

AGENDA

MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, June 8, 2004
6:00 p.m.

Boards and Commissions Room
Minnetonka City Hall, Lower Level

1. Call to Order.
2. Roll Call:

Paula Chatterjee	Peter St. Peter
Dan Duffy	Al Thomas
Dave Larson	Tony Wagner
Bunny Robinson	Bob Walker
3. Approve minutes.
 - May 11, 2004 Regular EDA Meeting
 - May 24, 2004 Special EDA Meeting
4. Election of Officers.
5. Staff Report.

BUSINESS ITEMS

6. Request from Northland Institute for a grant of \$12,500 to help start the Twin Cities Community Capital Fund (TCCCF).

Action recommended is approval of the grant request.
7. Boards and Commissions workshop recap.

Action recommended is to hold the discussion.
8. March 1 and April 14 City Council Study Session update and follow-up discussion on affordable and life-cycle housing.

Action recommended is to hear the update and provide direction to staff.
9. Other Business.

The next regular EDA meeting is Tuesday, July 13, 2004 at 6:00 p.m.
10. Adjourn.

****The mission of the Economic Development Authority is to advise the City Council on matters related to affordable housing, redevelopment, and economic development.****

**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.

**Minnetonka Economic Development Authority
Special Meeting Minutes**

**Monday, May 24, 2004
5:45 p.m.**

**Oak Knoll Room
Minnetonka Community Center, Lower Level**

1. CALL TO ORDER.

EDA President Peter St. Peter called the meeting to order at 5:46 p.m.

2. ROLL CALL.

EDA Commissioners present: Paula Chatterjee, Dan Duffy, Dave Larson, Bunny Robinson, Peter St. Peter, Al Thomas, Tony Wagner, and Bob Walker.

Staff present: Ron Rankin and Elise Souders.

BUSINESS ITEMS

3. ASSIGNMENT AND ASSUMPTION AGREEMENT AND SUBORDINATION AGREEMENT FOR THE BEACON HILL SENIOR HOUSING DEVELOPMENT.

Rankin reviewed the report said as part of the refinancing of housing revenue refunding bonds occurring with this development, Fannie Mae is requiring that there be a single entity that owns the project, rather than the larger Presbyterian Homes Housing and Assisted Living, Inc. He said staff recommends approval of the agreements.

Larson asked if there was any financial risk in doing this. St. Peter said that one of the concerns he had was that if this happens again in the future that there be some obligation that the parent company remains jointly involved. Rankin said in this case, because there was not much obligation left except for maintaining the affordability that there was less of a financial risk.

Robinson moved, Larson seconded a motion to approve the Assignment and Assumption Agreement and Subordination Agreement for the Beacon Hill senior housing development.
All voted yes. Motion passed.

4. OTHER BUSINESS.

Rankin said the next regular EDA meeting is Tuesday, June 8.

5. ADJOURN.

Thomas moved, Wagner seconded a motion to adjourn the May 24, 2004 EDA meeting.
All voted yes. Motion passed. The meeting adjourned at 5:55 p.m.



TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director

DATE: June 1, 2004

SUBJECT: Election of Officers

The EDA by-laws call for the election of a President and Vice-President each year. The offices are held for one-year terms.

The current EDA President is Peter St. Peter, and the Vice-President is Dan Duffy.

By tradition, Council representatives on the EDA have not held office but there is nothing in the by-laws to prohibit them from doing so.

The Secretary to the EDA is Community Development staff, while the EDA treasurer is the city's Finance Director, who also serves as the City Treasurer.

Staff recommends the EDA take time on June 8 to elect a President and Vice-President. It is important that Commissioners are present that evening for the election, and if you are unable to attend or will be late to the meeting, please let staff know.



TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director
Elise Souders, Community Development Coordinator

DATE: June 1, 2004

SUBJECT: Staff Report for June 8, 2004 EDA meeting

1. Minnetonka Heights

Quarterly during the school year staff attends the Minnetonka Heights Advisory Council meetings with Minnetonka School District staff, YMCA staff, Legacy Management staff, and Minnetonka Police to receive an update on and provide feedback on the Minnetonka Heights Community Enhancement Program. This group met on May 27th for an end of the school year/summer programming update. This year, an average of 35 to 40 youth participated in the after school program, with 10 of these youth being new to the program this year. Summer programming begins on June 21st and runs to mid August. Activities planned include: swim lessons, Viking skills camp, fishing, library trips, plot at the community garden, golfing, and collaboration with a teacher to provide lessons in order to keep up with school. They are also planning, at the end of the summer, a school registration and program for parents. The senior program meets at least weekly for a coffee hour, with other periodic activities including trips to the senior center for activities and Bingo nights. The parent leadership group has been collaborating with the school district to provide various workshops on raising healthy kids, managing money, and nutrition/fitness. The international program continues ESL classes at an off-site location; however, attendance has not dropped significantly because of the off-site location. Community collaborations include: Great Harvest Bread, Starbucks, Family Resource Center, Park Nicollet, Minnetonka Garden Club, Stages Theater, and more. They are looking for resources as well, including: snacks and supplies for the youth program, plants for the garden plot, shelves, bikes and helmets for children, file cabinet, and checker/chess boards. The next meeting is scheduled for September 30th.

2. WHAHLT

WHAHLT has recently acquired two properties in Minnetonka and will be closing on both of them at the end of June. One property is located on Excelsior Boulevard and the other is on Crawford Road. This brings the number of WHAHLT properties in Minnetonka to thirteen and overall to seventeen. Also recently WHAHLT was awarded several other grants for property acquisition. They received \$300,000 in federal HOME funds from Hennepin County, \$83,000 from the Metropolitan Council, and \$31,000 from the Minnesota Housing Finance Agency.

Upcoming meetings/events

Saturday, June 26—Minnetonka Summer Festival and Burwell House
Ice Cream Social

All Day Event on Civic Center and Burwell House grounds

**Visit www.eminnetonka.com or look in your next Minnetonka Memo for a schedule of all activities.*

Wednesday, June 30—Sensible Land Use Coalition Program
“Regulatory Alert”

11:30 a.m.—1:30 p.m.

DoubleTree Park Place (St. Louis Park)

Please let Elise know by June 22 if you would like to attend

Tuesday, July 13—EDA Meeting
6:00 p.m.

Boards and Commissions Room

Attachments

- “Smaller, tighter and taller”—Star Tribune, May 26th
- “Exercise by urban design”—Star Tribune, May 30th
- “Twin Cities Home-Ownership and Affordability”—Maxfield Research Spring 2004
- Sensible Land Use Coalition program information

Upcoming EDA Meetings

Updated June 1, 2004

Meeting Date All meetings at 6:00 pm unless otherwise noted	Item Description	Room/Special Notes
Tuesday, June 8	Regular EDA Meeting	Boards and Commissions <ul style="list-style-type: none">• Election of Officers• City Council Study Session re-cap• Boards & Commissions training re-cap
Tuesday, July 13	Regular EDA Meeting	Boards and Commissions
Tuesday, August 10	Regular EDA Meeting	Boards and Commissions
Tuesday, September 21 <i>(Please note the date)</i>	Regular EDA Meeting	Boards and Commissions
Tuesday, October 12	Regular EDA Meeting	Boards and Commissions
Tuesday, November 9	Regular EDA Meeting	Boards and Commissions
Tuesday, December 14	Regular EDA Meeting	Boards and Commissions

Items to be Scheduled



TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director

DATE: June 2, 2004

SUBJECT: Request from Northland Institute for a grant of \$12,500 to help start the Twin Cities Community Capital Fund (TCCCF)

Background

Scott Martin, of the Northland Institute, attended the May 11, 2004, EDA meeting and described plans to start the TCCCF, which is modeled after the Minnesota Community Capital Fund (MCCF) – a successful gap-lending program that supports economic development efforts in greater Minnesota.

The prospect of the TCCCF becoming available in the metro area has generated a lot of interest from other metro-area cities, including Eagan, Oakdale, Apple Valley, Newport, Jordan, Rosemount, West St. Paul, Lakeville, Anoka, Inver Grove Heights, Hastings Mounds View, Eden Prairie, St. Louis Park, Bloomington, and others.

As indicated in his enclosed letter of May 26, 2004, Mr. Martin is now requesting a grant of \$12,500 from Minnetonka to help start the TCCCF. The city has Minnesota Investment Fund (MIF) loan repayment proceeds from the Cargill-Dow project that could be used for this purpose. Ultimately, the grant amount would be credited to Minnetonka's participation in the TCCCF. Additional funds are being sought by the Northland Institute from the Wells Fargo Foundation, the McKnight Foundation, and the City of Eagan. Initial reaction from them has been positive.

If inclined to consider the grant, the EDA could make it a "challenge grant", contingent on the Northland Institute obtaining commitments for the remaining \$38,500 necessary to complete the start-up arrangements. Staff believes it is likely these funds are forthcoming. However, it is remotely possible that the legal work, marketing effort, and other activities will not result in participation in the TCCCF by other cities, and in that case, the grant funds would be spent and could not be recovered.

Recommendation

Staff recommends the EDA approve the \$12,500 as a "challenge grant". If approved by the EDA, council approval will be requested on June 14, 2004.



TO: EDA Commissioners

THROUGH: Ron Rankin, Community Development Director

FROM: Elise Souders, Community Development Coordinator

DATE: June 3, 2004

SUBJECT: Boards and Commissions workshop recap

On March 17th members of Minnetonka's Boards and Commissions met as individual boards to discuss what best practices will work to make their group more effective. Commissioners Dan Duffy, Dave Larson, and Bunny Robinson participated in the discussion and the following is a recap from that evening.

Our board will be successful if...

- All members participate
- Members are civil to one another
- Communicate with the Planning Commission and Planning Department
- Meet/exceed our affordable housing goals
- Work on more redevelopment projects
- Have input during the review process on commercial development
- Have a periodic review of goals
- Educate the community as to what the EDA does—more public relations efforts

Each member was to think of a team/group that was effective and to respond to the following questions:

Practices and behaviors that made the group effective

- With criticism comes a suggestion to make it better
- Teamwork/group activities
- Get ideas for goals and have the group set priorities—goal setting
- Have the mission statement written on materials
- Learn more about the EDA and other city boards and commissions—"EDA 101"
- Include graphs, pictures, and charts in the materials
- Do not be afraid to speak up

The following were identified as items relevant for the EDA based on the question above

- Teamwork/group activities
- Goal setting
- Tentative agendas out to the EDA before packets come out
- Have the EDA's mission statement written on materials
- Learn more about the EDA and other city boards and commissions—"EDA 101"

Attached is a copy of the summary of the Boards and Commissions workshop evaluation. Commissioners who attended the training and staff felt this information was important to share with the entire EDA, and would like to spend some time at the meeting reviewing the discussion and finding out how Commissioners would like to follow-up.