small businesses by allowing businesses to defer a portion of the repayment of fees over time.

In 2019, Boom Island participated in the program.

SCHEDULING AND PROJECT STATUS  
The program became available in June 2017.

### Justification

The Metropolitan Council developed the SAC deferral program in 2012. The program was developed to encourage and help communities promote business development by deferring community SAC payment and city REC payments.

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

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

KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
N/A	N/A	2	2	1	2	2	2	2	2	2

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Other	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Special Assessment Construction Fund	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

### Budget Impact/Other

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

# Economic Improvement Program

2021 *thru* 2025

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

## City of Minnetonka, Minnesota

**Project #** Business-16  
**Project Name** Emergency Business Assistance

**Key Measures** Buildings Assisted      **Key Measures** Loans Made  
**Key Measures**      **Key Measures**

### Description

In 2020, the EDA approved \$225,000 of the existing HRA levy fund balance to assist businesses impacted by COVID-19 with forgivable loans of up to \$7,500. The purpose of the forgivable loan was to ensure the preservation of employment opportunities through the prevention of business closures to promote long-term economic vitality in the community.

The EDAC should consider additional funding of \$50,000 through the HRA levy in 2021 to continue this effort.

**SCHEDULING AND PROJECT STATUS**  
 The program is conceptual.

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

### Justification

Emergency Business Assistance would provide assistance to local businesses continuing to be impacted by COVID-19 in 2021.

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

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	50,000	0	0	0	0	50,000
<b>Total</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
HRA Levy	50,000	0	0	0	0	50,000
<b>Total</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>

### Budget Impact/Other

There will need to be staff time committed to establishing and implementing the program.

No funding sources are committed for this program. It is possible that additional funding from the Federal Government, State of Minnesota, or Hennepin County could be allocated to cities in response to COVID-19 in 2021.



The following housing  
program pages are  
conceptual programs.

**Economic Improvement Program**

2021 *thru* 2025

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

**City of Minnetonka, Minnesota**

**Project #** Business-13  
**Project Name** Special Service District

**Key Measures** SSDs Established

**Key Measures**

**Key Measures**

**Key Measures**

**Description**

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

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

State legislation for Special Service Districts sunsets on June 30, 2028.

**Justification**

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

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

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

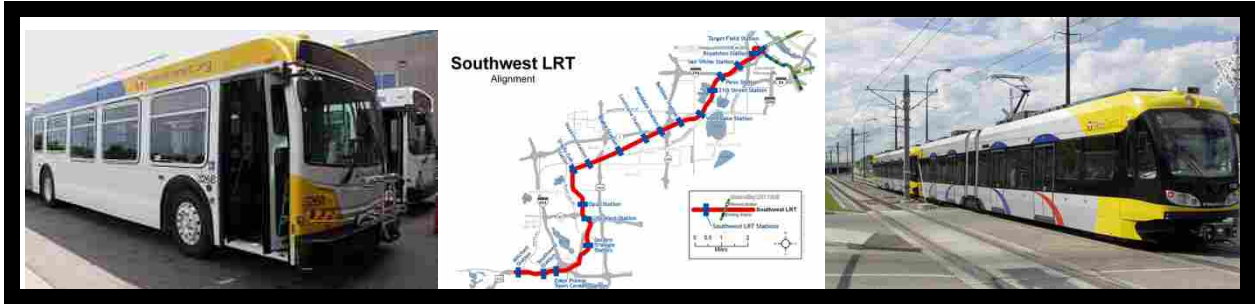
KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
0	0	0	0	0	0	0	0	0	0	0

**Budget Impact/Other**

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

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



# TRANSIT



**MINNETONKA  
ECONOMIC  
IMPROVEMENT  
PROGRAM**

## TRANSIT CHAPTER SUMMARY

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

The city’s role in transit in the past has been minimal as Metro Transit has been the provider of the city’s and the region’s transit system. In 2002, Minnetonka exercised its opt-out authority. It was determined at the time to be in the best interest of the city to have Metro Transit continue providing transit service for the community. In mid-2013, the city and Metro Transit renegotiated a contract in place providing more detail and clarity on the roles and responsibilities for both the city and Metro Transit. In 2020, the city extended the contract Until July 31, 2022 to coincide with the Metro Transit’s Network Next initiative to expand transit services.

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

- The total five-year estimated cost of the programs is \$148,000.

<b>Program</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>5-Year Total</b>
<b>Commuter Services (494)</b>	28,000	28,000	30,000	30,000	32,000	<b>\$148,000</b>
	<b>\$28,000</b>	<b>\$28,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$32,000</b>	<b>\$148,000</b>
<b>Conceptual Programs</b>						

Programs in green=funding/program is expected to continue  
 Programs in yellow=funding/program is uncertain for a number of reasons  
 Programs in red=funding/program is ending

- All facets of transit, such as commuting, bus/dial-a-ride, and Light Rail Transit (LRT) are included.
- In 2020, the contract with Metro Transit for service was extended until July 31, 2022.

# Economic Improvement Program

2021 *thru* 2025

Department 3-Transit

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Transit-01</b>
<b>Project Name</b>	<b>Commuter Services</b>

**Type** Program

**Useful Life** N/A

**Category** Transit

**Priority** Green

**Key Measures** Business Contacts

**Key Measures**

**Key Measures** Commuters Assisted

**Key Measures**

### Description

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

#### SCHEDULING AND PROJECT STATUS

This is an ongoing program.

### Justification

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

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Anticipate, plan for and collaborate with other agencies for local and regional transportation improvements and programs to lessen the impacts of congestion.

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

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business Contacts	182	170	191	180	122	190	190	190	190	200	200
Commuters Assisted	433	388	387	2018	277	450	450	450	450	500	500

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	28,000	28,000	30,000	30,000	32,000	148,000
<b>Total</b>	<b>28,000</b>	<b>28,000</b>	<b>30,000</b>	<b>30,000</b>	<b>32,000</b>	<b>148,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
General Fund	28,000	28,000	30,000	30,000	32,000	148,000
<b>Total</b>	<b>28,000</b>	<b>28,000</b>	<b>30,000</b>	<b>30,000</b>	<b>32,000</b>	<b>148,000</b>

### Budget Impact/Other

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

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

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

# Economic Improvement Program

2021 *thru* 2025

**Department** 3-Transit

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>Transit-02</b>
<b>Project Name</b>	<b>Transit Improvements</b>

**Type** Program

**Useful Life** N/A

**Category** Transit

**Priority** Green

**Key Measures** Annual Bus Trips

**Key Measures**

**Key Measures**

**Key Measures**

### Description

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

**SCHEDULING AND PROJECT STATUS**  
 Metro Transit is beginning a two-year effort, Network Next, to develop its vision for the bus network of 2040. Building on the existing network's strengths, they are setting out to identify expanded bus service across a spectrum of transit improvements, including improved local and express routes, new arterial bus rapid transit (BRT) lines and integrated shared mobility options. The Network Next Plan will be presented to the Met Council board in late 2022 for approval.

### Justification

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

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**  
 Comprehensive Plan-Encourage the expansion of multi-modal and transit services in the city with other government agencies to support resident and business transportation needs.

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

**KEY MEASURES**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Bus Trips	110,938	110,938	114,350	114,860	89,548	53,750	115,000	115,000	150,000	150,000	150,000
Annual LRT Trips	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	35,000	75,000	76,000

### Budget Impact/Other

Staff time of approximately 120 hours per year will be spent attending quarterly meetings, marketing, and consulting with Metro Transit staff.



# DEVELOPMENT AND REDEVELOPMENT

## DEVELOPMENT/REDEVELOPMENT CHAPTER SUMMARY

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

For the 2021-2025 Economic Improvement Program, there are four development/redevelopment programs underway.

- The total five-year estimated cost of the programs is \$825,000.

<b>Program</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>5-Year Total</b>
<b>Predevelopment</b>	75,000	75,000	75,000	75,000	75,000	<b>\$375,000</b>
<b>LRT &amp; Station Areas</b>	75,000	75,000	75,000	75,000	75,000	<b>\$375,000</b>
<b>Village Center Studies</b>	0	0	0	0	75,000	<b>\$75,000</b>
	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$225,000</b>	<b>\$825,000</b>
<b>Conceptual Programs</b>						

Programs in green=funding/program is expected to continue  
 Programs in yellow=funding/program is uncertain for a number of reasons  
 Programs in red=funding/program is ending

- Some of the pass-through grants identified in the business chapter may be for development/redevelopment activities.
- Costs may increase if the city wishes to take a more proactive role in development/redevelopment.
- The LRT page reflects the commitment by the city towards the LRT project. Additional programs may be needed to help implement station area plans in the Shady Oak and Opus station areas.



# Economic Improvement Program

2021 *thru* 2025

**Department** 4-Development & Redevelopm

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>Dev/Redev-01</b>
<b>Project Name</b>	<b>Pre-Development</b>

**Type** Program

**Useful Life** N/A

**Category** Develop/Redevelopment

**Priority** Green

**Key Measures** Projects Assisted

**Key Measures**

**Key Measures** Projects Continued

**Key Measures**

### Description

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

#### SCHEDULING AND PROJECT STATUS

This is an on-going program. Staff determines when it is appropriate to use for a potential redevelopment project. For example, initial TIF runs were done for the Tonka on the Creek, Shady Oak Apartments, The Mariner, Dominion Apartments, and Marsh Run to determine if Tax Increment Financing would be feasible. Once it was determined that it was, and the developer moved forward as such, the developer was then responsible for paying all legal counsel and financial consultant expenses.

In 2019, the city hired a facilitator to assist with meetings for the Opus/Launch redevelopment conversations.

### Justification

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

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Support existing commercial areas and encourage new development techniques that contribute to the vitality and diversity of the area.

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

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Projects Assisted	2	2	3	4	3	3	2	2	2	2	2
Projects Continued after Assistance	1	1	2	2	2	3	1	1	1	2	2

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Planning/Design	75,000	75,000	75,000	75,000	75,000	375,000
<b>Total</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>375,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Development Fund	75,000	75,000	75,000	75,000	75,000	375,000
<b>Total</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>375,000</b>

### Budget Impact/Other

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

# Economic Improvement Program

2021 thru 2025

Department 4-Development & Redevelopm

## City of Minnetonka, Minnesota

Contact Community Development

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

Type Program

Useful Life N/A

Category Develop/Redevelopment

Priority Green

Key Measures Village Centers Studied

Key Measures

Key Measures Comprehensive Plan update

Key Measures

### Description

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

In 2019, the city will begin a redevelopment visioning process for the city owned property at 5937 County Road 101. Additionally, the city received a grant through Hennepin County to assist with creating Opus design guidelines and implementation strategies. The city hired Asukura Robinson and WSB to assist with this effort. Recreation is coordinating with Community Development to develop the guidelines.

In 2020, the fund assisted with preparing an AUAR for Opus. The study will be completed by the end of 2020.

### Justification

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

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

#### KEY MEASURES

2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

Village Centers Studied

1 1 N/A N/A 2 TBD TBD TBD TBD TBD TBD

Expenditures	2021	2022	2023	2024	2025	Total
Planning/Design	0	0	0	75,000	0	75,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,000</b>	<b>0</b>	<b>75,000</b>

Funding Sources	2021	2022	2023	2024	2025	Total
HRA Levy	0	0	0	75,000	0	75,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,000</b>	<b>0</b>	<b>75,000</b>

### Budget Impact/Other

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

The Opus Design Guidelines and Implementation Strategies Study is being funded through the Parks and Trail Improvement Fund.

Funds were budgeted in 2024 to consider completing a village center study at Cedar Lake Rd/73rd,

# Economic Improvement Program

2021 *thru* 2025

**Department** 4-Development & Redevelopm

## City of Minnetonka, Minnesota

**Contact** Community Development

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

**Type** Construction

**Useful Life** N/A

**Category** Develop/Redevelopment

**Priority** Green

**Key Measures**

**Key Measures**

**Key Measures**

**Key Measures**

### Description

Minnetonka has actively been planning for LRT since the early 2000's. As the LRT project progresses from design to construction there is a desire for redevelopment to occur around the city's station areas to make a more transit oriented area. Southwest LRT Milestones:

Project received "Limited Notice to Proceed" on December 20, 2018 (completed)

Construction begins on site preparation, demolition, utility work, contractor mobilization contractor authorized to perform work up to \$216 million (underway)

March 2019- Metropolitan Council performing pre-construction inspections

Contractor to submit full schedule of activities in Q3 2019

Full Funding Grant Agreement - August 2019

Heavy Construction 2019-2022

2023 - Service begins

### Justification

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

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

### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

### KEY MEASURES

TBD

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	75,000	75,000	75,000	75,000	75,000	375,000
<b>Total</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>375,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
HRA Levy	75,000	75,000	75,000	75,000	75,000	375,000
<b>Total</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>375,000</b>

### Budget Impact/Other

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

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

# Economic Improvement Program

2021 *thru* 2025

**Department** 4-Development & Redevelopm

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>Dev/Redev-05</b>
<b>Project Name</b>	<b>City Owned Properties</b>

**Type** Program

**Useful Life** N/A

**Category** Develop/Redevelopment

**Priority** n/a

**Key Measures**

**Key Measures**

**Key Measures**

**Key Measures**

**Description**

The city owns scattered site residential and commercial properties. These properties have been purchased over the years for a variety of reasons that includes potential for future redevelopment/resale or to meet other city goals.

The city's land management committee is tasked with reviewing potential acquisitions and reviewing the status of the city's existing properties.

**SCHEDULING AND PROJECT STATUS**  
This is an on-going project.

**Justification**

Some city-owned properties include:

- 4292 Oak Drive Lane (residential)
- 4312 Shady Oak Road (commercial) - Proposed sale in 2020
- 5937 County Road 101 (residential) - Redevelopment discussions held in 2019
- 5501 Baker Road (residential)
- 5432 Rowland Road (residential)
- 3441 Martha Lane (residential)
- 4700 Woodland Rd (residential)

The city also owns several other parcels that may not meet the qualifications for future redevelopment or resale. One example is land purchased for storm water management. The city's land committee monitors and manages the city's land inventory.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**

Comprehensive Plan-Encourage a diversity of land uses within the city to ensure a broad range of housing and employment choice, shopping and other services for residents and businesses.

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

**KEY MEASURES**  
TBD

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Other	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Other	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Budget Impact/Other**

There is some staff time every year devoted to the upkeep on the properties; however, a property manager is hired for properties where there are tenants, lessening the staff time required. The city also owns several parcels for purposes such as storm water management, wetland preservation, parks, etc.



# TAX INCREMENT FINANCING



**MINNETONKA  
ECONOMIC  
IMPROVEMENT  
PROGRAM**

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>TIF-01</b>
<b>Project Name</b>	<b>Development Agreement and TIF Administration</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** TIF Districts

**Key Measures**

**Key Measures**

**Key Measures**

### Description

Any time a TIF district is formed, a development agreement is prepared between the city and the developer. Administration for both the TIF and the development agreement, over the life of the TIF district, is required.

#### SCHEDULING AND PROJECT STATUS

Administration and review of the existing development agreements and TIF districts is ongoing until the projects expire.

New TIF districts are anticipated to be added as new redevelopment projects are proposed in anticipation of the LRT.

### Justification

In some cases redevelopment projects need city assistance, such as in the form of Tax Increment Financing (TIF) in order for the project to be financially feasible. Anytime a TIF district is set-up there is a cost to the city for monitoring the project.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Encourage redevelopment projects that include mixed income housing, including affordable units, while balancing density and the preservation of natural resources.

#### Strategic Plan-

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

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Active TIF Districts	7	7	7	8	9	9	8	8	8	8	8

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Other	140,000	140,000	130,000	130,000	130,000	670,000
<b>Total</b>	<b>140,000</b>	<b>140,000</b>	<b>130,000</b>	<b>130,000</b>	<b>130,000</b>	<b>670,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Development Fund	140,000	140,000	130,000	130,000	130,000	670,000
<b>Total</b>	<b>140,000</b>	<b>140,000</b>	<b>130,000</b>	<b>130,000</b>	<b>130,000</b>	<b>670,000</b>

### Budget Impact/Other

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

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>TIF-02</b>
<b>Project Name</b>	<b>Beacon Hill TIF District</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Yellow

**Key Measures** Affordable Units

**Key Measures**

**Key Measures**

**Key Measures**

### Description

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

#### SCHEDULING AND PROJECT STATUS

This TIF district was approved in 1994 and will expire in 2021.

All of the original obligations were paid on the district by 2009. At that time though the EDA modified the district at that time to keep it open in order to keep the affordability in some of the units. With the revised contract stipulates the city extended the assistance for affordability, but reduces the percent of increment paid to the development, 90% for five years (2015) and decreases by 10% every year until 2020. The developer's note was paid in full in 2017.

### Justification

The Beacon Hill TIF District was established to assist in the development of 152 total units, of which, 61 units are affordable to those at 60% AMI or less.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

#### KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Affordable Units										
61	61	61	61	61	61	N/A	N/A	N/A	N/A	N/A

### Budget Impact/Other

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

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

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>TIF-03</b>
<b>Project Name</b>	<b>Boulevard Gardens TIF District</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units

**Key Measures**

**Key Measures** Projects Assisted

**Key Measures**

### Description

The Boulevard Gardens TIF district was adopted December 11, 1995 to facilitate the redevelopment and affordable housing built at West Ridge Market, beginning in 1996. Over 500 housing units were created with over 200 of those units as affordable ownership and rental. West Ridge Market was one of the very first Metropolitan Council Livable Communities Demonstration projects.

**SCHEDULING AND PROJECT STATUS**  
 This TIF district was approved in 1995, and will expire in 2022. The developer's note was paid in full in 2011. The housing affordability, set at 30 years, will expire between 2025 and 2027 depending on the component.

In 2010 a TIF plan modification was made using the "Jobs Bill" legislation to allow for special TIF pooling for affordable housing as well as \$100,000 to pay for the utility costs associated with the construction of The Glenn by St. Therese in the Glenhaven TIF District. This district is the primary source of TIF pooling that is being utilized for affordable housing.

### Justification

The development agreement expired with the final TIF payment in 2011. This district has a maximum life of 26 years. The city can use the cash balance of \$290,352 to pool for other redevelopment eligible projects in the city. The city may utilize approximately \$150,000 of the balance in 2020 to fund a stormwater pipe upgrade at Shady Oak Station Area.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**  
 Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.  
 Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

**KEY MEASURES**

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Affordable Units	185	185	185	185	185	185	185	185	185	185

### Budget Impact/Other

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

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.



# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>TIF-04</b>
<b>Project Name</b>	<b>Glenhaven TIF District</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units

**Key Measures**

**Key Measures**

**Key Measures**

### Description

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

#### SCHEDULING AND PROJECT STATUS

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

TIF revenue bonds were issued in 2010 and have a lien on the current TIF revenues. Annually, after the bonds are paid, the excess increment will pay the city's \$500,000 interfund loan. In 2017, the city allowed the bonds to be refinanced which resulted in interest savings that will repay the interfund loan by 2026 and provide approximately \$366,000 at the end of the district for other redevelopment projects. Next, the developer's pay as you go note is paid, and once that is paid off, then the city will repay itself for costs associated with the Alano facility. Even with the third phase, it's not likely the developer's note or the city's costs with Alano will be repaid.

### Justification

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

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

#### Strategic Plan-

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

#### KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Affordable Units										
43	43	43	43	43	43	43	43	43	43	43

### Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the TIF district. A portion of the tax increment is retained to cover administrative costs. More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

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

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units

**Key Measures**

**Key Measures**

**Key Measures**

### Description

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

#### SCHEDULING AND PROJECT STATUS

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

### Justification

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

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Affordable Units	N/A	20	20	20	20	20	20	20	20	20	20

### Budget Impact/Other

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

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

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.

**Economic Improvement Program**

2021 *thru* 2025

**Department** 5-TIF Districts

**City of Minnetonka, Minnesota**

**Contact** Community Development

<b>Project #</b>	<b>TIF-07</b>
<b>Project Name</b>	<b>Applewood Pointe TIF District</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units

**Key Measures**

**Key Measures**

**Key Measures**

**Description**

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

**SCHEDULING AND PROJECT STATUS**

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

**Justification**

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

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**

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

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

**KEY MEASURES**

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Affordable Units</b>										
N/A	9	9	9	9	9	9	9	9	9	9

Affordable Units

N/A 9 9 9 9 9 9 9 9 9 9

**Budget Impact/Other**

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

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

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

**Project #** TIF-08  
**Project Name** Rowland Housing TIF District (At Home)

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units

**Key Measures**

**Key Measures**

**Key Measures**

### Description

At Home apartments is a 106-unit apartment building that received TIF assistance through a housing TIF district. Twenty-one units are affordable to those at 50% AMI or less.

#### SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2015 and will end in 2043. Construction began in 2015 and was completed in 2016.

### Justification

This TIF district includes 21 of the 106 rental units affordable to those earning 50% AMI or less.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

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

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

#### KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Affordable Units										
N/A	21	21	21	21	21	21	21	21	21	21

### Budget Impact/Other

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

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

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.

**Economic Improvement Program**

2021 *thru* 2025

**Department** 5-TIF Districts

**City of Minnetonka, Minnesota**

**Contact** Community Development

**Project #** TIF-09  
**Project Name** Dominion TIF District (Legends/Preserve)

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units Created

**Key Measures**

**Key Measures**

**Key Measures**

**Description**

Dominium apartments is a 482 multifamily housing project that received TIF assistance through a housing TIF district. All 482 units are affordable to those at 60% AMI.

The project includes 262 senior housing units and 220 workforce units.

**SCHEDULING AND PROJECT STATUS**

The TIF district was approved in 2018 and will end in 2045. Construction began in the winter of 2018 and is anticipated to be completed in 2022.

**Justification**

This TIF district includes 482 units affordable to those earning 60% AMI or less.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**

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

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

**KEY MEASURES**

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
N/A	N/A	N/A	N/A	N/A	N/A	N/A	482	482	482	482

Affordable Units

N/A N/A N/A N/A N/A N/A N/A 482 482 482 482

**Budget Impact/Other**

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

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

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.

**Economic Improvement Program**

2021 *thru* 2025

**Department** 5-TIF Districts

**City of Minnetonka, Minnesota**

**Contact** Community Development

<b>Project #</b>	<b>TIF-10</b>
<b>Project Name</b>	<b>Marsh Run TIF District</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units Created

**Key Measures**

**Key Measures**

**Key Measures**

**Description**

Marsh Run is a 175 multifamily housing project that received TIF assistance through a Housing TIF district. The project is anticipated to have 20% (35 units) of the units affordable to those at 50% AMI.

**SCHEDULING AND PROJECT STATUS**

The TIF district was approved in 2019 and will terminate in 2046. Construction is anticipated to begin in 2019 and is anticipated to be completed in 2021.

**Justification**

This project includes 35 affordable units (20% of building) to those earning 50% AMI or less.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**

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

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

**KEY MEASURES**

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Affordable Units									
N/A	N/A	N/A	N/A	N/A	N/A	35	35	35	35

**Budget Impact/Other**

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

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

The TIF Management Report will be updated in 2020 and will include information on the Marsh Run TIF District.

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>TIF-11</b>
<b>Project Name</b>	<b>Shady Oak Crossing</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units Created

**Key Measures**

**Key Measures**

**Key Measures**

### Description

Shady Oak Crossing is a 75 unit multifamily project that will receive TIF assistance through the establishment of a redevelopment district. The project is anticipated to have 20% (23 units) of the units affordable to those at 60% AMI.

### Justification

This project includes 35 affordable units (20% of building) to those earning 50% AMI or less.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**

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

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

**KEY MEASURES**

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
N/A	N/A	N/A	N/A	N/A	N/A	N/A	23	23	23	23

### Budget Impact/Other

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

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

The TIF Management Report will be updated in 2020 and will include information on the Shady Oak Crossing Redevelopment TIF District.



# TAX ABATEMENT



# Economic Improvement Program

2021 *thru* 2025

**Department** 6-Tax Abatement

## City of Minnetonka, Minnesota

**Contact** Community Development

**Project #** Abatement-1  
**Project Name** Ridgedale

**Type** Improvement

**Useful Life** N/A

**Category** Tax Abatement

**Priority** Green

**Key Measures** Property Value Increase

**Key Measures**

**Key Measures** Property Levy

**Key Measures**

### Description

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

#### SCHEDULING AND PROJECT STATUS

The Ridgedale Tax Abatement project was approved in Spring 2013.

### Justification

The Ridgedale Tax Abatement will assist in financing the transportation and other public improvements that must be completed due to the Ridgedale Mall expansion.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Manage the impact of new development upon the local transportation system and encourage the use of Transportation Demand Management (TDM) and other traffic management techniques.

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

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Property Value Increase	5.5%	5.3%	20%	%0.4	%0.3	%0.4	INFORMATION WILL BE AVAILABLE BY JULY				
Property Levy	0	\$26,000	\$81,000	\$300	\$60,000	\$65,000	\$70,000	\$75,000	\$80,000	\$85,000	\$90,000

### Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the Tax Abatement.

A portion of the abatement is retained to cover administrative costs.



# FUNDING SOURCES AND EXPENDITURE PROJECTIONS



MINNETONKA  
ECONOMIC  
IMPROVEMENT  
PROGRAM

## FUND DESCRIPTIONS

*Development Fund (2020 estimated beginning fund balance): \$3,336,506*

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

*Livable Communities Fund (2020 estimated beginning fund balance): \$400,000*

The Livable Communities fund was created after receiving special legislation to develop an account from the revenues of a closed Tax Increment Finance (TIF) district. The legislation specifically restricts the use of these funds for affordable housing programs. Standards for affordability are consistent with the Metropolitan Council's income, rent and sales price limits. In 2017, \$400,000 was returned to from the sale of Minnetonka Heights. The original source of this funding indicated that the reuse of the funds must be utilized for affordable housing. The remaining balance is committed to Homes Within Reach.

*Community Development Block Grant (CDBG) \$132,614 (estimate)*

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

*HRA Levy (Proposed for 2021): \$300,000 (estimate)*

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

*TIF Pooling (2020 estimated beginning fund balance): \$5,193,714 (Boulevard Gardens), \$936,386 (Beacon Hill/Tonka on the Creek/Rowland)*

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

**SUMMARY TABLE  
EIP 2021  
Expenditures by Category & Fund**

Category	Program	Total	Fund					
			CDBG (Entitlement Funds)	Devpt Fund	HRA Levy	Livable Com Fund	TIF Pooling	Other
<b>Housing:</b>								
	CDBG Entitlement (Prior to 2018)	\$ 254,417	\$ 254,417					
	CDBG Consortium (2018 - Future)	\$ -						
	Homes Within Reach	\$ -						
	Housing Improvement Areas	\$ 1,000,000						\$ 1,000,000
	Welcome to Minnetonka	\$ 50,000			50,000			
	Mtka Home Enhancement	\$ 50,000			50,000			
	Housing Trust Fund (Rental Assistance)	\$ 50,000			50,000			
	<i>Subtotal</i>	<b>\$ 1,404,417</b>	<b>\$ 254,417</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>
<b>Business:</b>								
	Fire Sprinkler Retrofit	\$ 50,000						50,000
	Pass-Through Grants	\$ 2,600,000		2,600,000				
	GreaterMSP	\$ 25,000		25,000				
	MIF/JCF	\$ 1,000,000		1,000,000				
	Open to Business	\$ 15,000		15,000				
	Outreach	\$ 25,000			25,000			
	MN Regional Chamber	\$ 5,000						10,000
	SAC/REC Deferral Program	\$ 50,000						50,000
	Emergency Business Assistance	\$ 50,000			50,000			
	<i>Subtotal</i>	<b>\$ 3,825,000</b>	<b>\$ -</b>	<b>\$ 3,640,000</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 110,000</b>
<b>Transit:</b>								
	Commuter Services	\$ 28,000						28,000
	Transit Improvements	\$ -						
	<i>Subtotal</i>	<b>\$ 28,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,000</b>
<b>Devpt &amp; Redeopt:</b>								
	Predevelopment	\$ 75,000		75,000				
	LRT and Station Area	\$ 75,000			75,000			
	<i>Subtotal</i>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TIF Districts:</b>								
	Devpt Agmt & TIF Admin	\$ 140,000		140,000				
	<i>Subtotal</i>	<b>\$ 140,000</b>	<b>\$ -</b>	<b>\$ 140,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Tax Abatement:</b>								
	Ridgedale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Subtotal</i>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTALS</b>		<b>\$ 5,547,417</b>	<b>\$ 254,417</b>	<b>\$ 3,855,000</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,138,000</b>

**EIP 2021-2030**  
**All Categories**  
**Funding Sources and Expenditure Projections**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	TOTAL
<b>Method of Financing</b>											
Development Account	\$ 3,855,000	\$ 3,255,000	\$ 2,245,000	\$ 2,245,000	\$ 1,745,000	\$ 1,745,000	\$ 1,745,000	\$ 1,745,000	\$ 1,745,000	\$ 1,745,000	\$ 22,070,000
Livable Communities Account	-	-	-	-	-	-	-	-	-	-	-
General Fund	33,000	33,000	35,000	35,000	37,000	37,000	39,000	39,000	41,000	41,000	370,000
Federal Grant (CDBG) - Entitlement	254,417	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	569,417
Federal Grant (CDBG) - Consortium	-	-	-	-	-	-	-	-	-	-	\$ -
Ad Valorem Tax Levy	300,000	325,000	325,000	400,000	325,000	250,000	250,000	250,000	250,000	250,000	2,925,000
Pooled TIF Funds- Blvd Gardens	-	-	-	-	-	-	-	-	-	-	\$ -
Pooled TIF Funds - Beacon/Tonka/Rowland	-	-	-	-	-	-	-	-	-	-	\$ -
Revenue Bonds	-	-	-	-	-	-	-	-	-	-	3,930,000
Other	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	11,000,000
<b>Total Funding Sources</b>	<b>\$ 5,542,417</b>	<b>\$ 4,748,000</b>	<b>\$ 3,740,000</b>	<b>\$ 3,815,000</b>	<b>\$ 3,242,000</b>	<b>\$ 3,167,000</b>	<b>\$ 3,169,000</b>	<b>\$ 3,169,000</b>	<b>\$ 3,171,000</b>	<b>\$ 3,171,000</b>	<b>\$ 36,934,417</b>
<b>Expenditures</b>											
Housing	\$ 1,404,417	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 12,744,417
Business	3,820,000	3,170,000	2,170,000	2,170,000	1,670,000	1,670,000	1,670,000	1,670,000	1,670,000	1,670,000	21,350,000
Transit	28,000	28,000	30,000	30,000	32,000	32,000	34,000	34,000	36,000	36,000	320,000
Development/Redevelopment	150,000	150,000	150,000	225,000	150,000	75,000	75,000	75,000	75,000	75,000	1,200,000
TIF Admin	140,000	140,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	1,320,000
<b>Total Expenditures</b>	<b>\$ 5,542,417</b>	<b>\$ 4,748,000</b>	<b>\$ 3,740,000</b>	<b>\$ 3,815,000</b>	<b>\$ 3,242,000</b>	<b>\$ 3,167,000</b>	<b>\$ 3,169,000</b>	<b>\$ 3,169,000</b>	<b>\$ 3,171,000</b>	<b>\$ 3,171,000</b>	<b>\$ 36,934,417</b>

City of Minnetonka, Minnesota  
*Economic Improvement Program*  
 2021 thru 2030

**SOURCES AND USES OF FUNDS**

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>CDBG</b>										
<b>Beginning Balance</b>	254,417	40,000	45,000	50,000	55,000	70,000	85,000	100,000	115,000	130,000
<b>Revenues and Other Fund Sources</b>										
<i>Revenue</i>										
Federal grant	0	0	0	0	0	0	0	0	0	0
program income	40,000	40,000	40,000	40,000	50,000	50,000	50,000	50,000	50,000	0
<i>Total</i>	40,000	40,000	40,000	40,000	50,000	50,000	50,000	50,000	50,000	0
<b>Total Revenues and Other Fund Sources</b>	40,000	40,000	40,000	40,000	50,000	50,000	50,000	50,000	50,000	0
<b>Total Funds Available</b>	294,417	80,000	85,000	90,000	105,000	120,000	135,000	150,000	165,000	130,000
<b>Expenditures and Uses</b>										
<i>Capital Projects &amp; Equipment</i>										
<i>1-Housing</i>										
CDBG Entitlement (Prior to 2018) <span style="float: right;"><i>Housing-20</i></span>	(254,417)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
<i>Total</i>	(254,417)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
<b>Total Expenditures and Uses</b>	(254,417)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
<b>Change in Fund Balance</b>	(214,417)	5,000	5,000	5,000	15,000	15,000	15,000	15,000	15,000	(35,000)
<b>Ending Balance</b>	40,000	45,000	50,000	55,000	70,000	85,000	100,000	115,000	130,000	95,000

City of Minnetonka, Minnesota  
*Economic Improvement Program*  
 2021 thru 2030

**SOURCES AND USES OF FUNDS**

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Development Fund</b>										
<b>Beginning Balance</b>	3,336,506	2,677,636	1,500,766	1,436,896	1,368,026	1,299,156	1,220,286	1,141,416	1,062,546	983,676
<b>Revenues and Other Fund Sources</b>										
<i>Revenue</i>										
No Funds	0	0	0	0	0	0	0	0	0	0
Cedar Ridge Assessments	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	0
Cloud 9 Admin	1,630	1,630	1,630	1,630	1,630	1,630	1,630	1,630	1,630	0
Grants	3,000,000	2,000,000	2,000,000	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0
Interest Income	15,000	15,000	20,000	15,000	15,000	15,000	15,000	15,000	15,000	0
TIFAdmin Revenue	130,000	12,000	110,000	110,000	110,000	100,000	100,000	100,000	100,000	0
<b>Total</b>	3,196,130	2,078,130	2,181,130	2,176,130	1,676,130	1,666,130	1,666,130	1,666,130	1,666,130	0
<b>Total Revenues and Other Fund Sources</b>	3,196,130	2,078,130	2,181,130	2,176,130	1,676,130	1,666,130	1,666,130	1,666,130	1,666,130	0
<b>Total Funds Available</b>	6,532,636	4,755,766	3,681,896	3,613,026	3,044,156	2,965,286	2,886,416	2,807,546	2,728,676	983,676
<b>Expenditures and Uses</b>										
<i>Capital Projects &amp; Equipment</i>										
<i>2-Business</i>										
Pass-Through Grants	<i>Business-02</i>	(2,600,000)	(2,000,000)	(1,000,000)	(1,000,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
GreaterMSP	<i>Business-04</i>	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	0
MIF/JCF Projects	<i>Business-06</i>	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Open to Business	<i>Business-07</i>	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Special Service District	<i>Business-13</i>	0	0	0	0	0	0	0	0	0
<b>Total</b>		(3,640,000)	(3,040,000)	(2,040,000)	(2,040,000)	(1,540,000)	(1,540,000)	(1,540,000)	(1,540,000)	(1,515,000)

Source		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Development Fund</b>											
<u>4-Development &amp; Redevelopment</u>											
Pre-Development	<i>Dev/Redev-01</i>	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
	<b>Total</b>	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
<u>5-TIF Districts</u>											
Development Agreement and TIF Administration	<i>TIF-01</i>	(140,000)	(140,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)
	<b>Total</b>	(140,000)	(140,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)
<b>Total Expenditures and Uses</b>		(3,855,000)	(3,255,000)	(2,245,000)	(2,245,000)	(1,745,000)	(1,745,000)	(1,745,000)	(1,745,000)	(1,745,000)	(1,720,000)
<b>Change in Fund Balance</b>		(658,870)	(1,176,870)	(63,870)	(68,870)	(68,870)	(78,870)	(78,870)	(78,870)	(78,870)	(1,720,000)
<b>Ending Balance</b>		2,677,636	1,500,766	1,436,896	1,368,026	1,299,156	1,220,286	1,141,416	1,062,546	983,676	(736,324)



City of Minnetonka, Minnesota  
*Economic Improvement Program*  
 2021 thru 2030

**SOURCES AND USES OF FUNDS**

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>HRA Levy</b>										
<b>Beginning Balance</b>	300,000	247,000	169,000	91,000	(62,000)	(140,000)	(218,000)	(296,000)	(374,000)	(452,000)
<b>Revenues and Other Fund Sources</b>										
<i>Revenue</i>										
Ad Valorem Tax Levy	225,000	225,000	225,000	225,000	225,000	150,000	150,000	150,000	150,000	0
Investment Interest	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	0
Loan paybacks	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	0
<b>Total</b>	247,000	247,000	247,000	247,000	247,000	172,000	172,000	172,000	172,000	0
<b>Total Revenues and Other Fund Sources</b>	247,000	247,000	247,000	247,000	247,000	172,000	172,000	172,000	172,000	0
<b>Total Funds Available</b>	547,000	494,000	416,000	338,000	185,000	32,000	(46,000)	(124,000)	(202,000)	(452,000)
<b>Expenditures and Uses</b>										
<i>Capital Projects &amp; Equipment</i>										
<u>1-Housing</u>										
Homes Within Reach	0	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
Minnetonka Home Enhancement	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Welcome to Minnetonka Loan Program	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Housing Trust Fund	(50,000)	0	0	0	0	0	0	0	0	0
<b>Total</b>	(150,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
<u>2-Business</u>										
Outreach	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Emergency Business Assistance	(50,000)	0	0	0	0	0	0	0	0	0

Source		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>HRA Levy</b>											
	<i>Total</i>	(75,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
<u>4-Development &amp; Redevelopment</u>											
Village Center Studies and Comprehensive Plan	<i>Dev/Redev-02</i>	0	0	0	(75,000)	0	0	0	0	0	0
LRT and LRT Station Area Development	<i>Dev/Redev-03</i>	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	0	0	0	0	0
Future HRA Levy projects	<i>Dev/Redev-06</i>	0	0	0	0	0	0	0	0	0	0
	<i>Total</i>	(75,000)	(75,000)	(75,000)	(150,000)	(75,000)	0	0	0	0	0
<b>Total Expenditures and Uses</b>		(300,000)	(325,000)	(325,000)	(400,000)	(325,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
<b>Change in Fund Balance</b>		(53,000)	(78,000)	(78,000)	(153,000)	(78,000)	(78,000)	(78,000)	(78,000)	(78,000)	(250,000)
<b>Ending Balance</b>		247,000	169,000	91,000	(62,000)	(140,000)	(218,000)	(296,000)	(374,000)	(452,000)	(702,000)

City of Minnetonka, Minnesota  
*Economic Improvement Program*  
 2021 thru 2030

**SOURCES AND USES OF FUNDS**

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Livable Communities Fund</b>										
<b>Beginning Balance</b>	400,000	401,000	402,000	403,000	404,000	405,000	406,000	407,000	408,000	409,000
<b>Revenues and Other Fund Sources</b>										
<i>Revenue</i>										
Interest Income	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0
<i>Total</i>	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0
<b>Total Revenues and Other Fund Sources</b>	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0
<b>Total Funds Available</b>	401,000	402,000	403,000	404,000	405,000	406,000	407,000	408,000	409,000	409,000
<b>Expenditures and Uses</b>										
<i>Other Uses</i>										
Committed HWR Funding	0	0	0	0	0	0	0	0	0	0
<i>Total</i>	0	0	0	0	0	0	0	0	0	0
<b>Total Expenditures and Uses</b>	0	0	0	0	0	0	0	0	0	0
<b>Change in Fund Balance</b>	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0
<b>Ending Balance</b>	401,000	402,000	403,000	404,000	405,000	406,000	407,000	408,000	409,000	409,000

City of Minnetonka, Minnesota  
*Economic Improvement Program*  
 2021 thru 2030

**SOURCES AND USES OF FUNDS**

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>TIF Pooling/Beacon/Tonka/Row</b>										
<b>Beginning Balance</b>	936,386	1,184,863	1,216,384	1,248,062	1,279,935	1,311,901	1,344,057	1,376,374	1,408,852	1,441,493
<b>Revenues and Other Fund Sources</b>										
<i>Revenue</i>										
Beacon/Tonka/Row TIF Pooling	248,477	31,521	31,678	31,873	31,966	32,156	32,317	32,478	32,641	0
<i>Total</i>	248,477	31,521	31,678	31,873	31,966	32,156	32,317	32,478	32,641	0
<b>Total Revenues and Other Fund Sources</b>	248,477	31,521	31,678	31,873	31,966	32,156	32,317	32,478	32,641	0
<b>Total Funds Available</b>	1,184,863	1,216,384	1,248,062	1,279,935	1,311,901	1,344,057	1,376,374	1,408,852	1,441,493	1,441,493
<b>Expenditures and Uses</b>										
<i>Capital Projects &amp; Equipment</i>										
<i>1-Housing</i>										
Afford. Housing-TIF Pooling/Beacon/Tonka/Row										
<i>Total</i>	0	0	0	0	0	0	0	0	0	0
<b>Total Expenditures and Uses</b>	0	0	0	0	0	0	0	0	0	0
<b>Change in Fund Balance</b>	248,477	31,521	31,678	31,873	31,966	32,156	32,317	32,478	32,641	0
<b>Ending Balance</b>	1,184,863	1,216,384	1,248,062	1,279,935	1,311,901	1,344,057	1,376,374	1,408,852	1,441,493	1,441,493

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>TIF Pooling/Blvd Gardens</b>										
<b>Beginning Balance</b>	5,193,714	5,318,854	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173
<b>Revenues and Other Fund Sources</b>										
<i>Revenue</i>										
Blvd Gardens/TIF Pooling	681,319	681,319	0	0	0	0	0	0	0	0
<i>Total</i>	681,319	681,319	0	0	0	0	0	0	0	0
<b>Total Revenues and Other Fund Sources</b>	681,319	681,319	0	0	0	0	0	0	0	0
<b>Total Funds Available</b>	5,875,033	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173
<b>Expenditures and Uses</b>										
<i>Capital Projects &amp; Equipment</i>										
<i>1-Housing</i>										
Affordable Housing via TIF Pooling/Blvd Gardens <i>Housing-12</i>	0	0	0	0	0	0	0	0	0	0
<i>Total</i>	0	0	0	0	0	0	0	0	0	0
<i>Other Uses</i>										
TIF Pooling/Blvd Gardens	(556,179)	0	0	0	0	0	0	0	0	0
<i>Total</i>	(556,179)	0	0	0	0	0	0	0	0	0
<b>Total Expenditures and Uses</b>	(556,179)	0	0	0	0	0	0	0	0	0
<b>Change in Fund Balance</b>	125,140	681,319	0	0	0	0	0	0	0	0
<b>Ending Balance</b>	5,318,854	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173

City of Minnetonka  
Housing TIF District No. 2 Beacon Hill

DISTRICT INFORMATION	
ORIGINAL	
District Type	Housing
Project Area	Glen Lake Station
Fiscal Disparities	A Election
County Number	1458
Frozen Rate	UTA #1 132.577%
	UTA #2 0.000%
	UTA #3 0.000%

ASSUMPTIONS	
Interest Income	0.50%
Admin Expense	10.00%

RECOMMENDATIONS	
1) Discuss with attorney regarding the use of increment for housing after obligation is finished	
2) May need a budget modification before the district expires	
3) Admin. Expense is currently:	9.4% <b>At or Under Limit</b>

Current Year 2018

TIF PLAN BUDGET ANALYSIS																		
Decertifies						Revenues				Expenditures								
	First Receipt	City Approved	Cert Request	Certified	Legal Term	Expected Term	Tax Increment	Other Revenue	Interest Income	TOTAL REVENUES	Project	Affordable Housing	Paygo	Admin Expense	Outside District	Other Expense	TOTAL EXPENSE	Total Budget
Original Budget	1996	2/14/1994	4/19/1994	9/19/1994	12/31/2021	12/31/2021				-							-	-
Cumulative Modified		10/5/2009					4,256,000	-	-	4,256,000	2,106,000	400,000	1,400,000	350,000			4,256,000	4,256,000
End of District Projected Actual Total							4,312,570	27,464	436	4,340,469	-	1,084,699	2,886,528	369,242	-	-	4,340,469	4,340,469
Under / (Over) Budget							(56,570)	(27,464)	(436)	(84,469)	2,106,000	(684,699)	(1,486,528)	(19,242)	-	-	(84,469)	(84,469)

CASH FLOW PROJECTIONS ROLL UP																		
		TAX CAPACITY				Current Local	Revenues				Expenditures					Increment		
TIF Year	Year	Base	Current	Fiscal Disparities	Captured	Tax Rate	Tax Increment	TIF Credits	Interest Income	TOTAL REVENUES	Project	Affordable Housing	Paygo	Admin Expense	Outside District	Returned	TOTAL EXPENSE	Ending Balance
20	2016	8,647	190,389	-	181,742	120.496%	3,117,825	27,464	(1,374)	3,143,915	-	-	2,761,659	249,768	-	-	3,011,427	132,488
21	2017	8,647	213,189	-	204,542	116.838%	229,796		734	230,530	-	-	124,869	22,979	-	-	147,848	215,170
22	2018	8,647	213,850	-	205,203	117.985%	241,237		1,076	242,313	-	433,359	Will keep district open	24,124	-	-	457,483	(0)
23	2019	8,647	213,850	-	205,203	117.985%	241,237		(0)	241,237	-	217,113	assuming developer	24,124	-	-	241,237	0
24	2020	8,647	213,850	-	205,203	117.985%	241,237		0	241,237	-	217,114	will keep original	24,124	-	-	241,238	(0)
25	2021	8,647	213,850	-	205,203	117.985%	241,237		(0)	241,237	-	217,113	project affordable.	24,124	-	-	241,237	0



City of Minnetonka  
Housing TIF District No. 2 Beacon Hill

Pursuant to M.S. 469.176 Subd. 3:

ADMINISTRATIVE EXPENSE TEST		
<b>FYI Only:</b>	Admin per TIF Plan	\$350,000
<b>TEST 1:</b>	Estimated TIF Admin Allowable (10%)	\$390,600
	Estimated Total TIF Expenses per TIF Plan	3,906,000
<b>TEST 2:</b>	Cumulative TIF Admin Allowable (10%)	\$397,123
	Total TIF Expenses for the Project	\$3,971,227
<b>RESULTS:</b>	<b>Estimated TIF Admin Allowable (10%)</b>	<b>\$390,600</b>
	Actual Admin Expenses	369,242
	<b>Available Admin</b>	<b>\$21,358</b>
	Projected End of District Percentage	9.5%

Pursuant to M.S. 469.1763 Subd. 2:

District Type:	Housing
Does this section apply?	Yes
Certification Request Date:	4/19/1994
Does TIF Plan Specify Assisting Housing Outside Project Area?	No
If so, What is the Additional % Allowed in TIF Plan (Up to 10%):	0%
Total Pooling %:	100%

		ADMINISTRATIVE EXPENSE CALCULATION			POOLING CALCULATION (100% Outside of District)						EXCESS INCREMENT							
		Accumulated Totals			Tax Increment		100% for Qualified Costs		Spent on Affordable Housing		Available for Pooling	Increment Generated	Costs Authorized	Required?	Increment returned	Net Retained	P&I Due after year end	Excess (Not Excess)
TIF Year	Year	Admin. Expenses	Total	% Allowable	Current Year	Cummulative	Admin Costs	Qualified Costs	Affordable Housing	Cummulative	Available for Pooling	Generated	Authorized	Required?	returned	Net Retained	year end	Excess (Not Excess)
20	2016	249,768	2,761,659	9.0%	3,117,825	3,117,825	249,768	2,868,057	-	2,868,057	132,488	3,143,915	4,256,000	no	0	-	0	(1,112,085)
21	2017	272,747	2,886,528	9.4%	229,796	3,347,621	272,747	206,817	-	3,074,874	215,170	3,374,445	4,256,000	no	0	-	0	(881,555)
22	2018	296,871	3,319,887	8.9%	241,237	3,588,858	296,871	217,113	433,359	2,858,628	(0)	3,616,758	4,256,000	yes	0	3,616,758	0	(639,242)
23	2019	320,994	3,537,000	9.1%	241,237	3,830,095	320,994	217,114	217,113	2,858,629	0	3,857,995	4,256,000	yes	0	3,857,995	0	(398,005)
24	2020	345,118	3,754,114	9.2%	241,237	4,071,333	345,118	217,113	217,114	2,858,628	(0)	4,099,232	4,256,000	yes	0	4,099,232	0	(156,768)
25	2021	369,242	3,971,227	9.5%	241,237	4,312,570	369,242	217,114	217,113	2,858,629	0	4,340,469	4,256,000	yes	0	4,340,469	0	84,469



City of Minnetonka  
TIF District 1-2 Boulevard Gardens

DISTRICT INFORMATION	
	ORIGINAL
District Type	Redevelopment
Project Area	Development District No 1
Fiscal Disparities	A Election
County Number	1460
Frozen Rate	UTA #1 134.726%
	UTA #2 0.000%
	UTA #3 0.000%

ASSUMPTIONS	
Interest Income	0.50%
Admin Expense	2.25%

RECOMMENDATIONS	
1) Discuss with attorney regarding the use of increment for housing projects	
2) May need a budget modification before the district expires	
3) Admin. Expense is currently:	8.9% At or Under Limit

TIF PLAN BUDGET ANALYSIS																			
Decertifies							Revenues				Expenditures								
	First Receipt	City Approved	Cert Request	Certified	Legal Term	Expected Term	Tax Increment	Other Revenue	Interest Income	TOTAL REVENUES	Project	Paygo	Admin Expense	County Admin	Affordable		TOTAL EXPENSE	Total Budget	
															Housing	Other Expense			
Original Budget	1997	12/11/1995	6/11/1996	7/2/1996	12/31/2022	12/31/2022													
Cumulative Modified		12/20/2010					37,300,000	-	350,000	37,650,000	10,564,578	7,350,000	2,335,422	-	6,400,000	11,000,000	37,650,000	37,650,000	
End of District Projected Actual Total							39,699,130	190,137	211,044	40,112,339	100,000	16,692,812	1,803,969	5,601	7,752,108	13,450,310	39,804,800	39,804,800	
Under / (Over) Budget							(2,399,130)	(190,137)	138,956	(2,462,339)	10,464,578	(9,342,812)	531,453	(5,601)	(1,352,108)	(2,450,310)	(2,154,800)	(2,154,800)	

CASH FLOW PROJECTIONS ROLL UP																		
TAX CAPACITY						Revenues				Expenditures								
TIF Year	Year	Base	Current	Fiscal Disparities	Captured	Current Local Tax Rate	Tax Increment	TIF Credits	Interest Income	TOTAL REVENUES	Jobs Bill	Paygo	Admin Expense	County Admin	Affordable Housing	Increment Returned	TOTAL EXPENSE	Ending Balance
19	2016	72,750	1,623,624	-	1,550,874	120.460%	28,137,909	190,137	152,956	28,481,002	100,000	16,692,812	1,520,134	5,601	1,025,000	5,999,400	25,342,947	3,138,055
20	2017	72,750	1,642,693	-	1,569,943	116.797%	1,828,089	-	30,258	1,858,347	-	-	64,840	-	-	1,179,684	1,244,524	3,751,878
21	2018	72,750	1,729,264	-	1,656,514	117.938%	1,946,626	-	18,759	1,965,386	-	-	43,799	-	4,001,832	1,221,508	5,267,139	450,125
22	2019	72,750	1,729,264	-	1,656,514	117.938%	1,946,626	-	2,251	1,948,877	-	-	43,799	-	681,319	1,221,508	1,946,626	452,375
23	2020	72,750	1,729,264	-	1,656,514	117.938%	1,946,626	-	2,262	1,948,888	-	-	43,799	-	681,319	1,221,508	1,946,626	454,638
24	2021	72,750	1,729,264	-	1,656,514	117.938%	1,946,626	-	2,273	1,948,899	-	-	43,799	-	681,319	1,221,508	1,946,626	456,911
25	2022	72,750	1,729,264	-	1,656,514	117.938%	1,946,626	-	2,285	1,948,911	-	-	43,799	-	681,319	1,385,194	2,110,312	295,510





City of Minnetonka  
TIF District 1-2 Boulevard Gardens

Pursuant to M.S. 469.176 Subd. 3:

Admin limit is based on: Expenses

ADMINISTRATIVE EXPENSE TEST	
<b>FYI Only:</b> Admin per TIF Plan	\$2,335,422
<b>TEST 1:</b> Estimated TIF Admin Allowable (10%)	\$2,431,458
Estimated Total TIF Expenses per TIF Plan	24,314,578
<b>TEST 2:</b> Cumulative TIF Admin Allowable (10%)	\$2,455,052
Total TIF Expenses for the Project	\$24,550,521
<b>RESULTS:</b> Estimated TIF Admin Allowable (10%)	\$2,431,458
Actual Admin Expenses	1,803,969
Available Admin	\$627,489
Projected End of District Percentage	7.4%

Pursuant to M.S. 469.1763 Subd. 2:

District Type: Redevelopment

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

TIF Year	Year	ADMINISTRATIVE EXPENSE CALCULATION			POOLING CALCULATION (35% Outside of District)								EXCESS INCREMENT									
		Accumulated Totals			Tax Increment			25% for Qualified Redevelopment	Spent Outside for Qualified Redevelopment	Cumulative Available for Pooling	Annual Available for Pooling	35% for Affordable Housing Costs	Spent For Affordable Housing	Cumulative Available for Pooling	Annual Available for Pooling	Increment Generated	Costs Authorized	Required?	Increment returned	Net Retained	P&I Due after year end	Excess (Not Excess)
		Admin. Expenses	Total	% Allowable	Current Year	Cummulative	Admin Costs	Redevelopment	Redevelopment	Pooling	Pooling	Housing Costs	Housing	Pooling	Pooling							
19	2016	1,520,134	17,823,413	8.5%	28,328,046	28,328,046	1,520,134	3,623,377	-	290,352	290,352	3,705,682	1,025,000	2,680,682	2,680,682	28,481,002	26,650,000	yes	5,999,400	22,481,602	0	(4,168,398)
20	2017	1,584,974	17,823,413	8.9%	1,828,089	30,156,135	1,584,974	-	-	-	-	639,831	-	3,320,513	639,831	30,339,349	26,650,000	yes	7,179,084	23,160,265	0	(3,489,735)
21	2018	1,628,773	21,825,245	7.5%	1,946,626	32,102,761	1,628,773	-	-	-	-	681,319	4,001,832	0	(3,320,513)	32,304,735	26,650,000	yes	8,400,592	23,904,143	0	(2,745,857)
22	2019	1,672,572	22,506,564	7.4%	1,946,626	34,049,388	1,672,572	-	-	-	-	681,319	681,319	1	0	34,253,612	26,650,000	yes	9,622,100	24,631,512	0	(2,018,488)
23	2020	1,716,371	23,187,883	7.4%	1,946,626	35,996,014	1,716,371	-	-	-	-	681,319	681,319	1	0	36,202,500	26,650,000	yes	10,843,608	25,358,892	0	(1,291,108)
24	2021	1,760,170	23,869,202	7.4%	1,946,626	37,942,640	1,760,170	-	-	-	-	681,319	681,319	1	0	38,151,399	26,650,000	yes	12,065,116	26,086,283	0	(563,717)
25	2022	1,803,969	24,550,521	7.4%	1,946,626	39,889,267	1,803,969	-	-	-	-	681,319	681,319	1	0	40,100,310	26,650,000	yes	13,450,310	26,650,000	0	0



City of Minnetonka  
Glenhaven

DISTRICT INFORMATION	
District Type	ORIGINAL
Project Area	Renewal and Renovation
Fiscal Disparities	Glen Lake Station
County Number	B Election
Frozen Rate	1463
UTA #1	99.282%
UTA #2	0.000%
UTA #3	0.000%

ASSUMPTIONS	
Interest Income	0.50%
Admin Expense	5.00%

RECOMMENDATIONS	
1)	
2)	
3) Admin. Expense is currently:	11.8% <b>Over Limit</b>

Current Year 2018

TIF PLAN BUDGET ANALYSIS																			
	Decertifies						Revenues				Expenditures								
	First Receipt	City Approved	Cert Request	Certified	Legal Term	Expected Term	Tax Increment	Bond	Interest Income	TOTAL REVENUES	Paygo	Project	Interfund Loan	Bond	Discount	Admin Expense	Outside District	TOTAL EXPENSE	Total Budget
Original Budget	2007	1/23/2006	4/3/2006	6/2/2006	12/31/2029	12/31/2029													
Cumulative Modified							13,300,000	7,000,000	20,300,000	1,500,000	5,770,000	2,000,000	9,700,000		1,330,000			20,300,000	20,300,000
End of District Projected Actual Total							9,370,425	6,895,000	56,674	16,322,099	4,691,616	863,483	400,720	9,056,409	149,800	624,924	-	15,786,952	15,786,952
Under / (Over) Budget							3,929,575	105,000	(56,674)	3,977,901	(3,191,616)	4,906,517	1,599,280	643,591	(149,800)	705,076	-	4,513,048	4,513,048

CASH FLOW PROJECTIONS ROLL UP																				
TIF Year	Year	TAX CAPACITY					Revenues				Expenditures									Ending Balance
		Base	Current	Fiscal Disparities	Captured	Current Local Tax Rate	Tax Increment	Bond	Interest Income	TOTAL REVENUES	Paygo	Project	Interfund Loan	Bond	Discount	Admin Expense	Outside District	TOTAL EXPENSE		
10	2016	117,677	573,209	31,696	423,836	120.496%	1,737,529	2,380,000	13,326	4,130,855	2,171,610	360,895	-	1,040,913	59,500	148,811	-	3,781,729	349,126	
11	2017	117,677	627,320	48,586	461,057	116.838%	431,121	4,515,000	1,594	4,947,715	2,520,006	502,588	-	2,289,300	90,300	109,710	-	5,511,904	(215,063)	
12	2018	121,427	663,236	43,353	498,456	117.985%	493,096		2,829	495,925	-	-	107,288	97,075	-	475	-	204,838	76,024	
13	2019	121,427	781,290	43,353	616,510	117.985%	609,880		380	610,260	-	-	72,059	352,132	-	30,494	-	454,685	231,599	
14	2020	121,427	781,290	43,353	616,510	117.985%	609,880		1,158	611,038	-	-	39,893	465,232	-	30,494	-	535,618	307,018	
15	2021	121,427	781,290	43,353	616,510	117.985%	609,880		1,535	611,415	-	-	35,628	466,130	-	30,494	-	532,252	386,181	
16	2022	121,427	781,290	43,353	616,510	117.985%	609,880		1,931	611,811	-	-	19,981	461,403	-	30,494	-	511,878	486,114	
17	2023	121,427	781,290	43,353	616,510	117.985%	609,880		2,431	612,311	-	-	19,056	460,944	-	30,494	-	510,494	587,930	
18	2024	121,427	781,290	43,353	616,510	117.985%	609,880		2,940	612,820	-	-	18,093	464,660	-	30,494	-	513,247	687,503	
19	2025	121,427	781,290	43,353	616,510	117.985%	609,880		3,438	613,317	-	-	17,256	462,335	-	30,494	-	510,085	790,736	
20	2026	121,427	781,290	43,353	616,510	117.985%	609,880		3,954	613,834	-	-	16,317	464,123	-	30,494	-	510,934	893,635	
21	2027	121,427	781,290	43,353	616,510	117.985%	609,880		4,468	614,348	-	-	15,423	460,077	-	30,494	-	505,994	1,001,989	
22	2028	121,427	781,290	43,353	616,510	117.985%	609,880		5,010	614,890	-	-	14,355	460,185	-	30,494	-	505,034	1,111,845	
23	2029	121,427	781,290	43,353	616,510	117.985%	609,880		5,559	615,439	-	-	13,259	459,100	-	30,494	-	502,853	1,224,431	
24	2030	-	-	-	-	0.000%	-		6,122	6,122	-	-	12,112	652,800	-	30,494	-	695,406	535,148	



City of Minnetonka  
Glenhaven

**Pursuant to M.S. 469.176 Subd. 3:**

Admin limit is based on: Revenues

ADMINISTRATIVE EXPENSE TEST		
<b>FYI Only:</b>	Admin per TIF Plan	\$1,330,000
<b>TEST 1:</b>	Estimated TIF Admin Allowable (10%)	\$1,897,000
	Estimated Total TIF Expenditures per TIF Plan	18,970,000
<b>TEST 2:</b>	Cumulative TIF Admin Allowable (10%)	\$942,710
	Total TIF Revenues for the Project	\$9,427,099
<b>RESULTS: Cumulative TIF Admin Allowable (10%)</b>		<b>\$942,710</b>
	Actual Admin Expenses	624,924
<b>Available Admin</b>		<b>\$317,786</b>
<b>Actual Percentage</b>		<b>6.6%</b>

**Pursuant to M.S. 469.1763 Subd. 2:**

District Type: Renewal and Renovation

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

		ADMINISTRATIVE EXPENSE CALCULATION		
		Accumulated Totals		
TIF Year	Year	Admin. Expenses	Total	% Allowable
10	2016	148,811	1,750,855	8.5%
11	2017	258,521	2,183,570	11.8%
12	2018	258,996	2,679,495	9.7%
13	2019	289,490	3,289,755	8.8%
14	2020	319,984	3,900,793	8.2%
15	2021	350,478	4,512,208	7.8%
16	2022	380,972	5,124,018	7.4%
17	2023	411,466	5,736,329	7.2%
18	2024	441,960	6,349,149	7.0%
19	2025	472,454	6,962,466	6.8%
20	2026	502,948	7,576,300	6.6%
21	2027	533,442	8,190,648	6.5%
22	2028	563,936	8,805,538	6.4%
23	2029	594,430	9,420,977	6.3%
24	2030	624,924	9,427,099	6.6%

POOLING CALCULATION (20% Outside of District)							EXCESS INCREMENT							
Tax Increment		20% for			Available for		Increment			Increment		P&I Due after		Excess (Not
Current Year	Cummulative	Admin Costs	Qualified Costs	Spent Outside	Cummulative	Pooling	Generated	Costs Authorized	Required?	returned	Net Retained	year end	Excess)	
1,737,529	1,737,529	148,811	198,695	-	198,695	198,695	4,130,855	20,300,000	no	0	0	0	(16,169,145)	
431,121	2,168,650	258,521	175,209	-	175,209	-	9,078,570	20,300,000	no	0	0	0	(11,221,430)	
493,096	2,661,746	258,996	273,353	-	273,353	-	9,574,495	20,300,000	no	0	0	0	(10,725,505)	
609,880	3,271,625	289,490	364,835	-	364,835	-	10,184,755	20,300,000	no	0	0	0	(10,115,245)	
609,880	3,881,505	319,984	456,317	-	456,317	70,940	10,795,793	20,300,000	no	0	0	0	(9,504,207)	
609,880	4,491,385	350,478	547,799	-	547,799	150,103	11,407,208	20,300,000	no	0	0	0	(8,892,792)	
609,880	5,101,265	380,972	639,281	-	639,281	250,036	12,019,018	20,300,000	no	0	0	0	(8,280,982)	
609,880	5,711,145	411,466	730,763	-	730,763	351,853	12,631,329	20,300,000	no	0	0	0	(7,668,671)	
609,880	6,321,025	441,960	822,245	-	822,245	451,426	13,244,149	20,300,000	no	0	0	0	(7,055,851)	
609,880	6,930,905	472,454	913,727	-	913,727	535,148	13,857,466	20,300,000	no	0	0	0	(6,442,534)	
609,880	7,540,785	502,948	1,005,209	-	1,005,209	535,148	14,471,300	20,300,000	no	0	0	0	(5,828,700)	
609,880	8,150,665	533,442	1,096,691	-	1,096,691	535,148	15,085,648	20,300,000	no	0	0	0	(5,214,352)	
609,880	8,760,545	563,936	1,188,173	-	1,188,173	535,148	15,700,538	20,300,000	no	0	0	0	(4,599,462)	
609,880	9,370,425	594,430	1,279,655	-	1,279,655	535,148	16,315,977	20,300,000	no	0	0	0	(3,984,023)	
-	9,370,425	624,924	1,249,161	-	-	-	16,322,099	20,300,000	no	0	0	0	(3,977,901)	



City of Minnetonka  
Rowland Housing

DISTRICT INFORMATION	
ORIGINAL	
District Type	Housing
Project Area	Rowland Housing Redevelopment
Fiscal Disparities	B Election
County Number	1465
Frozen Rate	UTA #1 124.292%
	UTA #2 0.000%
	UTA #3 0.000%

ASSUMPTIONS	
Interest Income	0.50%
Admin Expense	10.00%

RECOMMENDATIONS	
1) Limited pooling options available.	
2) Budget modification not recommended at this time.	
3) Admin. Expense is currently:	0.0% At or Under Limit

Current Year 2018

TIF PLAN BUDGET ANALYSIS																		
	First Receipt	City Approved	Cert Request	Decertifies			Revenues			Expenditures							Total Budget	
				Certified	Legal Term	Expected Term	Tax Increment	Interest Income	TOTAL REVENUES	Project	Paygo	Admin Expense	County Admin	Outside District	Other Expense	TOTAL EXPENSE		
Original Budget	2018	4/20/2015	6/8/2015	7/2/2015	12/31/2043	12/31/2043	-	-	-	-	-	-	-	-	-	-	-	
Cumulative Modified							6,809,549	680,955	7,490,504	3,501,617	3,307,932	680,955	-	-	-	-	7,490,504	7,490,504
End of District Projected Actual Total							4,718,977	-	22,156	4,741,133	-	4,135,316	204,837	-	-	-	4,340,152	4,340,152
Under / (Over) Budget							2,090,572	-	658,799	2,749,371	3,501,617	(827,384)	476,118	-	-	-	3,150,352	3,150,352

CASH FLOW PROJECTIONS ROLL UP																			
TIF Year	Year	TAX CAPACITY				Current Local Tax Rate	Revenues				Expenditures						Increment Returned	TOTAL EXPENSE	Ending Balance
		Base	Current	Fiscal Disparities	Captured		Tax Increment	Other Revenue	Interest Income	TOTAL REVENUES	Project	Paygo	Admin Expense	County Admin	Outside District				
	2016	3,750	3,750	-	-	120.496%	-	-	-	-	-	-	-	-	-	-	-	-	
	2017	98,850	98,850	-	-	116.838%	-	-	-	-	-	-	-	-	-	-	-	-	
1	2018	3,750	215,018	-	211,268	117.985%	248,367	-	-	248,367	-	111,765	24,837	-	-	-	136,602	111,765	
2	2019	3,750	215,018	-	211,268	117.985%	248,367	-	559	248,926	-	223,531	10,000	-	-	-	233,531	127,161	
3	2020	3,750	215,018	-	211,268	117.985%	248,367	-	636	249,003	-	223,531	10,000	-	-	-	233,531	142,633	
4	2021	3,750	215,018	-	211,268	117.985%	248,367	-	713	249,080	-	223,531	10,000	-	-	-	233,531	158,183	
5	2022	3,750	215,018	-	211,268	117.985%	248,367	-	791	249,158	-	223,531	10,000	-	-	-	233,531	173,811	
6	2023	3,750	215,018	-	211,268	117.985%	248,367	-	869	249,236	-	223,531	10,000	-	-	-	233,531	189,516	
7	2024	3,750	215,018	-	211,268	117.985%	248,367	-	948	249,315	-	223,531	10,000	-	-	-	233,531	205,300	
8	2025	3,750	215,018	-	211,268	117.985%	248,367	-	1,027	249,394	-	223,531	10,000	-	-	-	233,531	221,164	
9	2026	3,750	215,018	-	211,268	117.985%	248,367	-	1,106	249,473	-	223,531	10,000	-	-	-	233,531	237,106	
10	2027	3,750	215,018	-	211,268	117.985%	248,367	-	1,186	249,553	-	223,531	10,000	-	-	-	233,531	253,128	
11	2028	3,750	215,018	-	211,268	117.985%	248,367	-	1,266	249,633	-	223,531	10,000	-	-	-	233,531	269,230	
12	2029	3,750	215,018	-	211,268	117.985%	248,367	-	1,346	249,713	-	223,531	10,000	-	-	-	233,531	285,413	
13	2030	3,750	215,018	-	211,268	117.985%	248,367	-	1,427	249,794	-	223,531	10,000	-	-	-	233,531	301,677	
14	2031	3,750	215,018	-	211,268	117.985%	248,367	-	1,508	249,876	-	223,531	10,000	-	-	-	233,531	318,022	
15	2032	3,750	215,018	-	211,268	117.985%	248,367	-	1,590	249,957	-	223,531	10,000	-	-	-	233,531	334,449	
16	2033	3,750	215,018	-	211,268	117.985%	248,367	-	1,672	250,039	-	223,531	10,000	-	-	-	233,531	350,958	
17	2034	3,750	215,018	-	211,268	117.985%	248,367	-	1,755	250,122	-	223,531	10,000	-	-	-	233,531	367,549	
18	2035	3,750	215,018	-	211,268	117.985%	248,367	-	1,838	250,205	-	223,531	10,000	-	-	-	233,531	384,223	
19	2036	3,750	215,018	-	211,268	117.985%	248,367	-	1,921	250,288	-	223,531	10,000	-	-	-	233,531	400,981	
20	2037	3,750	215,018	-	211,268	117.985%	248,367	-	2,005	250,372	-	94,067	10,000	-	-	-	104,067	547,286	
21	2038	3,750	215,018	-	211,268	117.985%	248,367	-	2,736	251,104	-	10,000	-	-	-	-	10,000	788,389	
22	2039	3,750	215,018	-	211,268	117.985%	248,367	-	3,942	252,309	-	10,000	-	-	-	-	10,000	1,030,699	
23	2040	3,750	215,018	-	211,268	117.985%	248,367	-	5,153	253,521	-	10,000	-	-	-	-	10,000	1,274,219	
24	2041	3,750	215,018	-	211,268	117.985%	248,367	-	6,371	254,739	-	10,000	-	-	-	-	10,000	1,518,959	
25	2042	3,750	215,018	-	211,268	117.985%	248,367	-	7,595	255,964	-	10,000	-	-	-	-	10,000	1,764,923	
26	2043	3,750	215,018	-	211,268	117.985%	248,367	-	8,825	257,195	-	10,000	-	-	-	-	10,000	2,012,117	

Will keep district open after PAYGO assuming developer is willing to keep the original project affordable.



City of Minnetonka  
Rowland Housing

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

Revenues

ADMINISTRATIVE EXPENSE TEST		
<b>FVI Only:</b>	Admin per TIF Plan	\$680,955
<b>TEST 1:</b>	Estimated TIF Admin Allowable (10%)	\$680,955
	Estimated Total TIF Expenditures per TIF Plan	6,809,549
<b>TEST 2:</b>	Cumulative TIF Admin Allowable (10%)	\$474,113
	Total TIF Revenues for the Project	\$4,741,133
<b>RESULTS:</b>	Cumulative TIF Admin Allowable (10%)	\$474,113
	Actual Admin Expenses	204,837
	Available Admin	\$269,276
	Projected End of District Percentage	4.3%

Pursuant to M.S. 469.1763 Subd. 2:

District Type: Housing  
 Does this section apply? Yes  
 Certification Request Date: 6/8/2015  
 Does TIF Plan Specify Assisting Housing Outside Project Area? No  
 If so, What is the Additional % Allowed in TIF Plan (Up to 10%): 0%  
 Total Pooling %: 100%

TIF Year	Year	ADMINISTRATIVE EXPENSE CALCULATION				POOLING CALCULATION (100% Outside of District)							EXCESS INCREMENT					
		Admin. Expenses	Total	% Allowable	Accumulated Totals	Current Year	Cummulative	Admin Costs	100% for Qualified Costs	Spent Outside	Cummulative	Available for Pooling	Increment Generated	Costs Authorized	Required?	Increment returned	Net Retained	P&I Due after year end
0	2016	-	-	0.0%	-	-	-	-	-	-	-	0	7,490,504	no	0	0	0	(7,490,504)
0	2017	-	-	0.0%	-	-	-	-	-	-	-	0	7,490,504	no	0	0	0	(7,490,504)
1	2018	24,837	248,367	10.0%	248,367	248,367	24,837	223,531	-	223,531	111,765	248,367	7,490,504	no	0	0	0	(7,242,137)
2	2019	34,837	496,734	7.0%	248,367	496,734	34,837	238,367	-	461,898	127,161	497,293	7,490,504	no	0	0	0	(6,993,211)
3	2020	44,837	745,102	6.0%	248,367	745,102	44,837	238,367	-	700,265	142,633	746,296	7,490,504	no	0	0	0	(6,744,208)
4	2021	54,837	993,469	5.5%	248,367	993,469	54,837	238,367	-	938,632	158,183	995,377	7,490,504	no	0	0	0	(6,495,127)
5	2022	64,837	1,241,836	5.2%	248,367	1,241,836	64,837	238,367	-	1,176,999	173,811	1,244,535	7,490,504	no	0	0	0	(6,245,969)
6	2023	74,837	1,490,203	5.0%	248,367	1,490,203	74,837	238,368	-	1,415,367	189,516	1,493,771	7,490,504	no	0	0	0	(5,996,733)
7	2024	84,837	1,738,570	4.9%	248,367	1,738,570	84,837	238,367	-	1,653,734	205,300	1,743,086	7,490,504	no	0	0	0	(5,747,418)
8	2025	94,837	1,986,938	4.8%	248,367	1,986,938	94,837	238,367	-	1,892,101	221,164	1,992,480	7,490,504	no	0	0	0	(5,498,024)
9	2026	104,837	2,235,305	4.7%	248,367	2,235,305	104,837	238,367	-	2,130,468	237,106	2,241,953	7,490,504	no	0	0	0	(5,248,551)
10	2027	114,837	2,483,672	4.6%	248,367	2,483,672	114,837	238,367	-	2,368,835	253,128	2,491,505	7,490,504	no	0	0	0	(4,998,999)
11	2028	124,837	2,732,039	4.6%	248,367	2,732,039	124,837	238,368	-	2,607,203	269,230	2,741,138	7,490,504	no	0	0	0	(4,749,366)
12	2029	134,837	2,980,406	4.5%	248,367	2,980,406	134,837	238,367	-	2,845,570	285,413	2,990,851	7,490,504	no	0	0	0	(4,499,653)
13	2030	144,837	3,228,774	4.5%	248,367	3,228,774	144,837	238,367	-	3,083,937	301,677	3,240,646	7,490,504	no	0	0	0	(4,249,858)
14	2031	154,837	3,477,141	4.5%	248,367	3,477,141	154,837	238,367	-	3,322,304	318,022	3,490,521	7,490,504	no	0	0	0	(3,999,983)
15	2032	164,837	3,725,508	4.4%	248,367	3,725,508	164,837	238,367	-	3,560,671	334,449	3,740,479	7,490,504	no	0	0	0	(3,750,025)
16	2033	174,837	3,973,875	4.4%	248,367	3,973,875	174,837	238,368	-	3,799,039	350,958	3,990,518	7,490,504	no	0	0	0	(3,499,986)
17	2034	184,837	4,222,242	4.4%	248,367	4,222,242	184,837	238,367	-	4,037,406	367,549	4,240,640	7,490,504	no	0	0	0	(3,249,864)
18	2035	194,837	4,470,610	4.4%	248,367	4,470,610	194,837	238,367	-	4,275,773	384,223	4,490,845	7,490,504	no	0	0	0	(2,999,659)
19	2036	204,837	4,718,977	4.3%	248,367	4,718,977	204,837	238,367	-	4,514,140	400,981	4,741,133	7,490,504	no	0	0	0	(2,749,371)
20	2037	214,837	4,967,344	4.3%	248,367	4,967,344	214,837	238,367	-	4,752,507	547,286	4,991,505	7,490,504	no	0	0	0	(2,498,999)
21	2038	224,837	5,215,711	4.3%	248,367	5,215,711	224,837	238,368	-	4,990,875	788,389	5,242,609	7,490,504	no	0	0	0	(2,247,895)
22	2039	234,837	5,464,078	4.3%	248,367	5,464,078	234,837	238,367	-	5,229,242	1,030,699	5,494,918	7,490,504	no	0	0	0	(1,995,586)
23	2040	244,837	5,712,446	4.3%	248,367	5,712,446	244,837	238,367	-	5,467,609	1,274,219	5,748,439	7,490,504	no	0	0	0	(1,742,065)
24	2041	254,837	5,960,813	4.3%	248,367	5,960,813	254,837	238,367	-	5,705,976	1,518,959	6,003,177	7,490,504	no	0	0	0	(1,487,327)
25	2042	264,837	6,209,180	4.3%	248,367	6,209,180	264,837	238,367	-	5,944,343	1,764,923	6,259,139	7,490,504	yes	0	6,259,139	0	(1,231,365)
26	2043	274,837	6,457,547	4.3%	248,367	6,457,547	274,837	238,368	-	6,182,711	2,012,117	6,516,331	7,490,504	yes	0	6,516,331	0	(974,173)





# AFFORDABLE HOUSING GOALS



**MINNETONKA  
ECONOMIC  
IMPROVEMENT  
PROGRAM**

## AFFORDABLE HOUSING GOALS

*Progress on the city's affordable housing goals.*

In 1995, the Minnesota Legislature created the Livable Communities Act (LCA) to address the affordable and life-cycle housing needs in the Twin Cities metropolitan area. When the LCA was established, Minnetonka was one of the first communities to sign up to participate in the program. At that time, a series of affordable housing goals for the city was established for 1996 to 2010. The city has elected to continue to participate in the LCA program, establishing affordable and lifecycle housing goals for 2011 to 2020. In 2020, the city will establish new goals for 2021-2030.

### 1995-2010 AFFORDABLE HOUSING GOALS

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

#### 1995-2010 New Affordable Ownership Units

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

#### 1995-2010 New Affordable Rental Units

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

**2011-2020 AFFORDABLE HOUSING GOALS**

	Goals (2011-2020)	Results	Percent Achieved (to date)
New Affordable Units (rental & ownership)	246 to 378	187	76%
New Lifecycle Units	375 to 800	1,192	318%

*2011-2020 New Affordable Units (rental and ownership)*

Project	Year Completed	Affordable Units	EIP Program Used
The Glenn by St. Therese	2011	30	Glenhaven TIF
The Ridge	2013	51	TIF Pooling
Tonka on the Creek	2016	20	Tonka on the Creek TIF
At Home	2016	21	Rowland Housing TIF
Cherrywood Pointe	2017	8	N/A
The RiZe	2019	32	N/A
Shady Oak Crossings	2021*	75	TIF Pooling
Preserve at Shady Oak/ Legends of Minnetonka	2022*	482	TIF Housing
Marsh Run	2020*	35	TIF Housing

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

*2011-2020 New Lifecycle Units*

Project	Year Completed	Lifecycle Units	EIP Program Used
The Glenn by St. Therese	2011	150	Glenhaven TIF
The Ridge	2013	64	TIF Pooling
Tonka on the Creek	2016	100	Tonka on the Creek TIF
At Home	2016	106	Rowland Housing TIF
Applewood Pointe	2017	89	Applewood Pointe TIF
Lecesse*	2017	290	N/A
Cherrywood Pointe	2017	92	N/A
Zvago	2017	54	Glenhaven TIF
Orchards of Minnetonka	2019	147	N/A
Havenwood	2019	100	N/A
Minnetonka Hills*	2019	78	N/A
Ridgedale Executive Apts*	2020*	77	N/A
Avidor*	2020*	168	N/A
Marsh Run*	2020*	140	TIF Housing

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



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

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

## 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*

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

## **Minnetonka Housing/Business Development Policies**

The city of Minnetonka has several polices related to housing and business development. Policy direction from the council can take many different forms, including such channels as formally adopted ordinances and resolutions, to more informal requests and suggestions to the city manager, who is ultimately responsible to the city council for carrying out their policy decisions.

These policies are intended as a general guide for the city council. They are not binding and may be modified when, in the sole discretion of the council, such modification is deemed necessary or appropriate in the interest of the city.

This listing is regularly updated as new policy directions are established, and it is by no means exclusive. These policies are included in the EIP as a reminder for the EDAC and Council to review annually during the EIP review. The city's policies are updated annually on the city's website.

### **City of Minnetonka City Council Policies (excerpts of housing related policies):**

#### Chapter 2: Administration and Finance

2.4 – Special Assessments with Tax Increment Districts

2.5 – Tax Exempt Financing for Industrial Development, Health Care Facilities, and Multi-family Housing Projects (Private Activity Tax Exempt Financing)

2.14 - Tax Increment Financing Pooling Fund

2.15 - Housing Improvement Areas

2.16 - Post-Issuance Compliance Procedure and Policy For Tax-Exemption Governmental Bonds

2.18 - Tax Increment Financing and Tax Abatement

2.19 – Debt Management

#### Chapter 11: Streets, Parks, and Other Public Property

11.12 – Real Estate Property Management

#### Chapter 12: Public Utilities

12.10 - Met Council Sewer Availability Charge and City Residential Equivalency Charge Payment Deferral Program

#### Chapter 13: General Provisions and Policies

13.1 Fair Housing

13.2 Affordable Housing Policy

# AFFORDABLE HOUSING GOALS

## GLOSSARY

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

**EDAC Agenda Item #7  
Meeting of April 29, 2021**

**Brief Description**

Staff Report

**Transit Updates**

*Green Line Extension (Southwest LRT)*

- Red Circle and Yellow Circle Drives have been reconnected, allowing eastbound traffic through Opus.
- Retaining wall work is ongoing near Yellow and Red Circle Drives and north of Bren Road West to Smetana Rd.
- Opus Station construction continues to advance.
- Crews are working on Minnetonka-Hopkins LRT bridge piers and are installing sheeting to support excavation.

Construction updates from the Metro Transit project office are available [online](#), or to sign up to receive construction updates every Friday; please visit [www.swlrt.org](http://www.swlrt.org).

**Metro Transit**

Staff met with Metro Transit in early March to review route changes and discuss ridership numbers. Due to the pandemic, the annual number of trips provided by Metro Transit fell by about 30%. Total trips in 2020 were 69,676. For context, the highest number of total trips in Minnetonka was 114,860, which occurred in 2018.

As commuting patterns change, Metro Transit will reevaluate service reductions and implement the reintroduction of trips as demand grows. At this time, Metro Transit is not considering any elimination of routes within Minnetonka.

**Development Updates**

<b>Projects</b>	<b>Location</b>	<b>Status</b>
<b><i>Housing</i></b>		
<a href="#">The Pointe</a>	801 Carlson	Spring permit applications anticipated
<a href="#">Minnetonka Station</a>	10400 Bren Road E	Approved, awaiting permit applications
<a href="#">Doran (Shady Oak)</a>	5959 Shady Oak Road	Under review
<a href="#">Shady Oak Crossing</a>	Shady Oak Road / Mainstreet	Nearly framed and enclosed.
<a href="#">Wellington Apartments</a>	Red Circle Drive	Anticipating May proposal
<a href="#">KA Development</a>	10701 Bren Road	Apartment concept under review.
<a href="#">Glen Lake Apartments</a>	14317 Excelsior Blvd.	49-unit apartment building, CC 4/26
<b><i>Misc. Projects</i></b>		
<a href="#">Ridgedale Area Park Project</a>	Ridgedale Drive	Rebidding
<a href="#">Minnetonka Police/Fire Project</a>	Minnetonka Civic Center Campus	Under construction
<b><i>Business Projects</i></b>		
<a href="#">El Travieso Taqueria</a>	Mtka Blvd / 101	Permits under review
<a href="#">Dicks Sporting Goods</a>	Ridgedale Mall	Plans submitted

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Toma Mojo	Ridge Square	In review
Dukes	15600 Hwy 7	Permits Issued

## **Business Updates**

### *Small Business Administration SPP Program Changes*

The federal administration has extended the application deadline to May 31, 2021. Prior applicants to the program are permitted to apply for additional funds. Loans are forgivable in many cases. Changes have been made to the program to allow for more business types to be eligible that were previously ineligible.

### *Elevate Business HC*

Hennepin County, in partnership with the Mpls Regional Chamber, will launch Elevate Business HC, a new public/private initiative offering pro-bono services to businesses located in Hennepin County. Elevate Business HC provides expertise in three areas:

- Technical Assistance
- Peer-to-Peer Roundtables
- Topic-Driven Webinars

An RFP was released county-wide to solicit service providers. Staff was involved in the review and recommendation of service providers for the program.

## **Housing Updates**

### *RentHelpMN*

As part of the December 2020 COVID relief package passed by congress, Minnesota is anticipated to receive an estimated \$375 million to be used in part for emergency rental assistance. It is anticipated that more funding will be provided over the next 18 months.

Eligible Minnesota renters up to 80% AMI can receive help with rent on past due rent, upcoming rent obligations, utility payments, and other housing-related costs. The program is tentatively planned to open before the end of April.

### *Minnetonka Rental Assistance*

ICA continues to provide rental assistance for Minnetonka residents up to 120% AMI. As of March 31<sup>st</sup>, ICA has provided 100 emergency rental assistance grants totaling approximately \$133,565. A balance of \$41,435 remains available for additional assistance to residents.

### *CDBG Programming-HWR Reach Grants*

In late 2020, the city council directed staff to create a grant program to assist HWR homeowners in being able to make critical repairs to their homes. Each resident is allowed a grant of \$7,500. Progress in the program is outlined below:

- Thirteen applications received

- One project complete
- Five in progress
- \$113,347 in funding remaining

#### *CDBG Programming-Citywide Rehab*

In March, the city council approved approximately \$140,000 for new CDBG rehabilitation projects. This money is available to all Minnetonka residents who meet income and other eligibility guidelines.

At the end of 2020, there were eight projects complete and six in progress. There were approximately 75 residents on the waitlist.

#### **Upcoming Events**

May 27, 2021 - EDAC Meeting

Through:

Julie Wischnack, AICP, Community Development Director

Alisha Gray, EDFP, Economic Development and Housing Manager

Originated by:

Rob Hanson, EDFP, Economic Development Coordinator