

**Minnetonka Economic Development Authority
Meeting Minutes**

**Tuesday, May 11, 2004
6:00 p.m.**

**Boards and Commissions Room
Minnetonka City Hall, Lower Level**

1. CALL TO ORDER.

EDA President Peter St. Peter called the meeting to order at 6:08 p.m.

2. ROLL CALL.

EDA Commissioners present: Dan Duffy, Dave Larson, Peter St. Peter, and Al Thomas.

EDA Commissioners absent: Paula Chatterjee, Bunny Robinson, Tony Wagner, and Bob Walker.

Staff present: Ron Rankin and Elise Souders.

Others present: Kurt Williamson, Jay Lindgren, Barry Berg, John Wanninger, and Scott Martin.

5. STAFF REPORT (this item taken up out of sequence).

Souders reviewed the staff report items, including updates on Minnetonka Boulevard/County Road 101, Crown Ridge, dial-a-ride, commuter challenge, Chasewood Gates, and upcoming meetings and events.

BUSINESS ITEMS

6. DEVELOPMENT REVIEWS (this item taken up out of sequence).

164-unit condominium development at 5621 Smetana Drive (continued from April 13 EDA meeting).

Souders reviewed the report and said the item was initially reviewed at the April 13 EDA meeting. She said the discussion from that meeting focused around what the appropriate indexing percentage was. Souders said that Commissioners at that meeting voted to table the item in order to give staff an opportunity to work additionally with the applicant on the appropriate indexing percentage. She said the applicant now agreed to provide a total of 34 affordable units, and the 16 units priced under \$170,000 would be indexed using 50 percent of the average metropolitan sales price.

St. Peter opened up the comment period.

Jay Lindgren, attorney for the applicant, said they agreed with what was presented by staff.

St. Peter closed the comment period.

Duffy moved, Thomas seconded a motion to recommend to City Council that 34 units be priced at a cost not to exceed the Metropolitan Council's definition of affordable housing at least 60 days prior to the closing of the affordable units, and that the 16 units priced under \$170,000 have resale prices indexed using 50 percent of the average metropolitan sales price to maintain affordability. All voted yes. Motion passed.

7. PRESENTATION BY SCOTT MARTIN OF THE NORTHLAND INSTITUTE REGARDING THE TWIN CITIES COMMUNITY CAPITAL FUND (this item taken up out of sequence).

Rankin introduced Scott Martin of the Northland Institute and said that staff had attended an informational meeting on the Twin Cities Community Capital Fund (TCCCF), a new economic development tool. He said staff felt it was worthwhile for the EDA to hear about this because of previous discussions the EDA had had on economic development.

Martin explained how the idea of the TCCCF was started. He said there is a similar program in outstate Minnesota (the Minnesota Community Capital Fund—MCCF), which the TCCCF would be based off of. Because of the MCCF's success, the Northland Institute thought that it would see if there was interest in the Twin Cities for a similar program. Martin then more thoroughly explained how the TCCCF would work and the type of economic development tool it would act as.

Duffy asked if the five percent credit reserve was required on every loan. Martin replied that a five percent credit reserve is required on every loan and 20 percent is required for a start-up business. Martin said the credit reserve monies could come from the member, borrower, or even a third party.

St. Peter asked if there is flexibility in moving between classes. Martin said members can always buy up into another class, but must wait until after the three-year start-up to move down a class. He also stated that what membership class the organization wants to be at is self-selected.

St. Peter inquired what the opportunity is to exit from the program if the organization wishes to do so. Martin replied that anytime after the three-year start-up an organization may exit with a thirty-day notice.

St. Peter asked if the TCCCF board and the MCCF boards would be separate. Martin said that while they would be similar, they would run as separate boards.

St. Peter inquired as to who the competitors to this type of program are. Martin thought that there really was not any competitors because this program is filling a niche that is not currently filled. It would mainly be utilized by organizations that would be interested in seeking this type of funding.

Larson asked if Minnetonka would join then could they only make loans within Minnetonka. He specifically mentioned the sawtooth border with Hopkins where it might apply to be used elsewhere. Martin replied that the organization could choose what projects to loan to.

St. Peter asked if the TCCCF was formed yet. Martin said no, and that he anticipated that there would be more information out in late summer with the membership drive to occur in the fall. It

would depend, he said, on how quickly they could raise initial funds from other foundations in order to write the legal documents.

Thomas thought the concept was a good way to leverage money and it should be looked into more.

Rankin said in the past there has not been a lot of demand for these type of funds; however, the Minnetonka Blvd/County Road 101 project and other future projects may be interested in the funds. He also noted that the city does have \$100,000 in Minnesota Investment Funds from the Cargill Dow project. Rankin said he would let Martin know that there was interest.

St. Peter said he liked it and it may be one of a few select ways to help smaller businesses. He said if the EDA wanted to do something to help get the TCCCF started it might be worth giving them a \$10,000 to \$30,000 low-interest loan.

3. APPROVE MINUTES (this item taken up out of sequence).

St. Peter asked that an amendment be made on page six of the minutes correcting precedence to precedent.

Duffy moved, Larson seconded a motion to approve the minutes of the April 13, 2004 EDA meeting as amended. Duffy, Larson, and Thomas voted yes. St. Peter abstained. Motion passed.

4. ELECTION OF OFFICERS (this item taken up out of sequence)

Thomas moved, Larson seconded a motion to table this until the June 8, 2004 EDA meeting. All voted yes. Motion passed.

(Duffy left at this time)

8. MARCH 1 AND APRIL 14 CITY COUNCIL STUDY SESSION UPDATE ON AFFORDABLE/LIFE-CYCLE HOUSING.

9. BOARDS AND COMMISSIONS TRAINING RECAP.

Rankin suggested these items be postponed until the June meeting when more Commissioners would be present.

10. OTHER BUSINESS.

The next regular EDA meeting was announced as Tuesday, June 8, 2004 at 6:00 p.m.

11. ADJOURN.

Larson moved, Thomas seconded a motion to adjourn the May 11, 2004 EDA meeting. All voted yes. Motion passed. The meeting adjourned at 7:45 p.m.