

AGENDA

CITY OF MINNETONKA

SPECIAL STUDY SESSION

MONDAY, FEBRUARY 8, 2010

Following the regular council meeting

SHADY OAK CONFERENCE ROOM

1. Restructuring of Economic Development Activities
2. Adjournment

The purpose of a study session is to allow the city council to discuss matters informally and in greater detail than permitted at formal council meetings. While all meetings of the council are open to the public, study session discussions are generally limited to the council, staff and consultants.

**City Council Special Study Session Item #1
Meeting of February 8, 2010**

Brief Description: Restructuring of Economic Development Activities

Background

Over the past year, the city council has discussed a possible restructuring of the Economic Development Authority (EDA). These discussions, both as a council and also jointly with EDA commissioners, have centered around how to better align the mission of the EDA with the growing importance being placed on redevelopment activity in conjunction with the city's comprehensive plan. This memo outlines a possible new EDA structure to help guide the economic development activities of the community.

Economic Development Authority (EDA)

Over the years, the Minnetonka EDA has functioned as an advisory commission to the city council. In more recent years, this role has significantly expanded as the city has undertaken new activities, such as adoption of an HRA levy, redevelopment contract review and approval for complex projects like Glen Lake, community development block grant expenditures, and affordable housing program planning as envisioned in the city's comprehensive plan.

The current EDA was originally established by council resolution in 1988 under the auspices of Minnesota State Statutes 469.090. This state statute is very prescriptive, and these limitations have complicated the traditional advisory role of Minnetonka's commission. As just one example, the necessary logistics of multiple and overlapping public meetings and legal actions can confuse lines of authority, and can weaken the effectiveness of public input.

For these and various other reasons, it is common for communities to appoint their council members as the members of their EDA. This allows for more transparent and straightforward decision making, and more importantly, better aligns economic development actions with the other policy actions of the city council.

Although not common in other communities, Minnetonka has benefited from a broad based advisory group, and continuing this form of community input would be advisable. Should the council decide to adopt the more common EDA structure with themselves as the legally constituted EDA board, an economic development advisory commission could continue to provide leadership and act as a resource for the council on development related matters. This structure would also allow much more flexibility for structuring an effective advisory commission.

Economic Development Advisory Commission (EDAC)

A new commission could be established by resolution to advise the council on various economic development, housing and transit related matters. The membership of such a commission could be selected to provide the appropriate technical expertise to deal with the diverse issues before the commission. Although the city council would request the advice of the commission, council would remain the final decision maker as the legal economic development authority (EDA).

Commission composition. It is suggested that the EDAC would consist of seven members, plus a non-voting council liaison. Members could be residents of the city, work within the city, or own a business located in the city. Consistent with all other boards and commissions, EDA members would be appointed by the mayor and confirmed by the city council. Appointments would be for two year terms, with a maximum limit of eight total years. Best efforts would be made to maintain the membership make-up to include the following:

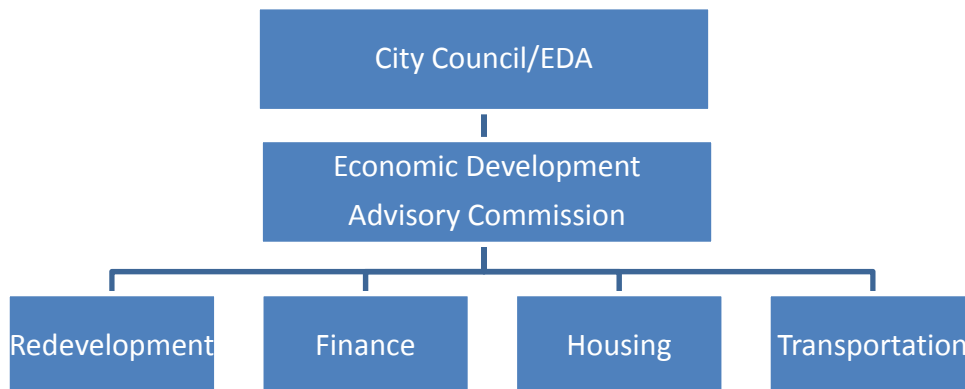
- One member with a legal background
- One member with a finance background
- One member with a development, architectural or real estate background
- One member with a social service/non-profit or housing background
- One member with a planning background
- Two members that are deemed at-large
- One councilmember liaison, non-voting

The purpose of the non-voting councilmember liaison would be to strengthen the role of the EDAC as an advisory commission by retaining a direct link to the city council. The council liaison would participate in commission discussions, and would report back to the city council about the discussions and recommendations of the EDAC. The council liaison would also be in a better position to relay the goals and direction of the council, while maintaining the necessary independence to vote as they see fit on any specific issue when it comes before the formal EDA/Council.

The mayor would appoint the chair and vice chair of the EDAC on an annual basis, and these appointments would be confirmed by the city council. The commission would establish a normal monthly meeting time, but would only meet when there were meaningful items to be considered, and be available to meet more than once a month, if circumstances warranted.

Work Groups. The EDAC would advise the council on various issues, as appropriate, and work-groups around specific topics could be established as needed to advise the EDAC and EDA/Council. These work groups might include members of the EDAC, councilmembers and resource participants with particular expertise about the topic at hand. It is expected that the work groups would only exist for a specified period of time until they report back to the full EDAC, with the recommendation to the council coming from the EDAC. Issues might include such topics as:

- Redevelopment
 - Redevelopment legal documents and contracts
 - Redevelopment around light rail stations
 - Implementation of comprehensive plan village center planning
 - Advising on property acquisitions
- Development/Finance
 - Tax increment and tax abatement financing
 - HRA levy and budget
 - Development Account & Livable Communities Account budgets
 - Initiating and coordinating development projects, including soliciting RFP's from potential developers
- Housing
 - Community Development Block Grant allocations
 - Affordable housing programs
 - Homebuyer and home rehabilitation programs
 - Marketing our affordable and modest price housing to young families.
- Transportation
 - Light rail and bus transit operations
 - Compliance with state law for businesses and street reconstruction
 - Advising on the City's relationship/contracting with MetroTransit or alternative providers



Originated by: Mayor Terry Schneider