

**MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY  
MEETING MINUTES**

**September 8, 2008  
6:00 p.m.**

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

**1. CALL TO ORDER**

EDA President Peter St. Peter called the meeting to order at 6:03 p.m.

**2. OTHER BUSINESS**

Wischnack asked commissioners to provide her with their availability for a special meeting in September to discuss the Glen Lake TIF notes. Based on commissioners' responses, the date and time chosen for the special meeting was September 15, 2008 at 5:00 p.m.

**3. ROLL CALL**

EDA commissioners present: Peter St. Peter, Dan Duffy, Bunny Robinson, Ellen Weishar Cousins, Brad Wiersum, Bill Yaeger

EDA commissioners absent: Tony Wagner

Staff Present: Julie Wischnack, Elise Durbin, Stephanie Scott-Sims, Merrill King

Others Present: James Hiller

**4. APPROVE MINUTES OF AUGUST 12, 2008 MEETING**

Wiersum made a correction to his statement on page 4, eighth paragraph, that should read "He stated that if the EDA recommends a lower amount, then there's a risk that the council may not pass anything. Weishar Cousins made a correction to her statement on page 4, last paragraph, that should read "because it may not benefit them directly".

Duffy moved, Wiersum seconded a motion to approve the August 12, 2008 as meeting minutes as corrected. St. Peter, Duffy, Weishar Cousins, Wiersum and Yaeger voted yes. Robinson abstained. Motion passed.

## **BUSINESS ITEMS**

### **5. 2009 HRA LEVY**

Wischnack presented the item, including an e-mail from Wagner who could not be at the meeting.

Wiersum asked if the development account is depleted whether the city has other accounts from which to borrow. King answered yes. Duffy asked whether these other accounts draw interest. King answered yes. She stated that the account the city would most likely borrow from would be the utility account, which has a healthy balance. King stated that short-term borrowing from other funds is doable but longer-term borrowing may not be.

St. Peter, referencing a handout, asked whether \$40,000 in interest payments is realistic. King answered yes and that it is projected at 3.5 percent interest.

St. Peter stated that due to the limitations placed upon the use of the funds in the livable communities account, the city should not divert a lot of money to it.

Duffy asked whether the majority of the money in the development account has gone toward the Glen Lake redevelopment project. Wischnack stated yes, a substantial part of it. King stated that she was confident that some of it would come back to the city from the TIF over the contracted 15-year period.

St. Peter expressed concern that the development account funds have been used without action by the EDA.

Yaeger asked whether the EDA would have to approve the use of the funds generated by the proposed HRA levy. Wischnack answered yes.

Yaeger stated that the city must explain to residents that the use of the HRA funds would benefit everyone and not just some people.

Weishar Cousins stated that the city must make people understand that if the city does not use funds to meet the Metropolitan Council's affordable housing goals, then we lose money for the entire community.

Wiersum stated that it is difficult to get the word out on how beneficial affordable housing is to the community but that the city should make an effort to do so.

St. Peter stated that it needs to be reiterated that the city helped to establish WHAHLT/Homes Within Reach and that it should continue to support them because WHAHLT is only doing what the city has asked them to do.

Wiersum stated that the typical taxpayer does not understand or care what affordable housing is. It comes down to the leadership to take a stance on the issue and prove why raising taxes is beneficial to the community.

St. Peter explained that there are two issues for discussion tonight: (1) Whether the city should establish an HRA levy and (2) if so, for what amount.

Yaeger moved to adopt the HRA resolution and set the preliminary HRA levy at \$400,000. Duffy asked for a point of clarification, and asked what the HRA levied funds can be used for and whether the EDA determines what is done with the funds. Durbin stated that the funds can be used for anything the EDA can do under the law. King stated that the EDA would set a budget in November that designates the funds will be used for. The EDA could adjust the budget the following year by formal action and city council approval. King stated that the budget would include line items that would specify to taxpayers what their money is funding.

Duffy expressed concern that the EDA would pick a number that is palatable for taxpayers but would not provide enough money to adequately fund the account and provide the EDA with the money it needs to support the city's affordable housing goals. Wiersum stated that the economy is tough and it is not a good time to raise property taxes so the EDA may need to start low then increase the levy later.

Duffy seconded the motion to adopt the HRA resolution and set the preliminary HRA levy at \$400,000. St. Peter expressed concern that \$400,000 is too low and that \$500,000 to \$800,000 is needed to help recoup what has been spent in the development account. St. Peter stated that he is comfortable with \$500,000 but supports \$800,000. St. Peter requested that staff include future economic projections and forecasts several years out as part of its staff report to the city council.

Robinson moved to make a friendly amendment to Yaeger's motion to a preliminary HRA levy at \$500,000. Yaeger denied Robinson's motion. No one seconded the motion. Motion failed. Robinson moved to make an amendment to set the preliminary HRA levy at \$500,000. No one seconded the motion. Motion failed.

St. Peter reiterated Yaeger's motion and held a vote. St. Peter, Duffy, Robinson, Weishar Cousins, Wiersum and Yaeger voted yes. Motion passed.

## **6. STAFF REPORT**

Scott-Sims reviewed the staff report items including the Glen Lake Streetscaping and Plaza updates, Glen Lake Redevelopment, Hennepin Technical College House update, the ULI-MN Opportunity City Pilot Program update, Minnetonka

Blvd./Co.Rd. 101 Landscaping update, Opus station area study, Southwest LRT DEIS study, Citywide Open House, Minnetonka foreclosures update, and Upcoming Events.

## **7. ADJOURN**

Duffy moved, Yaeger seconded a motion to adjourn the meeting. All voted yes.  
Motion passed. The meeting adjourned at 7:39 p.m.