

**MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

**November 13, 2007
6:00 p.m.**

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

1. CALL TO ORDER.

EDA Vice President Dan Duffy called the meeting to order at 6:02 p.m.

2. ROLL CALL.

EDA Commissioners present: Dan Duffy, Bunny Robinson, Tony Wagner, Bob Walker, and Bill Yaeger.

EDA Commissioners absent: Peter St. Peter, Al Thomas, and Ethan Lang.

Staff present: Ron Rankin and Elise Durbin

Others present: Nellie Johnson, Marilyn Nelson, Jesse Hendel, and Janet Lindbo.

3. APPROVE MINUTES OF SEPTEMBER 18, 2007 EDA MEETING.

Walker moved, Robinson seconded a motion to approve the September 18, 2007 EDA meeting minutes. All voted yes. Motion passed.

BUSINESS ITEMS

4. COMMONBOND FUNDING REQUEST FOR CROWN RIDGE ADVANTAGE CENTER; CONTRIBUTION OF \$6,000 TO COMMONBOND FOR RENT PAYMENTS OF EXPANDED ADVANTAGE CENTER; AND MEMORANDUM OF UNDERSTANDING BETWEEN COMMONBOND, THE HOPKINS SCHOOL DISTRICT, AND THE CITY OF MINNETONKA.

Durbin reviewed the report and highlighted the programming that is occurring at Crown Ridge for youth and adults. She said that staff just learned today that the Hopkins School District will no longer be providing Early Childhood Family Education (ECFE) classes at Crown Ridge due to small numbers attending the programs. Durbin said there are now only two items that Commissioners need to make recommendations on: the contribution of rent payments in 2008 for the expanded Advantage Center and the 2008 funding request for the Crown Ridge Advantage Center. She said staff's recommendation is for \$6,000 towards the rent payments of the expanded Advantage

Center and \$6,000 for the Crown Ridge Advantage Center, with the opportunity to come back for the remaining \$4,000 later in the year.

Nellie Johnson said while the Hopkins School District will no longer be on-site for the ECFE program CommonBond/Crown Ridge still intend to continue the partnership. She said room 107 allows additional opportunities for programming that would be unavailable without the space. Johnson said the \$10,000 grant for the Crown Ridge Advantage Center does help to leverage funds from other organizations.

Robinson asked why the number of children has dropped so significantly in the past year. Durbin said there has been a change in demographics with fewer families.

Robinson asked about the status of funding from other foundations. Marilyn Nelson said approximately \$2.1 million is raised each year for CommonBond, and there are 33 pending requests for approximately \$330,000. She said there are about 84 supporters each year in addition to the individual funders. Nelson said they continually are doing prospective research for more grant, and they have 80 that they are going to pursue at this time. Specifically, for Crown Ridge, she said General Mills at the end of November will make their decisions on funding. In the past, General Mills has given Crown Ridge \$15,000. Nelson said the Jack & Clara Dollan foundation is in flux and she is scheduled to meet with a trustee from the foundation later this month. She said they do solicit communities of faith. Nelson also added that in addition to financial donations they do look for volunteers, such as the GE Global Day and other individual volunteers.

Walker inquired about the hit rate on grants and the average amount. Nelson said they receive approximately one grant for every 10 they apply for, and on average they are \$7,500.

Yaeger asked about the demographics of Crown Ridge. Johnson replied there are fewer families due to changes in marketing, and there are now more college students.

Yaeger asked about the use of room 107 and if ECFE was using that room. Johnson said ECFE was using one bedroom of room 107 for storage and was one of several primary users. Yaeger asked how CommonBond intends on using this room 107 now that ECFE is gone. Johnson said they will continue to use it to serve their population and intensify the homework center.

Duffy asked what percentage of room 107 was used for ECFE. Jesse Hendel said about half of the room was for ECFE, and now that ECFE will not be using the room, they will be looking at how to rearrange and use that space for other programs.

Wagner asked if it would be possible in the future to get room 107 back if the population fluxes back to more children. Rankin said that demographics have changed in the past year, but it is difficult because ECFE is held during the day when many parents are at work or there are other children to look after.

Wagner said he is fine now with providing the funds for the room 107 space; however, if it is not being utilized in the future, then he will want to reconsider the city contribution of funds. Walker supported Wagner's comment.

Walker moved, Wagner seconded a motion to recommend approval of the \$6,000 contribution towards the expanded Advantage Center at Crown Ridge and a \$6,000 partial grant for the Crown Ridge Advantage Center with the opportunity to come back for the remaining \$4,000. All voted yes. Motion passed.

5. HOMES WITHIN REACH REQUEST FOR FUNDING.

Durbin gave the report, highlighting Homes Within Reach's work over the past year. She said HWR is requesting \$230,000 in grant funds for 2008, and similar to last year's request, there is no distinction between acquisition/write down costs and operations fund and a per-project administrative fee will be collected. Durbin said HWR plans to purchase five to six units with this funding. She said staff recommends the EDA recommend approval of the \$230,000 in grant funds.

Yaeger asked how much money is available in the Livable Communities account. Durbin replied over \$2 million.

Wagner said he previously asked staff to come back with information regarding the Livable Communities and Development accounts in order to see how much money is available for affordable housing. Rankin said the discussion with the city manager is that this will happen in the spring before the next budget cycle.

Wagner said it would be beneficial to understand the location of the HWR properties in the city. Durbin replied that staff does keep a list and will include that in the next EDA packet.

Walker asked if the city is tracking the overhead cost of city staff's time on the HWR program. Rankin said no—not specifically for HWR, but for selected other programs such as the CDBG program.

Janet Lindbo, in response to Wagner's request of location of HWR properties, said that before HWR purchases a property in Minnetonka, it first talks with staff to see if the location is okay. She said HWR is finishing their strategic planning and reviewing the ground lease, which is currently \$30 per month. Lindbo said the board is not going to increase the amount because it was never intended to completely fund the overhead. She said in some cases, if the ground lease amount increased, then it may make home ownership unattainable for some buyers. Lindbo said the organization is working at becoming sustainable.

Duffy asked if the lease fees are the same whether the buyer owns a townhouse or a single-family house. Lindbo said yes, but that HWR will be moving to a roving system for lease fees.

Walker asked how other cities provide funds. Lindbo said it is similar to Minnetonka, but in a slightly different form. She said in 2007, HWR branched out to two new cities—Edina and Deephaven, and in 2008 they hope to get to Maple Grove. Lindbo said they continue at working to grow the organization, for example in 2006 50 percent of the homes HWR had were in Minnetonka, but in 2007 that number dropped to 39 percent. She said one area they have not tracked well is connections of their buyers to the community, and now they will start tracking this better.

Walker asked after Maple Grove, where does HWR intend to go. Lindbo said it is the board's desire to grow an additional five communities in the next five years. She said most communities want to participate, but funding is an issue. Lindbo said Brooklyn Park is one possibility, and they also want to continue working in the existing communities.

Duffy asked if single-family homes are becoming more affordable. Lindbo said entry-level single-family homes have not become as affordable. She said most of their buyers want a yard. Wagner asked how much the single-family homes are going for. Lindbo replied \$225,000 to \$240,000 and then HWR writes them down to \$130,000 to \$150,000.

Walker asked if it was possible for HWR to take a piece of raw land and build a single-family home on it. Lindbo said with a buy down and a universal design then it is a possibility. She said it is definitely possible though to put a twinhome.

Wagner said he does not want to see HWR get too townhouse heavy.

Wagner moved, Robinson seconded a motion to recommend approval of \$230,000 for Homes Within Reach. All voted yes. Motion passed.

6. STAFF REPORT.

Rankin reviewed the staff report items including: foreclosures, Cedar Hills townhouses, Minnetonka Boulevard/County Road 101, Glen Lake, Comprehensive Plan focus groups, Nestle/Novartis, and upcoming events.

7. OTHER BUSINESS.

The December EDA meeting date will need to be changed due to a council work session that evening. A date will be set if there is a need to conduct business.

8. ADJOURN.

Walker moved, Robinson seconded a motion to adjourn the meeting. All voted yes. Motion passed. The meeting adjourned at 7:18 p.m.