

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

Thursday, April 28, 2011

6:00 p.m.

Council Chambers  
Minnetonka Community Center

1. Call to Order

2. Roll Call

Kathryn Aanenson  
Benita Bjorgo  
Chandra Coughlin  
Michael Happe

Ken Isaacson  
Bruce Smith  
Peter St. Peter

3. Approval of March 24, 2011 EDAC Minutes

**BUSINESS ITEMS**

4. YMCA redevelopment plan concept

Recommendation: Provide feedback on the use of TIF and pooled funds

5. Minnetonka business programs

Recommendation: Receive the updates

6. Staff Report

7. Other Business

•The next regular EDAC meeting is scheduled for **Thursday, May 26 at 6:00 p.m.**

8. Adjourn

If you have questions about any of the agenda items, please contact Julie or Elise prior to the meeting.

Julie Wischnack, Community Development Director, (952) 939-8282

Elise Durbin, Community Development Supervisor, (952) 939-8285

**UNAPPROVED  
MINNETONKA ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
MEETING SUMMARY**

**MARCH 24, 2011  
6:00 P.M.**

**1. CALL TO ORDER**

President St. Peter called the meeting to order at 6:00 p.m.

**2. ROLL CALL**

EDAC commissioners present: Kathryn Aanenson, Michael Happe, Ken Isaacson, Bruce Smith, and Peter St. Peter.

EDAC commissioner absent: Benita Bjorgo.

Staff present: Community Development Director Julie Wischnack, Community Development Supervisor Elise Durbin, consultant Mark Ruff with Ehlers and Associates, and consultant Steve Bubul of Kennedy and Graven.

**3. APPROVE FEBRUARY 24, 2011 MEETING MINUTES**

Smith moved, Isaacson seconded, a motion to approve the February 24, 2011 meeting minutes. Aanenson, Coughlin, Happe, Isaacson, Smith, and St. Peter voted yes. Bjorgo was absent. Motion passed.

**BUSINESS ITEMS**

**4. MINNETONKA APARTMENTS CONTRACT FOR PRIVATE DEVELOPMENT**

Isaacson recused himself from discussion and acting on the item due to a conflict of interest.

Wischnack reported.

Jeff Von Feldt, development manager for Duffy Development, applicant, thanked commissioners for the chance to discuss the proposal. The applicant agrees with the agreement as written. There are no issues or concerns. He clarified that there would be a limit to the amount the funds could be reduced because it would have an impact on tax credit scoring. If the development would be approved at a certain level and it later turns out that not all of the money would be needed, then the funding would need to stay at a certain level to prevent a negative impact on tax credit scoring.

Mr. Von Feldt said that the reduction in fees, waivers, or amount of money that is paid for city related fees is another scoring item for the tax credit program. The application scores higher if the city is willing to reduce fees on certain things. Each point is very important in the tax credit program.

Mr. Von Feldt is comfortable with the management language in the agreement. Northstar Residential is the same as Duffy Development and would be the managers for the property. He does not anticipate any problems with management of the property.

Mr. Von Feldt noted that Hennepin County should respond to the applicant's application in April. If that response is favorable and the EDAC acts to approve the development agreement, then an application to Minnesota Housing would be submitted in June. Funding would be distributed in October. It would take six to seven months to close on the financing. If the development agreement would not be approved, or Hennepin County would not provide funds, then it would be very difficult to move forward. He wants everyone to understand the importance of the local jurisdiction's involvement in the development. He was available for questions.

Coughlin asked how the area median income (AMI) is determined. Durbin said that the figure represents the seven-county-metropolitan area and is updated every year. The U.S. Department of Housing and Urban Development (HUD) calculates the figure.

Smith asked how distribution of the affordable units came about and how it is reflective of the housing demand. Wischnack explained that the city supports diversity in the number of units. The developer must be willing to provide options. It is common for the city to delineate what types of affordable units it would support. The city would not support one development having all affordable studio apartments. The developer's ability to provide affordable housing and diversity in the types of affordable housing units is needed when the city provides financing.

St. Peter commended staff for implementing a range of affordable unit numbers, rather than just one number. The whole project is a series of simultaneous equations to obtain financing and meet the restrictions and limitations of each tier of financing. Wischnack agreed. Staff has learned that setting a number does not provide enough flexibility. St. Peter appreciated that each level of financing could be negotiated without the EDAC until the final deal.

Happe questioned the sequence of financing. Mr. Von Feldt explained that the application to Hennepin County reported its negotiations with the city and is more flexible than the application to Minnesota Housing. The housing tax credit application is strictly scored. If the requirements are not met, then the application is denied. He wants approval of funding from the city before submitting the application for housing tax credit.

Bubul explained that the city would agree to provide assistance with a full set of terms and conditions—hence the development agreement. Some indication of support must be provided by the local unit of government and included in the application to request housing tax credit. If the development agreement would be approved and the tax credit not granted, then the contract would not be performed and would be terminated. If the tax credit is approved, then the proposal would be set and ready to move very quickly. He felt it is a good way to do it. Wischnack noted that the agreement could be cancelled if any other aspect of the financing did not move forward.

Bubul explained that the city's money would go into a master dispersing agreement with all of the funds. There would be a simultaneous closing so all entities would close at the same time.

St. Peter asked the applicant if he had done any other transactions that included a similar loan to moderate-income population within the property. Mr. Von Feldt stated that this type of project is all he does. In June, a development will open in Elk River and at that time his agency will have over 600 units in the metro area. This is his business' specialty. He answered affirmatively.

St. Peter questioned if his management company has had issues with excessive police and fire calls to any of the properties. Mr. Von Feldt said that his company acts fairly quickly to resolve issues for properties whose number of police service calls goes beyond the normal. He encouraged staff and commissioners to contact the cities where his company's properties are located. He is confident his company will be given a positive recommendation. Wischnack stated that staff will be visiting all of the sites and compiling the statistics for police calls for service to those properties in preparation for the city council meeting.

Smith suggested including a clause in the contract to require adherence to fair-lending laws. St. Peter recalled a court case that jointly charged a bank under the fair lending act for not enforcing fair housing rules.

Bubul said that, in order to maintain its eligibility for tax credits, entities must have scrupulously good record keeping. Tax credit investors depend on that. So, the city is in better shape with tax-credit projects than other projects. The chance of noncompliance with fair-housing rules is extremely minimal.

Happe confirmed with Wischnack that the city council did not decertify the pooled TIF district.

Happe asked what the comprehensive guide plan amendment would include. Wischnack explained that the planning commission would discuss and make a recommendation to the city council regarding the proposed change.

Happe asked where the 10 percent that goes to the developer comes from. Bubul believed it would be 10 percent of the overall project cost. There are two different limits. Ten percent could be paid out of the actual cash at closing. There is another provision that would be imposed by the first mortgage holder that would allow a payout on an ongoing cash basis and limit how much would go out on an annual basis. It would come out to be approximately 10 percent over the long haul.

Happe noted the overall project cost would be \$10 million. Wischnack said that it just increased to \$12 million. Mr. Von Feldt explained there would be a final audit that would certify the costs at the end of the day. There is some built-in documentation. The contract would require regular reports.

Happe noted that the city would contribute \$1.1 million to the project. Wischnack explained that a portion of the developer's profit would go back into the project itself. Mr. Von Feldt explained that the developer's fee includes profit and costs for overhead operations. The tax credit program with Minnesota Housing allows a developer to receive up to 15 percent, depending on the size of the project. The numbers show a developer's fee of a little over 12 percent and a contribution by the developer of 4 percent back into the project which gets the developer's fee down to the 8 to 9 percent range. It is done that way because Minnesota Housing allows 15 percent and the developer fee is a cost of the project. The developer can receive tax credits for the cost of the project. Putting the money back into the project helps fill a gap caused by the developer fee. The tax credits can be used to fill some of the gap rather than starting with a lower fee to begin with.

Wischnack summarized that the papers that go through the tax credit process show the developer's fee at 12 percent. In the end, the developer would actually get 8 percent. The money would not be paid to the developer until after the project would be completed. The developer is the last entity paid. The project would not be completed until 2013.

St. Peter explained how congress used a similar method.

Ruff added the low-income housing tax credit program came about in 1986. Tax law was even more convoluted prior to 1986 when people were encouraged to lose money on apartments to get a big tax break. The tax credit program is a way that the federal government still could provide for affordable housing, but budget for a tax loss every year. The tax credit program has very little cash flow that comes back to the developer. In this case, maybe \$30,000 to \$40,000 a year. The tax credit investors would take all of that money. The people who would take the risk, in this case Duffy Development, are taking risks by upfronting a fair amount of money and taking construction risk that the project would actually be completed as projected. In exchange, the developer gets a fee up front.

Happe asked if Mr. Von Feldt's company owns any properties in Plymouth. Mr. Von Feldt answered in the negative.

Happe asked if the housing project would happen without a contribution from the city. Mr. Von Feldt answered that the project would be \$1.1 million dollars short. There would be too much cost per unit to be able to complete the project. St. Peter noted that without the local jurisdiction's support, the Minnesota Housing application would probably not be approved.

Smith questioned how affordable housing sales occur and if a new owner would be required to abide by the contract. Mr. Von Feldt explained the tax credit program requires a 30-year compliance period. There is a land-use restriction placed on the property and recorded with the county upon its completion. Duffy Development would be a long-term owner and manager. Duffy Development completed its first tax-credit development in 1983 and is still involved in that development. If the property did sell, the affordability restrictions would stay in place for 30 years. A foreclosure may be able to nullify the restrictions, but with a mortgage funded by the Minnesota Housing Finance Agency (MHFA), that would be very unlikely. MHFA would help resolve an issue rather than foreclose.

Bubul added that, in addition to the tax credit requirements, there would be a declaration of restrictive covenants that is part of the contract on the property and bind any future owner. The contract would stay in place even after refinancing. MHFA may require subordination of the mortgage which would make it possible for them to dispose of the property without following contract requirements, but that is infinitesimally rare and MHFA supports affordable housing.

St. Peter noted that the provisions would be similar to a HUD agreement. Bubul and Wischnack agreed.

Wischnack clarified that the recommendation would be for the city council to approve the contract with or without changes.

Coughlin moved, Aanenson seconded a motion to recommend that the city council approve the contract for Minnetonka Apartments for private development. Aanenson, Coughlin, Smith, and St. Peter voted yes. Bjorgo was absent. Happe voted no. Isaacson recused. Motion passed.

Happe received concerns from residents regarding the time, energy, and resources the city puts into affordable housing projects and did not know how to reconcile that. The current financial times and amount of money the project would cost made him question if this is the right time to be doing this. He did not support the city council's decision to decline decertification of the pooled TIF district. He apologized. St. Peter agreed with the urgency to spend funds wisely. He balanced those concerns with the opportunity to take a property that is difficult to develop and add it to the tax rolls using a method that saves the city money and during a time when construction costs are depressed. The opportunity to build projects where a lot of bank financing is not required is

something that developers are jumping at. Capital improvement projects the city has bid out have come in under expected bid amounts.

Wischnack clarified \$200,000, not \$500,000, will be returned to Hennepin County.

## **5. HOUSING REHABILITATION AND DOWNPAYMENT/CLOSING COST ASSISTANCE PROGRAMS**

Isaacson rejoined the meeting. Durbin reported.

Aanenson felt clarifying the goals makes it easier to do the performance measures. It will be helpful to evaluate the program and modify it, if needed.

Smith wondered when the program would be implemented. Durbin hoped late spring, early summer. She encouraged residents to watch for more information in the *Minnetonka Memo* and the city's website: [eminnetonka.com](http://eminnetonka.com).

## **6. STAFF REPORT**

Wischnack and Durbin reviewed the items including: light rail, transit study, Test Drive Your Idea program, St. Therese, and 1707 Hopkins Crossroad/HWR.

Smith asked if consulting sessions are available later in the afternoon for the Minnetonka Open to Business program to accommodate working entrepreneurs. Durbin said that had been discussed. The time could be adjusted if needed.

The next SLUC session, Great Streets, will have presenters from the state, county, and Richfield discuss the transformation of roads and how designers think about doing streets today as opposed to 5 years and 10 years ago. It will review the pedestrian connection issue and how that may be at odds with a county who wants to move traffic as efficiently as possible.

## **7. OTHER BUSINESS**

The next EDAC meeting is tentatively scheduled for April 28, 2011.

Wischnack noted that the old Cattle Company site is being considered by a long-term stay hotel that would have 100 units, but no water park.

## **8. ADJOURN**

Happe moved, Smith seconded a motion to adjourn the meeting. All present voted yes. Motion passed. The meeting adjourned at 7:15 p.m.

## **EDAC Agenda Item #4- Meeting of April 28, 2011**

**Brief Description:** YMCA redevelopment plan concept

**Recommended Action:** Provide feedback on the use of TIF and pooled funds

### **Background**

The Ridgedale YMCA, located at 12301 Ridgedale Drive (page A1), has been a part of the Minnetonka community since 1979. The Ridgedale YMCA facility, in addition to a fitness facility, also provides a number of programs and contributions to the community as described on page A2.

The Ridgedale YMCA's existing building is approximately 73,000 square feet situated on a 10.42 acre site directly across from the Ridgedale Mall. Over the years, the facility has undergone major repairs for foundation, structural and mechanical issues. The YMCA has recently completed a study to determine whether to renovate this site or to build a new facility. After reviewing the renovation costs, along with the current size of the building, they have determined that the building is obsolete and no longer effectively serves the community, and now wishes to redevelop the site (pages A3-A6).

### **Proposed Redevelopment**

The YMCA, along with Frauenshuh, have prepared a proposed redevelopment concept plan for the site (page A7). This concept includes:

- Demolition of the existing YMCA (only partially during construction of new facility)
- A new, 2-story, 50,000 square foot YMCA located on the northwest corner of the property.
- A 150-unit senior housing facility located directly south of the YMCA. Of the 150 units, 30 units (20% of the total units) would be affordable to those at 50% area median income or less for 25 years. The senior housing facility would be directly connected to the new YMCA.
- A 10,000 to 12,000 square foot medical office building located on the northeast corner of the property.

The idea behind the mix of uses for the property is to provide a wellness environment, where the seniors living in the housing can access the YMCA, as well as the medical office building. The area along Ridgedale Drive also offers other amenities such as shopping, the library and restaurants.

## **Project Analysis**

In the preliminary analysis put together by the YMCA and Frauenshuh, a gap in financing exists in order to make the redevelopment happen.

Page A7 provides a summary of that analysis for the site redevelopment component. It envisions a subdivision of the land, and a portion of it would be transferred to a senior housing developer and another piece would be divided to accommodate a medical office building. The sales of those land components, in addition to the fundraising dollars from the YMCA, leave a \$2.8 million gap for the site redevelopment.

Additionally, in order to provide the affordability component in the senior housing facility, a second financing gap exists. This gap is based upon the subsidy that is needed to provide 30 units to those at 50% area median income for 25 years, and the developers estimates this to be \$275,000 to \$325,000 annually. Over 25 years, this gap is \$3.2 to \$3.7 million.

## **Financing**

The range of the financing gap for this project is estimated to be between \$6.0 and \$6.5 million. The YMCA and Frauenshuh have had preliminary discussions with staff about the opportunity for city financing, possibly through the use of a combination of Tax Increment Financing (TIF) and pooling funds in order to fund the gaps.

In preliminary calculations, a housing TIF district could generate approximately \$2.8 million over 25 years (see pages A8-10). This project may qualify for a redevelopment TIF District, but because the project included affordable units, a housing district was chosen to base the initial calculations. Based upon the TIF district estimates, a \$3.2 to \$3.7 million gap still remains, which possibly be funded by pooling funds since the project meets the affordability criteria for the use of these funds.

## **Recommendation**

The project development for this site is at a very conceptual level. The EDAC is asked to review the concept for the redevelopment, and provide feedback on the affordability with use of TIF and pooled funds, including:

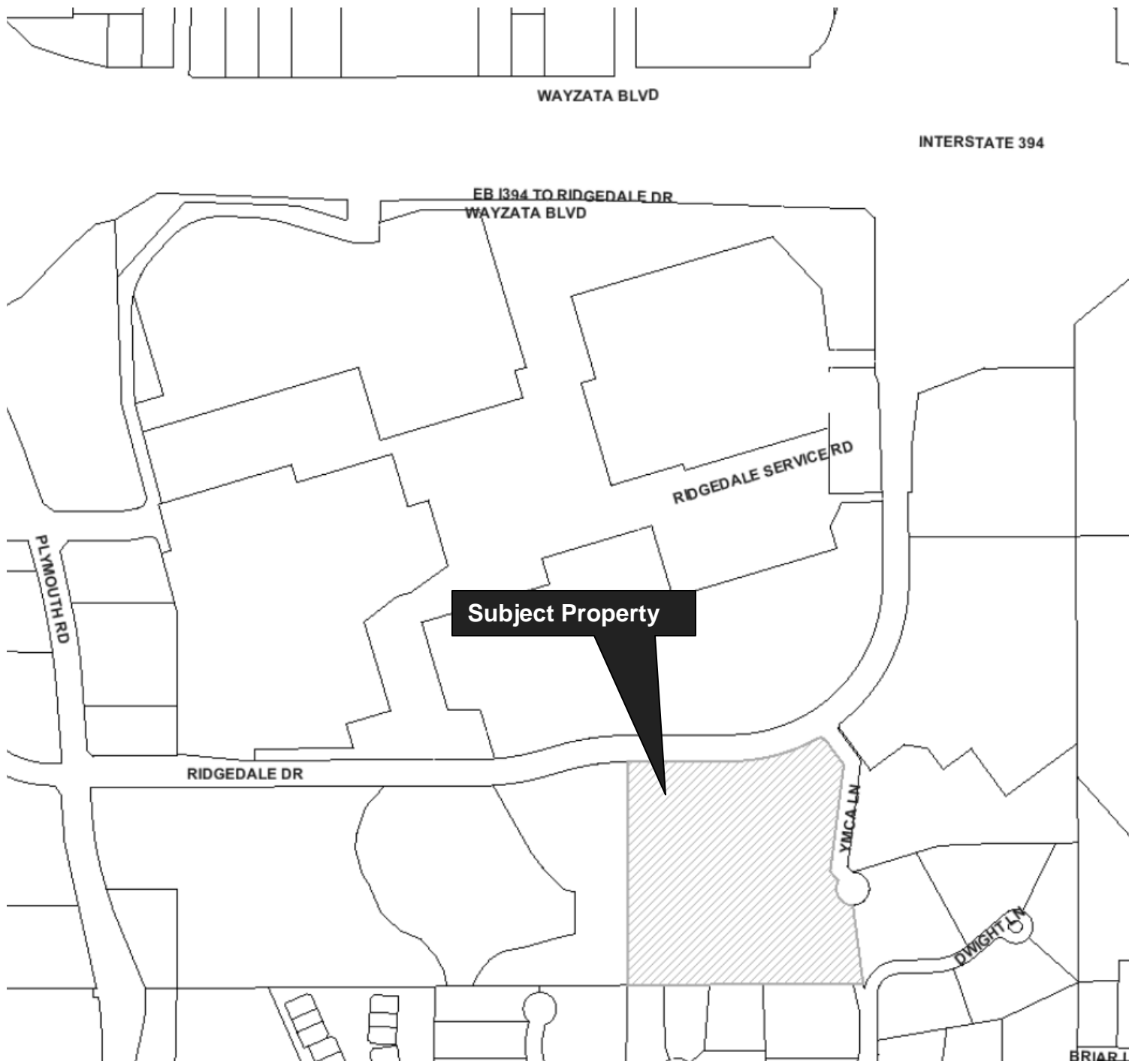
- *Is the use of TIF, pooled funds, or a combination of both appropriate to assist in the redevelopment of this site?*
- *If pooled funds are appropriate for use, how much would the EDAC be willing to make available for this project? (Note: There is up to \$6 million in TIF pooling funds available, until 2021. The EDAC has already recommended that \$1.025 million be made available for the Duffy project).*
- *Are the affordability levels appropriate?*

In order to assist the EDAC in providing feedback on the project, staff has prepared a matrix of city financial participation (page A11), as well as other public participation, to affordable housing projects to provide context about the redevelopment parameters.

The feedback from the EDAC will assist staff in further discussions with the developer.

Originated by:

Julie Wischnack, AICP, Community Development Director  
Elise Durbin, AICP, Community Development Supervisor



**LOCATION MAP**



Project: YMCA  
Address: 12301 Ridgedale Drive

## **A Summary of 2010**

**The Ridgedale YMCA impacted lives throughout the year developing youth, encouraging healthy living, and supporting social responsibility within our community.**

- Families and individuals searching for balance, healthy relationships, and healthy living sought out the YMCA 320,476 times
- We instilled the value of civic leadership, interpersonal communication skills, responsibility, and self confidence to 120 teens in Youth in Government.
- We provided acceptance, encouragement, hope, and support to 932 households struggling with economic issues.
- Our 21 community board members helped move people and our communities forward, delivering the benefits of good health, strong connections, great self-confidence and a sense of security to all who seek it.
- We were here for our community, making sure that members had the resources and support needed to learn, grown and thrive. This year we continued our efforts of ensuring a welcoming environment to our members, achieving an increase in 6% retention in our membership
- Our summer youth development activities, provided opportunities for over 2,000 young people to have fun, build confidence, learn from caring adult role models and make new friends.
- Our senior programming grew to record numbers in 2010 as we provided opportunities for seniors to achieve a balance of spirit, mind and body by encouraging good health and fostering connections at all stages of life.
- Together with many community partners, we ensured that over 150 people of Minnetonka Heights Community Enhancement program were provided with opportunities to live life to its fullest.
- We have brought together over 3,000 parents and kids to spend quality time together through activities ranging from family nights at Camp Christmas Tree, Halloween Pumpkin party and family fitness classes.
- We instilled self confidence, independence and life long skills in over 500 children throughout aquatics programs.





**FOR YOUTH DEVELOPMENT  
FOR HEALTHY LIVING  
FOR SOCIAL  
RESPONSIBILITY**

April 19<sup>th</sup>, 2011

Mrs. Julie Wischnack  
City of Minnetonka  
14600 Minnetonka Blvd.  
Minnetonka, MN 55345

**Re: Ridgedale YMCA: Redevelopment Concept Proposal**

Dear Mrs. Wischnack,

We are pleased to present a conceptual plan and proposal in connection with the Ridgedale YMCA at 12301 Ridgedale Drive in Minnetonka. The information provided in this narrative and attached site plan illustrations/development program provide a point of reference for the discussion.

Representatives of The Young Men's Christian Association of Metropolitan Minneapolis, property owner, and Frauenshuh, Inc., project development manager will be available at the EDAC meeting to discuss the proposed concept plan and considerations surrounding the feasibility of the proposed development.

**Ridgedale YMCA Background**

The Ridgedale YMCA has operated at this location since 1979. The current site is approximately 10.42 acres in size. The existing building is approximately 73,000 square feet comprising two levels. There are approximately 255 surface parking spaces on the east portion of the site and an additional approximately 35 spaces on the west side of subject the property, presently under a parking lease arrangement with the neighboring Redstone American Grill restaurant.

Property access is from YMCA Lane, which serves the apartment complex and the YMCA. Today, the Ridgedale YMCA has a membership base of approximately 2,280 membership Units, which equates to 6,967 people accessing the YMCA, working toward a healthier lifestyle.

The existing building has aged and has undergone a series of routine and major maintenance repairs. These have included foundational, structural, mechanical and exterior building systems issues. By today's standards, the building's design is functionally obsolete in many areas and does not efficiently serve the needs of our customers and the community.

**Ridgedale YMCA Remodel - Renovation Option**

At present, the YMCA through its capital campaign and fundraising resources has an allocation of \$4.5 million dollars for facility improvements of the Ridgedale YMCA. The plan is to use these funds to remodel the property that would support the long term viability of the operation and its ability to provide services to the Minnetonka community. The YMCA has been studying this option and evaluated both major systems replacement and physical renovation of portions of the building to

improve basic function and performance. The findings indicated that a multi-million dollar investment to improve basic building deficiencies and infrastructure would be necessary, while leaving minimal dollars available for building functional upgrades and enhancement to the physical plant, including exterior building and grounds improvements. Additionally, the current size of the facility is too large, inefficient and costly from an annual operations perspective. Ultimately, the investment of these resources may address short term issues, but would not solve the long term issues inherent with this facility.

### **Ridgedale YMCA Redevelopment Option – A New Vision for Wellness Living**

In 2010, the YMCA began a process with development consultants at Frauenshuh, Inc. to study the potential of a redevelopment of the entirety of the Ridgedale YMCA site. Given the size of the building (73,000 sq. ft.) and large size of the parcel (10.42 acres), Frauenshuh and the YMCA have worked in cooperation to determine if a viable redevelopment strategy could be found to respond to market potential of the site, while addressing the long-term viability of the YMCA in Minnetonka.

After preliminary discussions with the City's Community Development staff and analysis concerning the financial constraints of the YMCA (\$4.5 million capital fund), a redevelopment plan representing a potentially feasible vision has been developed.

The concept plan contemplates the new construction of a state of the art 2-story YMCA facility of approximately 50,000 square feet on the frontage of Ridgedale Drive. The reoriented building serves two important purposes in the plan: First, it brings the YMCA to the street to create a more inviting and "connected" visual presence of the building. As is now apparent, the current configuration and large earthen berm on Ridgedale Drive is a barrier and hides the YMCA from the street. Second, the location of the building will allow the new YMCA building to be constructed while the current facility remains in operation, with the minimal removal of the gymnasium on the north portion of the site. In order to make this transition successfully, it is essential that the YMCA building remain in operation during development of the new facility.

The catalysts to the project is the redevelopment of the balance of the site as a mixed-use medical and senior residential campus comprising up to 150 senior residential living units and an approximately 10-12,000 sq. ft. medical office building. The senior residential development and medical office development would pay a market rate price for the land and develop privately in sequence upon completion of the new YMCA and removal of the existing YMCA building. The ultimate timing and sequence of these phases is subject to continued site and development planning.

The "mixed-use" vision of the existing site with a new YMCA, senior housing campus and medical building would allow the YMCA to pursue a new wellness living environment in Minnetonka that would integrate the programs and services of the YMCA operation with the residents of the senior building. Likewise, medical services would be located on the campus and provide convenient access for senior residents, YMCA members and the Minnetonka community at large in this regional center of the city. The integration of the uses creates a unique opportunity to pursue a wellness living vision and model of success through creative collaboration within the city of Minnetonka.

## **Project Financial Considerations**

The sale of the portions of the site that will be developed with the senior residential and medical office components help serve as an economic catalyst to the YMCA redevelopment. As discussed above, the YMCA's restricted funds of \$4.5 million will make it necessary for the sale of the land sites to the private development, plus additional TIF proceeds generated by the senior residential and medical office development to be used to underwrite the total cost of the YMCA project of approximately \$11.75 million.

A preliminary proforma summary of the financial requirements of the project is attached. Because the physical planning and design of the building is conceptual at this time, the actual and final development costs will be determined if the City is interested in collaborating with the project. In summary, an estimated gap of approximately \$2.8 million present value exists after accounting for proceeds from the YMCA's land sales to the senior housing and medical office developments. Based on preliminary TIF calculations prepared by the City's financial consultant, a 26 year Housing TIF District would generate adequate revenues to generate this level of funding.

In addition to the underwriting of the project cost of the YMCA redevelopment, it will be necessary for the senior housing developer to meet tax credit eligibility guidelines for housing affordability (20% of the units at 50% of median income or 40% of the units at 60% of median income) in order to qualify for the Housing TIF district and TIF pooling. This pre-requisite places a constraint on the financing of the affordable units, given that the cost of the units (30 out of 150 total units, or 20%) will not generate adequate rents to off-set the cost to construct. In this case, the affordable rental "gap" is presently estimated to run approximately \$275,000 - \$325,000 annually, depending on the assumptions for market rate rent and expense growth. Over 25 years, this equates to an approximately \$3.2 - \$3.7 million present value gap, to deliver and sustain the affordable units.

The YMCA and Frauenshuh have had initial discussions with City staff regarding the availability of the other resources to address this affordability gap. City staff has informed the YMCA and Frauenshuh of the city's housing "pooling" funds that may be a potential source for this type of affordability gap. The amount and structure of funds to offset the affordability gap for this project has not been discussed in great detail up to this point, however, in order to proceed with the project, the YMCA and Frauenshuh would like to determine options for the use of this funding source to meet the affordability requirements and feasibility of the project.

## **Timing and Schedule**

The YMCA is interested in determining whether it will proceed with a renovation of the existing building or if there is an opportunity to pursue a long term vision of this site in a redevelopment venture with the support of the City of Minnetonka. The YMCA would like to establish a clear direction on this matter by approximately July 1, 2011. If there is support for the redevelopment vision outlined in this package, upon proceeding with preliminary reviews with city commissions and council, the YMCA would be prepared to initiate formal preparation of plans in the fall of 2011. Potential construction start, based on timing of project approvals and agreements could be as early as Spring 2012. The subsequent phases, following construction of the new YMCA would occur as the adjacent sites are prepared and available for construction following removal of the existing YMCA building.

## Summary

The YMCA has been studying the potential for a renovation of its existing facility or the potential of a new wellness-living redevelopment vision for the site. The current building has numerous physical deficiencies that need to be rectified through a longterm strategy for the project. The redevelopment vision for the site would create an opportunity for the YMCA to bring a state of the art facility to the city of Minnetonka, while putting the remainder of the site into productive private ownership that would have the ability to serve as a catalyst and generate property revenues to support the project. The senior housing portion of the project would be pursued in an effort to deliver affordable units in the city of Minnetonka and as such, would require a creative approach to using available city pooling resources as a method of meeting this project objective. Expanded medical services would become available, bringing additional services and employment to the city.

It is important to note that the conceptual plans enclosed are in a preliminary form, subject to feedback from the City of Minnetonka and detailed engineering and design process working with the project development team and City. The YMCA and Frauenshuh are prepared to proceed with detailed design plans if the financial and economic requirements are supportable, and the City of Minnetonka desires to work with the Ridgedale YMCA in realizing this vision.

Sincerely,



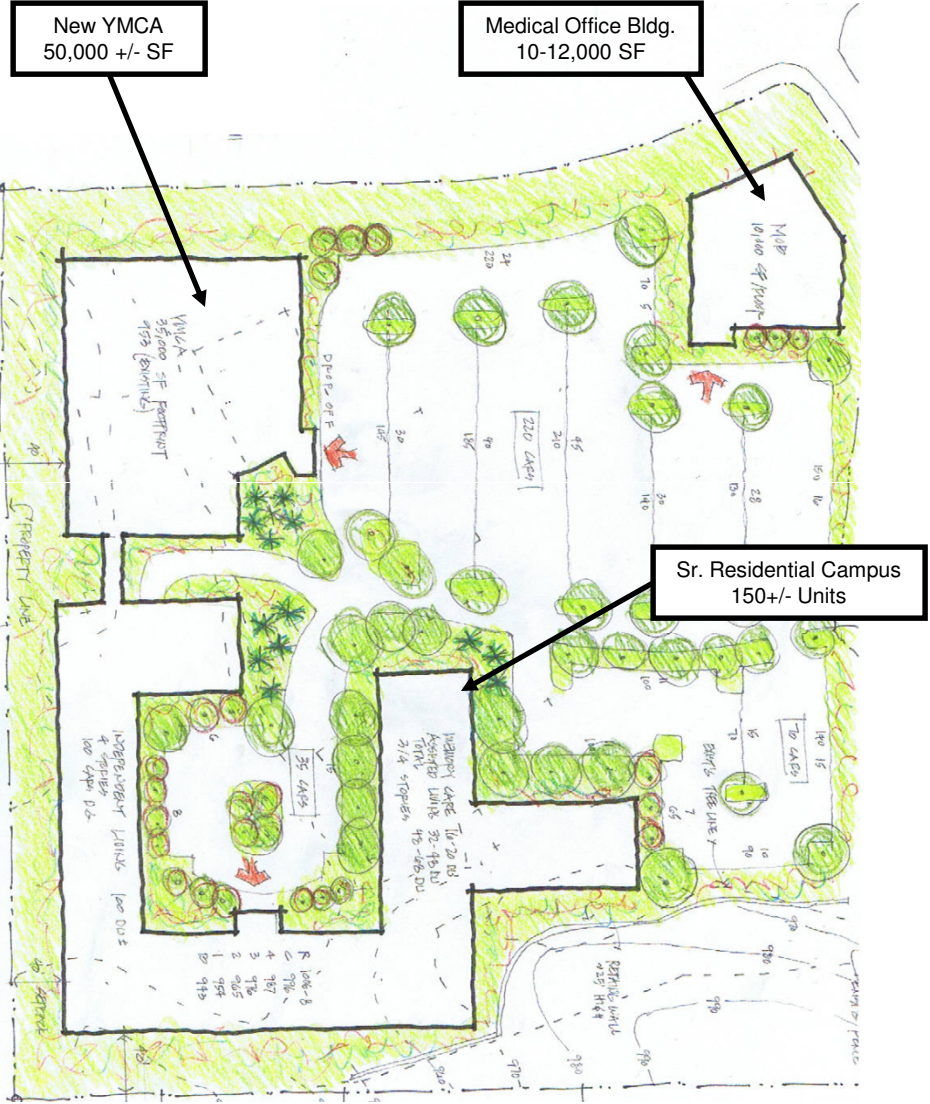
Anita Lancello Bydlon  
Vice President of Property Management & New Development

## Enclosures

- Preliminary Redevelopment Site Plan Concept
- Mission Impact Summary Sheet

# Ridgedale YMCA Mixed Use Redevelopment – Preliminary

PRELIMINARY AND FOR DISCUSSION ONLY



### Preliminary Project Overview

Use Component		Value
New YMCA	50,000 SF	\$11,750,000
Sr. Residential	150 units	\$22,500,000
Medical Office	10-12,000 SF	\$2,150,000
<b>Total Project</b>		<b>\$36,400,000</b>

Site Redevelopment Gap	
YMCA Total Project Cost	\$11,750,000
Proceeds from Land Sales	(\$4,415,590)
Proceeds from YMCA Funds available	<b>(\$4,500,000)</b>
<b>Site Redevelopment Gap</b>	<b>(\$2,834,410)</b>

TIF District Requirement \$2,834,410

*\* In addition to the above, the TIF district or TIF pooling would be required to fund the affordability component of 20% (30 units) of senior housing, estimated affordability gap of \$275,000 - \$325,000 per year on the affordable units.*





**YMCA Redevelopment**

City of Minnetonka

Senior Housing and Office

**ASSUMPTIONS AND RATES**

<b>DistrictType:</b>	<b>Housing</b>	Maximum/Frozen Local Tax Rate:	114.238% Pay 2011 Proposed
<b>District Name/Number:</b>		Current Local Tax Rate: (Use lesser of Current or Max.)	114.238% Pay 2011 Proposed
<b>County District # (SD 284, Sewer 1, WS 7):</b>		State-wide Tax Rate (Comm./Ind. only used for total taxes)	50.0000% Pay 2011 Proposed
<b>First Year Construction or Inflation on Value</b>	<b>2013</b>	Market Value Tax Rate (Used for total taxes)	0.19290% Pay 2011 Proposed
<b>Existing District - Specify No. Years Remaining</b>		<b>PROPERTY TAX CLASSES AND CLASS RATES:</b>	
Inflation Rate - Every Year:	<b>0.00%</b>	Exempt Class Rate (Exempt)	0.00%
Interest Rate:	<b>6.00%</b>	Commercial Industrial Preferred Class Rate (C/I Pref.)	
Present Value Date:	<b>1-Feb-13</b>	First \$150,000	1.50%
First Period Ending	<b>1-Aug-13</b>	Over \$150,000	2.00%
Tax Year District was Certified:	<b>Pay 2014</b>	Commercial Industrial Class Rate (C/I)	2.00%
Cashflow Assumes First Tax Increment For District:	<b>2015</b>	Rental Housing Class Rate (Rental)	1.25%
Years of Tax Increment	<b>26</b>	Affordable Rental Housing Class Rate (Aff. Rental)	0.75%
Assumes Last Year of Tax Increment	<b>2040</b>	Non-Homestead Residential (Non-H Res.)	1.25%
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	<b>Inside(B)</b>	Homestead Residential Class Rate (Hmstd. Res.)	
Incremental or Total Fiscal Disparities	<b>Incremental</b>	First \$500,000	1.00%
Fiscal Disparities Contribution Ratio	39.2154% Pay 2011 Proposed	Over \$500,000	1.25%
Fiscal Disparities Metro-Wide Tax Rate	129.3270% Pay 2011 Proposed	Agricultural Non-Homestead	1.00%

**BASE VALUE INFORMATION (Original Tax Capacity)**

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/Phase
	211722340008	YMCA		1,300,000	0	1,053,324	100%	1,053,324	Pay 2014	C/I Pref.	20,316	Aff. Rental	7,900	
						246,676	100%	246,676	Pay 2014	C/I Pref.	4,184	C/I Pref.	4,184	
						0	100%	0	Pay 2014		-		-	
						0	100%	0	Pay 2014		-		-	
				<b>1,300,000</b>	<b>0</b>	<b>1,300,000</b>		<b>1,300,000</b>			<b>24,500</b>		<b>12,083</b>	

**Note:**

1. Base values are estimates only and need to be confirmed with the City assessor when the allocation of land is available between exempt and taxable.



**YMCA Redevelopment**  
 City of Minnetonka  
 Senior Housing and Office

PROJECT INFORMATION (Project Tax Capacity)											
Area/Phase	New Use	Total Sq. Ft./Units	Market Value Sq. Ft./Units	Market Value	Property Tax Class	Project Tax Capacity	Percentage Completed 2013	Percentage Completed 2014	Percentage Completed 2015	Percentage Completed 2016	First Year Full Taxes Payable
	Office	10,000	175	1,750,000	C/I Pref.	34,250	50%	100%	100%	100%	2016
	Senior Housing	150	130,000	19,500,000	Aff. Rental	146,250	50%	100%	100%	100%	2016
<b>TOTAL</b>				<b>21,250,000</b>		<b>180,500</b>					
<b>Subtotal Residential</b>		<b>150</b>		<b>19,500,000</b>		<b>146,250</b>					
<b>Subtotal Commercial/Ind.</b>		<b>10,000</b>		<b>1,750,000</b>		<b>34,250</b>					

**Note:**

1. Market values are based upon the developer's estimates and need to be confirmed with the assessor.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Office	34,250	13,431	20,819	23,783	17,370	17,125	3,376	61,654	6.17
Senior Housing	146,250	0	146,250	167,073	0	0	37,616	204,689	1,364.59
<b>TOTAL</b>	<b>180,500</b>	<b>13,431</b>	<b>167,069</b>	<b>190,856</b>	<b>17,370</b>	<b>17,125</b>	<b>40,991</b>	<b>266,342</b>	

**Note:**

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.
2. If the district requests certification in pay 2011, then TIF potentially is paid in 2012. This would shorten the term of the district by one year.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	266,342
less State-wide Taxes	(17,125)
less Fiscal Disp. Adj.	(17,370)
less Market Value Taxes	(40,991)
less Base Value Taxes	(11,930)
<b>Annual Gross TIF</b>	<b>178,926</b>



## ASSISTANCE TO OTHER AFFORDABLE HOUSING PROJECTS

*City participation to select affordable housing projects*

Name of Project	Year Built	Number of Affordable Units	Total TIF/city participation	Total Market Value*	% TIF/city Participation	TIF/city Participation per Affordable Unit	Years of Affordability	Participation per Unit per Year
Glen Lake	2008-2011	43	~\$2,660,000	\$28,330,000 (Exchange and St. Therese only)	9% (Exchange and St. Therese only)	\$61,860 (All affordable units)	30	\$2,062 (All affordable units)
Duffy Development (proposed)	2012	48	\$1,050,000	\$5,120,000 (Estimated)	20%	\$21,875	30	\$729
YMCA (proposed)	2012+	30	\$6,250,000	\$36,400,000 (Estimated)	17%	\$208,333	30	\$6,944

*Total public participation (including city participation) to select affordable housing projects*

Name of Project	Year Built	Number of Affordable Units	Total Public Participation	Total Market Value*	% Public Participation	Public Participation per Affordable Unit	Years of Affordability	Participation per Unit per Year
Glen Lake	2008-2011	43	\$3,283,452	\$28,330,000 (Exchange and St. Therese only)	12% (Exchange and St. Therese only)	\$76,359 (All affordable units)	30	\$2,545 (All affordable units)
Duffy Development (proposed)	2012	48	\$1,845,000 (Estimated)	\$5,120,000 (Estimated)	36%	\$38,438	30	\$1,281
YMCA (proposed)	2012+	30	\$6,250,000	\$36,400,000 (Estimated)	17%	\$208,333	30	\$6,944

Glen Lake public participation: City, DEED, Hennepin County

Duffy Development public participation: City, Hennepin County, Minnesota Housing/Met Council/Family Housing Fund

Note about Duffy Development public assistance: This calculation does not include tax credits

YMCA public participation: City

\*This is total market value (land and buildings) during the first year of full value (the year after construction typically).

**EDAC Agenda Item #5**  
**Meeting of April 28, 2011**

<b>Brief Description</b>	Minnetonka business programs
<b>Recommendation</b>	Receive the updates

**Background**

With the start up of the “Open to Business” program this year, staff wanted to provide an introduction, as well as updates, to programs and resources available to Minnetonka businesses.

**Programs and Resources**

A variety of programs—from resources to technical assistance to financing, are available to Minnetonka businesses, or businesses wishing to locate in the city.

*Open to Business program*

This is the newest program available, which began in 2011. The city entered into a contract with the Metropolitan Consortium of Community Developers (MCCD) to provide the Open to Business program in Minnetonka on a one year trial basis. The Open to Business program focuses on assistance to start up and small to medium sized businesses. Additionally, through a separate program offered by MCCD, there are some funds available for small loans.

Through the first quarter of 2011, 26 people have been assisted through the Minnetonka Open to Business program. These 26 active clients:

- Have received a total of 73 hours of assistance from staff at MCCD.
- Are split evenly between existing businesses and start up businesses.
- Have received technical assistance on a number of topics including: business feasibility/evaluation, financial planning/options, loan packaging, short/long term planning, marketing, revenue stream analysis, employment regulations, and business purchase evaluations.
- One client recently closed on a \$25,000 loan through MCCD that will help for business expansion.

Pages A1-A3 provide a further overview of the program to date. Additionally, the Minnetonka Open to Business program will add a new component beginning in May, called “Test Drive your Idea”. One day per month, MCCD staff will be at the Minnetonka Community Center and will be available for a 15-minute walk-in consultation. MCCD staff will also be at the Minnetonka farmers market occasionally throughout the summer/fall to promote the program in addition to other marketing efforts. Later in the

year, MCCD staff will be at an EDAC meeting to further discuss the results of the program.

#### *Common Bond Fund Revenue Bond Program*

The Common Bond fund (pages A4-A5) is a loan fund for manufacturing companies wishing to expand. The program originally began in Minneapolis in the 1980's, but was expanded throughout all of Hennepin County in 2004 through a joint partnership between the city of Minneapolis and Hennepin County. Projects to be funded can include land acquisition, new facility construction, additions, purchase/renovation of structures and equipment purchase. Even though the city of Minneapolis and Hennepin County run the program by issuing tax exempt revenue bonds, the city would be actively involved in any inquiries or loans made—which includes approval by the city council, prior to any other approvals.

Since suburban Hennepin County was added to this program in 2004, there has been one inquiry from Minnetonka businesses about the Common Bond Fund for a printing business expansion. Ultimately, other sources of funds were used to fund that expansion. There are two possibilities why this program is not accessed. One is that Minnetonka does not have large number of pure manufacturing facilities. Second, the program is difficult to explain and market in terms of where the dollars are accessed.

#### *Minnesota Community Capital Fund*

In 2005, the City Council approved participation in the Twin Cities Community Capital Fund (TCCCF), which was a spinoff of the Minnesota Community Capital Fund (MCCF); however, in October 2010, the TCCCF was dissolved due to economic challenges and its members were offered opportunities to be a part of the MCCF. In November 2010, the city transferred a portion of its membership to the MCCF, which has more financial ability than the previous TCCCF did.

The MCCF is a non-profit corporation governed by its members, which provides “gap” financing for economic development projects in the state of Minnesota, and allows members to generate loan amounts up to ten times the amount of the membership level. The city is a member at the Class A level, therefore, loans of up to \$1,000,000 may be made, with no limits on the number of loans a city can sponsor. The loans are only made for projects and purposes approved by the city.

There have been a few phone inquiries from Minnetonka businesses regarding the TCCCF/MCCF; however, none have proceeded with an application.

#### *Minnesota Investment Fund*

The Minnesota Investment Fund (MIF) is a program offered by the Department of Employment and Economic Development (DEED) at the state. The purpose of the program is to provide up to \$500,000 in funds to industrial, manufacturing, and technology-related businesses to add new workers or retain the existing workforce. At least 50% of the funds must come from private equity of the business or other lenders.

The city, working closely with the business, applies to DEED for the funds. If the funds are awarded, then they are sent to the city, which then supplies them to the business. The city has received two MIF awards since 2002. The first was for \$400,000 for a business expansion at Cargill in 2002. Cargill was given this money as a loan and required to pay it back, of which \$200,000 returned to the city for a revolving loan fund for economic development activities, and \$200,000 was returned back to DEED. The city's \$200,000 went into the Twin Cities Community Capital Fund. When the TCCCF dissolved, \$100,000 went to the MCCF, \$10,000 for the Open to Business Program, and the remaining funds were returned to the city and placed into the revolving loan fund.

The second was for a business relocation and expansion of Nestle in 2008; however, due to the economy and timing of the award, the funds for Nestle were never received and were ultimately returned to the state.

#### *Bioscience Business Development*

The Bioscience Business Development program is another program from DEED, which offers funds for publicly owned infrastructure improvements related to the job creation or retention of bioscience businesses. These improvements can be for things such as storm sewers, utilities, telecommunications, roads, bridges, parking ramps, etc. There is a 50% match program requirement.

The city is the applicant for the funds, but would make application with a business. In 2010 the city was awarded \$1,000,000 in bioscience funds for the Bren Road bridge reconstruction with UnitedHealth Group and other businesses in the Opus area cited as the bioscience businesses.

#### *Other DEED programs*

There are other infrastructure related programs available from DEED. These programs are for application by local governments, and target infrastructure projects such as clean water, waste water, and transportation. If there was an upgrade needed with one of these infrastructure systems due to a business expansion or relocation, the city, while working with the business could apply for the funding.

The Transportation Revolving Loan Fund program is one of these programs that can be accessed. In 2010, the city received a loan of up to \$5,000,000 for the Bren Road bridge reconstruction.

#### *Green Related Programs*

There are several programs offered by Xcel Energy and CenterPoint Energy that focus on energy efficiency in businesses. These vary from workshops, rebates, access to energy advisors, and energy analyses.

**Summary**

The chart below provides a summary of the programs available to Minnetonka businesses.

<b>PROGRAM NAME</b>	<b>PROGRAM TARGET</b>	<b>FUNDS</b>
Open to Business	Mainly technical assistance with some limited financial assistance up to \$25,000	City contribution: \$10,000 from returned Twin Cities Community Capital Fund membership (year 1)
Common Bond Fund	Expansion opportunities for existing manufacturing companies with financing of up to 90% of project costs	City contribution: None *Do need city support
MN Community Capital Fund	Gap financing with loans up to \$1,000,000	City contribution: \$100,000
Minnesota Investment Fund	Financing to assist with new job creation or retention	City contribution: None *City must apply for the funding in cooperation with the business
Bioscience	Financing to assist capital improvements related to new job creation/retention of bioscience businesses	City contribution: 50% match *City must apply for the funding in cooperation with the business
Transportation Revolving Loan Fund program	Loan program for transportation related improvements	City contribution: This is a loan program. The city must pay back the loan
TwinWest Chamber of Commerce	Local chamber of commerce	City is a member of the chamber

This report is being provided for the commission's information. When there are applications for the loan funds, the EDAC will be asked to review the applications first and make a recommendation to the city council.

Submitted through:  
 Julie Wischnack, AICP, Community Development Director

Originated by:  
 Elise Durbin, AICP, Community Development Supervisor



## Minnetonka Open To Business First Quarter 2011 Update

The first quarter of the Minnetonka Open To Business program was well received and efficiently promoted. The program fielded 55 inquiries; had 27 face to face meetings and performed 73 hours of technical assistance. One business, operated by a Minnetonka resident, received a \$25,000 loan to purchase much needed inventory for his peak season. This company has been growing dramatically but has needed help with cash flow management. The Open To Business program assisted the entrepreneur with developing a longer term growth plan and will continue to help them access the capital they need to sustain the growth.

### **Areas of consultation included:**

- Financial planning
- Commercial lease analysis
- Strategic planning
- Business plan development
- Loan packaging
- Business feasibility
- Marketing brainstorming
- Franchise evaluation
- Business purchase evaluation

### **Some of the business types/ideas we worked with include:**

- Memory Care group home
- Disc Golf distributor
- Distributor of Gifts from Costa Rica
- Franchise Sign Company
- On line consulting to assist in college application process
- Marketing consultant
- Picture Framing business
- Frozen drink mix distributor
- Home based specialty candy distributor
- Designer woman's boutique consignment shop
- Commercial Cleaning Franchise
- Dental Lab

### **Demographics of Clients Served –**

- Average age of client – 46
- Average monthly household income from employment \$5,292
- Average monthly household self-employment income \$3,088
- Out of 27 enrolled clients, 24 were born in the United States, 1 in Haiti and 2 in Colombia.
- 18 Females and 9 Males
- 5 Clients who are operating businesses reported an average of \$25,428 in monthly revenue



*City of Minneapolis Community Planning & Economic Development*

## Common Bond Fund Revenue Bond Program

The Common Bond Fund Revenue Bond Program (CBF) is a loan fund for growing manufacturing companies. Most of the major manufacturing projects completed in Minneapolis since 1982 have been financed with tax-exempt or taxable revenue bonds issued through the CBF. Starting in 2004, the CBF has been expanded throughout all of Hennepin County through a joint partnership between the City of Minneapolis and the Hennepin County Housing and Redevelopment Authority (HRA). Local government agencies may issue tax-exempt or taxable revenue bonds on behalf of private borrowers to provide lower interest rates on long-term financing. Revenue bonds issued for industrial/manufacturing projects are generally tax-exempt; those for commercial projects are taxable. Projects can include land acquisition, new-facility construction, additions to existing facilities, purchase and renovation of existing structures and production equipment purchase.

### How does the Common Bond Revenue Bond Program work?

- Bonds issued through the CBF are investment-grade instruments with an “A+” municipal-bond rating based on the security provided by the CBF, resulting in lower interest rates.
- CBF revenue bonds are marketed to either institutional investors – insurance companies, banks and pension funds – or sold to the general public through a public offering. This results in interest-cost savings to borrowers.
- Bond underwriting firms prepare an official statement to market the bonds.

### Who is eligible for CBF revenue bonds?

- Any owner-occupied manufacturing business in Hennepin County.
- Bars, restaurants, entertainment facilities and startup firms are not eligible.
- The CBF is designed for established owner-occupied manufacturing facilities with a history of profitability, whose owners provide personal guaranties.
- The CBF can also provide financing for 501(c)(3) nonprofit organizations on a tax-exempt basis; and taxable bonds for commercial projects that would not qualify for tax-exempt bonds.
- The CBF can finance up to 90 percent of value, with the borrower providing a minimum requirement of 10 percent equity.

### What are the rates, terms and fees?

- Tax-exempt CBF revenue bonds can be issued below commercial-market interest rates because interest earnings to the purchaser are generally exempt from federal, state and local income taxes.
- CBF revenue bond financing is fixed-rate, with terms of 20 to 30 years, often at interest rates below market-interest rate.
- The CBF offers competitive rates and terms on taxable revenue bonds.
- CBF revenue bond issuance expenses include bond counsel, underwriting, financial advisor, corporate counsel, inspecting architect, title insurance and other fees. These fees may be financed through the revenue bond up to certain limits.

### What is the CBF revenue bond process?

- A City of Minneapolis and Hennepin County HRA staff person will handle your revenue bond request from initial inquiry through post-closing monitoring.
- The complete public approval process takes about 90 days.
- The City of Minneapolis and Hennepin County HRA approve CBF revenue bond projects based on

financial strength; credit worthiness; public purpose served, such as preserving and creating jobs; and increasing the real estate tax base.

## What information do you need to provide?

- Narrative on the company and owner(s).
- Financial statements for the past three years and any interim statements.
- Personal financial statements of anyone owning more than 20 percent of the company.
- General description of the proposed project, plans and estimates of project costs.
- Appraisals and environmental reports about the proposed project.

## What are the benefits of the CBF Revenue Bond Program?

- Long-term fixed-rate financing to businesses at below-market interest rates.
- Issuance of CBF revenue bonds on either a tax-exempt or taxable basis that can be used to finance industrial, commercial and medical facilities and some nonprofit activities.
- Bonds issued through the CBF are investment-grade instruments with an “A+” municipal bond rating from Standard & Poor’s based on the security provided by the CBF.

For more information, contact Bob Lind at (612) 673-5068 (City of Minneapolis) or Patrick Connoy at (612) 348-2215 (Hennepin County).

All programs and guidelines are subject to change without notice.

Online information from the City of Minneapolis at [www.ci.minneapolis.mn.us/cped](http://www.ci.minneapolis.mn.us/cped) Updated September 24, 2008

**EDAC Agenda Item #6**  
**Meeting of April 28, 2011**

**Brief Description:** Staff Report

*The purpose of the staff report is to provide EDAC Commissioners updates on other projects that are of interest to the EDAC or that the EDAC may have previously reviewed.*

**Southwest LRT**

There are two different parts of the LRT project--the LRT project design and construction, which is lead by the Metropolitan Council. The second part is the land use/other projects outside of the scope of the LRT line. This is the community works project lead by Hennepin County.

The Southwest LRT management committee, which is the policy group that reviews items and formulates recommendations to the Metropolitan Council as it relates to the LRT design and construction, continues to meet on a monthly basis to review the status of the DEIS and preliminary engineering application—both of which are still being reviewed by the Federal Transit Administration. Additionally, they have discussed funding, identity/branding of transitways, and will be discussing park and ride guidelines. The management committee is chaired by Susan Haigh, who is chair of the Metropolitan Council. Mayor Schneider serves as the city's representative on the committee.

The community works project continues. The vision for the Southwest LRT corridor has been developed as well as for the community works project. Additionally, discussions about business involvement in the community works project have started. Councilmember Wagner serves as the city's representative on the steering committee for the community works project.

**Bren Road/Highway 169 Bridge Reconstruction**

Lunda Construction was awarded the bid to reconstruct the Bren Road bridge over Highway 169. This project has now kicked off and is to be complete, with the exception of landscaping, by November, with the bridge down from June to October 1.

A variety of methods including [eminnetonka.com](http://eminnetonka.com), twitter, and email blasts will be used to help communicate project status, including road closures and detours, with the over 12,000 employees and residents in the area.

**10600 Wayzata Boulevard**

This property is the former Stuart Anderson's Cattle Company site along I-394, which has been vacant for many years since the close of the restaurant. A developer is expressing interest in redeveloping the site into a hotel. Due to methane and other environmental contamination on the site, the developer is applying for grant funds from



**2011 EDAC Meetings**  
Updated April 18, 2011

<b>Meeting Date</b> Meetings at 6:00pm unless otherwise noted	<b>Item Description</b>	<b>Room/Special Notes</b>
Thursday, April 28	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> <li>• <i>YMCA concept plan</i></li> <li>• <i>Business programs update</i></li> </ul>
Thursday, May 26	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> <li>• <i>U of MN Shady Oak Station project final</i></li> </ul>
Thursday, June 23	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> <li>• <i>2012 Budget review (annually)</i></li> <li>• <i>Receive update on MCCD program from MCCD staff</i></li> </ul>
Thursday, July 28	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> <li>• <i>2012 HRA Levy (annually)</i></li> </ul>
Thursday, August 25	Regular EDAC Meeting	Council Chambers
Thursday, September 22	Regular EDAC Meeting	Council Chambers
Thursday, October 27	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> <li>• <i>2012 Non-profit funding (annually)</i></li> <li>• <i>2012 HRA levy (annually)</i></li> <li>• <i>Review MCCD program</i></li> </ul>
Thursday, December 22	Regular EDAC Meeting	Council Chambers <ul style="list-style-type: none"> <li>• <i>2012 EDAC work plan (annually)</i></li> </ul>

\*\*Note: This schedule is tentative and subject to change.

Other Potential Agenda Items

- Continuous updates: LRT Preliminary Engineering and Community Works project
- Introduction to TIF and Tax Abatement
- Homes Within Reach presentation/update
- TIF Management Review and Analysis (annually)
- Introduction to TIF pooling
- Follow up items related to the transit study

## Affordable Housing

### 2011-2020 Affordable and Lifecycle Housing Goals

	Goals (2011-2020)	Results	Percent of Goals Achieved
New Affordable Units (rental & ownership)	246 to 378	0	0%
New Lifecycle Units	375 to 800	0	0%

### Housing Project Updates

Project	Total Units	Affordable Units	Update
Sanctuary	23	4	Construction of the fourth affordable unit is still pending.
Glen Lake	248	41	<ul style="list-style-type: none"> <li>All 11 affordable units at The Oaks of Glen Lake (Exchange building) are occupied.</li> <li>St. Therese (senior facility) is under construction. Marketing efforts are underway.</li> </ul>
Homes Within Reach			42 Minnetonka units, 83 units total.

## Transit

- 2010 Transit Study is complete. Follow up with Metro Transit is beginning.
- Southwest LRT Community Works process continues.
- Still awaiting approvals for Southwest LRT to enter into preliminary engineering

## Economic Development/Business

- Marketing for the Minnetonka Open to Business program continues. "Test Drive your Idea" begins in May.

### Other Projects (Detailed information can be found at [www.eminnetonka.com](http://www.eminnetonka.com))

Project	Description	Status
Shady Oak Road	Reconstruction from Co Rd 3 to Hwy 7	Met Council Transportation Advisory Board approved \$7 million for this project. Construction in 2014.
Bren Road/Hwy 169 interchange	Reconstruction Bren Road bridge over Highway 169	Bid awarded to Lunda Construction. Work has begun. Follow at <a href="http://www.169bren.com">www.169bren.com</a> and on Twitter at @169bren
UnitedHealth Group	Phase 2 Building Expansion 354,000 square foot, 10-story tower	Construction continues
Hillside Estates	5431/5439 Williston Road 46 unit senior housing (memory care)	To planning commission on April 21
Duffy Development/Sunset Hill apartments	64 unit apartment building on Wayzata Boulevard	To planning commission on April 21

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Over 100 Stock & Homes Avail

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**A leg up for small business**  
By Casey Merkwan  
Reporter

Since January, the city of Minnetonka has offered a service for small to medium businesses to get some extra help jump-starting their ideas.

The city partnered with Metropolitan Consortium of Community Developers (MCCD) to provide clients with assistance in starting up or expanding their businesses in a program called Open to Business.

"We have a lot of programs and a lot of opportunities for working with corporations and things like that but we weren't doing a whole lot for the small businesses or medium-size businesses in terms of expansion or just new business start-ups kind of advice, things like that," said Julie Wischnack, Minnetonka's community development director.

Wischnack said the city had heard of the MCCD's partnership with Brooklyn Park and decided to try it out.

For more than 20 years the MCCD, a non-profit community development organization, has helped businesses expand and increase opportunities for development and long-term strategic planning.

Typically business owners contact the city to ask about building permits and other regulations, but Wischnack said when they asked for advice about their business, the city didn't have a place to refer them.

"Frankly, it's hard to talk sometimes to government officials about their ideas, or their dreams or their hopes; that's not something you would normally share with someone at city hall," she said.

Now business owners can take advantage of the services at MCCD for brainstorming, advice and direction on where to go for loans.

"A lot of cities have a lot tools in their tool box for attracting bigger businesses and hitting home runs so to speak but they don't have a lot for helping the little guy on the street who maybe has a great idea but just doesn't have the resources or the expertise to bring it to a more substantial business," said Rob Smolund of MCCD.

Smolund said most of his clients are looking for either financial advice or for an outsider's opinion.

"I challenge people's assumptions a lot," he said. "I help give them a realistic expectation of their financing chances too."

Since starting the program, Wischnack said they've received 50 calls and have 24 active clients. Of those clients, half are businesses trying to get their foot in the door and the other half are existing businesses working on expanding.

Smolund said he's enjoyed working with the city and uses city hall as a meeting point for many of his client meetings.

"I love, really love, to help others in opening up their own business. I basically live vicariously through the entrepreneurs," Smolund said.

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## Minnetonka-based American Medical Systems bought for \$2.9 billion

Medical Systems' Minnetonka headquarters.

The deal, is subject to approval by American Medical Systems' shareholders and antitrust authorities, is expected to close late in the third quarter.

Janet Moore 612-673-7752

Article by:

Updated: April 11, 2011 - 6:59 AM

A Pennsylvania company has purchased Minnetonka-based American Medical Systems for \$2.9 billion in cash.

The deal, announced Monday, calls for Endo Pharmaceuticals to pay \$30 a share, and assume about \$312 million in American Medical Systems' debt.

Chadds Ford, Pa.-based Endo Pharmaceuticals calls itself a "specialty healthcare solutions company," and American Medical Systems, which makes devices to treat male and female pelvic conditions, such as incontinence and erectile dysfunction, together will employ 4,000 people worldwide.

It is unclear what the news will mean, if anything, to employment levels at American

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