

AGENDA
MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, July 12, 2005
6:00 p.m.

Boards and Commissions Room
Minnetonka City Hall, Lower Level

1. Call to Order.

2. Roll Call: Dan Duffy Al Thomas
 Dave Larson Tony Wagner
 Bunny Robinson Bob Walker
 Peter St. Peter

3. Approve Minutes of May 10, 2005 EDA meeting.

4. Election of Officers.

BUSINESS ITEMS

5. Presentation by Patrick Connoy on the Hennepin County Comprehensive Economic Development Strategy.

Action recommended is to hear the presentation.

6. Review of Williston Road Senior Housing Restrictive Covenants.

For information only—no action recommended.

7. Staff Report.

8. Other Business.

The next regular EDA meeting is Tuesday, August 9

9. 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 10, 2005
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 6:05 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.

Others present: Mike Suess and Dan Kelly.

3. APPROVE MINUTES OF APRIL 12, 2005 EDA MEETING.

Larson moved, Duffy seconded a motion to approve the April 12, 2005 EDA meeting minutes as amended. All voted yes. Motion passed.

BUSINESS ITEMS

5. DEVELOPMENT REVIEW OF A 77-UNIT SENIOR RENTAL HOUSING DEVELOPMENT AT 5431/5439 WILLISTON ROAD.

Rankin reviewed the report and said staff recommended the EDA recommend approval of the affordable housing component as presented, subject to a 30-year restrictive covenant requiring affordable rents and having an enforcement provision approved by the city attorney.

Walker asked about the holding pond system. Suess said it will be an underground system in the front yard.

Duffy inquired if any of the one-bedroom or two-bedroom units can be made affordable. Kelly said this is not possible because it cannot be supported by the other units. He said in order to make any one- or two-bedroom units affordable it will raise the rents in the other units too high.

Robinson asked why there will be two-bedroom units included. Kelly said given the limited floor plan constraints there will be just the two, two-bedroom units. He said there will be a little demand, but not a lot for these units.

Walker asked what the impacts will be to the surrounding single-family homes. Rankin said one of the impacts will be the appearance of the building.

St. Peter asked if this senior housing proposal will be mentioned in the market study. Rankin said Planning Director Geoff Olson knows about the proposal, and that the consultants doing the market study will be made aware of the proposal as well.

St. Peter inquired if it was possible to allocate the affordable units pro-rata in order to get a mix of studios and one-bedroom units that are affordable. Rankin said staff has raised the issue with the developer that some one-bedroom units should be made affordable; however, the current proposal does meet the 20 percent affordable level.

Wagner said he has concerns if the studio units go unfilled.

St. Peter said he could give conditional approval to the project, subject to the restrictive covenant being drafted. He said to model the covenants from the Cedar Pointe development where there are no specific units that are assigned as affordable, it is just the first ones who qualify who are in an affordable unit, so that it becomes a revolving pool. Kelly said that is the intention.

Wagner asked if the EDA is locked into 15 studio units or can it be changed to ten studio units and four, one-bedroom units.

St. Peter said he thinks there will be a big demand for the two-bedroom units. He said this demand is happening with other facilities that he is familiar with. Suess said the unit sizes are based on the recommendations from Dave Edwards of International Care Management, their management company for the project. He added that these unit sizes are competitive with Sunrise Assisted Living.

Larson asked what is included in the rent amount. Suess said cable TV, heat, and electricity are all included.

Duffy asked if there was any government funding included. Kelly responded there is no government funding.

Duffy agreed that there is demand for two-bedroom units.

St. Peter stated the approval should have a condition that the EDA approve the restrictive covenants. Wagner added the condition should address the issue of flexibility too.

Wagner asked if there can be an option for some of the units to not take services. Kelly said no, because so much of the building space is devoted to services, therefore the basic package needs to be required.

Discussion followed on services and the cost to the residents.

St. Peter said he is aware of other developments that are set-up in the same way as this project; however, the rates are not quite as high.

Wagner asked if there is an asset limit for the affordable units. Rankin replied no.

Wagner moved, Robinson seconded a motion to recommend approval of the affordable housing component conditional to EDA review of the restrictive covenants and to revisit the issue of the flexibility of one-bedroom units being affordable.

Duffy thinks this is fair; however, he said he still questions the marketability of the studio units.

Kelly said they want the studio units to rent and will follow-up. He said he thinks they have responded to the EDA's concerns on the floor plans, the distinction between the independent and assisted living units, and are making 20 percent of the units as affordable. He asked that the affordable housing component be recommended for approval as is.

Thomas said adding the basic service package may complicate the picture and there may not be the demand.

Kelly suggested that the affordable housing component be recommended for approval subject to the restrictive covenants which cover maintaining the affordable rents and allowing the flexibility in the number of units depending on the project economics. He said this could be done in a matrix form to trade studios for one-bedroom units.

Wagner suggested getting more details prior to the City Council meeting.

Duffy, Larson, Robinson, St. Peter, Wagner, and Walker voted yes. Thomas voted no. Motion passed.

Discussion followed on doing market studies for other areas of the city.

5. RESOLUTION APPROVING DEEPHAVEN COVE TOWNHOMES JOINT POWERS AGREEMENT BETWEEN THE MINNETONKA EDA AND THE CITY OF DEEPHAVEN.

Rankin presented the background information, and said these items need to be put into place because they are required in order to receive Hennepin County grant funds. He said staff recommends approval of the resolution.

Robinson moved, Thomas seconded a motion to adopt the resolution. All voted yes. Motion passed.

6. STAFF REPORT.

Rankin reviewed the staff report items including a thank you to Chatterjee, Crown Ridge, Minnetonka Boulevard/County Road 101, Shady Oak Road, Glen Lake, Southwest Rail Study, 2005 affordable housing price limits, and upcoming events/activities.

Discussion followed on what the EDA's mission is. Rankin said the priority of the EDA since 1995 has been affordable housing.

St. Peter said more redevelopment is being done by choice or not, citing that the reconstruction of Shady Oak Road will face some redevelopment. He said without a good mix of customers, retail will eventually fail.

Walker said he does not think that the city has an up-to-date master plan that supports the highest and best use of land. He said it should be looked at as far as what is available and do it, not develop on a piece-meal basis. St. Peter said that can really only be done if the EDA is proactive and controls it. He mentioned that the West Ridge Market development was focused on by the city.

Discussion followed on development and guiding development by the city.

Thomas said the EDA should gear-up for redevelopment. Duffy added that it is likely there will be more mixed-use projects.

7. OTHER BUSINESS.

The next regular EDA meeting was announced as Tuesday, June 14.

8. ADJOURN.

Thomas moved, Robinson seconded a motion to adjourn the meeting. All voted yes. Motion passed. The meeting adjourned at 8:05 p.m.



TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director

DATE: July 5, 2005

SUBJECT: Election of Officers

The EDA by-laws call for an 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, City 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 City Treasurer.

Staff recommends the EDA take time on July 12 to elect a President and Vice-President.



TO: EDA Commissioners

THROUGH: Ron Rankin, Community Development Director

FROM: Elise Souders, Community Development Coordinator

DATE: July 6, 2005

SUBJECT: Presentation by Patrick Connoy on the Hennepin County
Comprehensive Economic Development Strategy

Patrick Connoy, Hennepin County Economic Development Project Coordinator, will be at the July 12 EDA meeting to discuss the Hennepin County Comprehensive Economic Development Strategy (CEDS). This document is attached, and is an update and replacement of the Overall Economic Development Plan. The purpose of the CEDS is to look at the current status of economic development within Hennepin County, identify opportunities to meet future needs, and create a plan to address these needs.

Main points from the CEDS include:

- Review of the existing economic conditions in Hennepin County
- Identification of target areas within the county to direct efforts—both in urban and suburban areas
- Creation of a vision statement, goals, objectives, and priorities that address the challenges found in the existing economic conditions
- Development of an action plan that:
 - Coordinates public infrastructure investments throughout the county
 - Promotes programs that assist in financing businesses
 - Collaborate with other organizations in economic development in Hennepin County

Mr. Connoy will review the CEDS and then be available to answer questions that EDA Commissioners may have.



TO: EDA Commissioners

THROUGH: Ron Rankin, Community Development Director

FROM: Elise Souders, Community Development Coordinator

DATE: July 6, 2005

SUBJECT: Review of Williston Road Senior Housing Restrictive Covenants

Background

At the May 10 EDA meeting, Commissioners reviewed the affordable housing component for the Williston Road senior housing proposal. The affordable housing component of the proposal made the rents of 15 of the units affordable to those at 60 percent of area median income. EDA Commissioners recommended approval of the affordable housing component subject to the EDA review of the restrictive covenants.

Restrictive Covenants

A copy of the restrictive covenants is attached. They were drafted by Steve Bubul of Kennedy & Graven and reviewed by the City Attorney. Main points from the restrictive covenants include:

- The restrictive covenants begin on the date the certificate of occupancy is issued and are in effect for 30 years.
- At least 15 of the units will be rented to those at 60 percent of median income or less. In 2005, for one person the maximum is \$32,340 and for two persons it is \$36,960. The tenant must initially and annually complete a Certification of Tenant Eligibility. The initial certification verifies the tenant's income, but there is no asset limit. The annual recertification ensures that the tenant's income is no more than 140 percent of the original maximum of 60 percent median income. In 2005, this is \$45,276 for one person and \$51,744 for two persons.
- The building owner must provide the city with an annual report identifying the number of affordable units rented, any changes in the past year in affordable units rented, income of the tenant renting the affordable unit, and rent charged.

- The rents for the affordable units will not exceed rents affordable to those at 60 percent of area median income as determined by the Minnesota Housing Finance Agency. The fees for the personal services are not included in the rent, but are charged separately. The personal services fees for the affordable units will not exceed the fees charged to tenants in the market-rate units.

Recommendation

This item is for information only. No action is recommended.



TO: EDA Commissioners

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

DATE: July 5, 2005

SUBJECT: Staff report for July 12 EDA meeting

1. Shady Oak Road

On May 17, the Minnetonka and Hopkins City Councils held their third joint study session regarding the reconstruction of Shady Oak Road from Excelsior Boulevard to Highway 7. The neighborhood meetings that were held in late March were re-capped and key issues (access, home acquisition/neighborhood impacts, pedestrian issues) from these meetings were reviewed. The consultant then presented potential future land use alternatives for each of the roadway concepts. The Councils agreed to continue to keep all roadway alternatives and land use alternatives on the table for the May neighborhood meetings. The May neighborhood meetings were held on the 24th and 25th, with approximately 50 people attending each evening. The comments from these meetings, as well as a financial analysis of the potential future land use alternatives will be presented at a July 25 Joint Study Session.

2. Minnetonka Boulevard/County Road 101

The variance for the expansion of Deakyne's True Value Hardware was approved, and now the building will be squared off. In preparation for this construction, the shed along Cooper's has been removed and trees in part of the alleyway will also be removed to continue to allow truck movement. The reconstruction and cleanup of the alleyway will be completed with the rest of the County Road 101 project.

The roadway project has begun with the clearing of trees on the west side of County Road 101 and relocation of electrical poles. Other planned projects for 2005 include: construction of retaining walls and temporary lanes with permanent roadway reconstruction to start in 2006, installation and repair of storm sewer and sanitary sewer, and city street reconstruction on several local streets.

3. Minnetonka Heights

Here are some things that are happening at Minnetonka Heights:

- Senior Program: volunteering in after-school program, monthly blood pressure checks, utilizing the senior center
- Youth Program: ten kids attending Camp Xmas Tree, four middle-school students are going to a leadership training for four days, summer program from June 20-August 12 that includes field trips, speakers, gardening, swimming lessons, free lunch program and a teacher to help keep current on studies
- Parent/Community Leadership Program: community garage sale in May, monthly community meetings with featured speakers (example: Hopkins-Minnetonka Family Resource Center)
- International Program: raising awareness of international celebrations, Cinco de Mayo program, field trip to Russian Museum in Minneapolis

4. Homes Within Reach

Homes Within Reach has recently acquired two properties in Minnetonka, located on Minnetonka Boulevard and Linde Lane. This is their 18th and 19th Minnetonka properties and 23rd and 24th overall. Homes Within Reach staff has provided the EDA a quarterly report on recent activities, included as an attachment. Additionally, their board approved the city's request to acquire the five units at Deephaven Cove. Staff will be at their July meeting to request their acquisition of the one affordable unit at Lakeside Estates.

5. Deephaven Cove

The Deephaven City Council and Minnetonka City Council both approved the Joint Powers Agreement that the EDA approved at the May meeting. This now allows the cities to receive the Transit Oriented Development grant funds from Hennepin County.

6. Community Survey

The annual community survey was conducted this spring. In the attachments is a page on the affordable housing results. In addition to the 2005 results, also included are results from 2000 and 2004.

Upcoming Events/Activities

Tuesday, July 12—Regular EDA meeting

6:00 p.m.

Boards and Commissions Room

Monday, July 25—Joint Minnetonka/Hopkins City Council Study Session

Shady Oak Road

5:00 p.m.—6:30 p.m.

Shady Oak Room

Wednesday, July 27—Sensible Land Use Coalition Program
 “Bloomington Central Station: The Third Urban Center”
 11:30 a.m. to 1:30 p.m.
 Holiday Inn Select (Airport Location)
Please let Elise know by Tuesday, July 19 if you would like to attend.

Tuesday, August 9—Regular EDA Meeting
 6:00 p.m.
 Boards and Commissions Room

Attachments

- EDA Project Update
- July 27 Sensible Land Use Coalition Program
- Homes Within Reach update
- 2005 Community Survey Results—Affordable Housing results
- “Minnetonka’s Glen Lake back in play” *Minnesota Real Estate Journal* May 1, 2005
- “Developers considering major redevelopment for Minnetonka shopping center” *The Business Journal* May 6, 2005
- “Residents weigh-in on transit” *Star Tribune* May 18, 2005

Upcoming EDA Meetings
 Updated July 5, 2005

Meeting Date Meetings at 6:00pm unless otherwise noted	Item Description	Room/Special Notes
Tuesday, July 12	Regular EDA Meeting	Boards and Commissions <ul style="list-style-type: none"> • Election of officers • Williston Road senior housing covenants • Patrick Connoy—CEDS report
Tuesday, August 9	Regular EDA Meeting	Boards and Commissions
Tuesday, September 20 <i>(Please note the date)</i>	Regular EDA Meeting	Boards and Commissions
Tuesday, October 18	Regular EDA Meeting	Boards and Commissions
Tuesday, November 15 <i>(Please note the date)</i>	Regular EDA Meeting	Boards and Commissions
Tuesday, December 13	Regular EDA Meeting	Boards and Commissions

Items to be scheduled