

AGENDA

MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY

MONDAY, SEPTEMBER 12, 2011

FOLLOWING THE REGULAR MEETING

COUNCIL CHAMBERS

1. CALL TO ORDER
2. ROLL CALL: Allendorf-Greves-Wiersum-Hiller-Wagner-Ellingson-Schneider
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES: August 22, 2011
5. BUSINESS ITEMS

A. 2012 Preliminary Budget and HRA Levy

RECOMMENDATION: Adopt a resolution setting a preliminary HRA levy (4 VOTES)

6. ADJOURN

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MINUTES
MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY
MONDAY, AUGUST 22, 2011

1. CALL TO ORDER.

President Schneider called the meeting to order at 6:20 p.m.

2. ROLL CALL

EDA Commissioners Bob Ellingson, Dick Allendorf, Brad Wiersum, James Hiller, and President Terry Schneider were present. Amber Greves and Tony Wagner were excused.

3. APPROVAL OF AGENDA

Wiersum moved, Allendorf seconded a motion to accept the agenda, as presented. All voted "yes." Motion carried.

4. APPROVAL OF MINUTES: May 2, 2011 minutes

Allendorf moved, Wiersum seconded a motion to approve the May 2, 2011 minutes. All voted "yes." Motion carried.

5. BUSINESS ITEMS

A. Resolution approving a master amendment agreement between the City of Minnetonka, the Minnetonka Economic Development Authority and Crown Ridge Apartments Limited Partnership

Community Development Director Julie Wischnack presented the staff report.

Wiersum indicated the city was under no financial risk under the agreement. Wischnack confirmed that was correct.

Wiersum moved, Ellingson seconded a motion to adopt Resolution No. 2011-02 approving a master amendment agreement between the City of Minnetonka, the Minnetonka Economic Development Authority and Crown Ridge Apartments Limited Partnership. All voted "yes." Motion carried.

6. ADJOURNMENT

Wiersum moved, Allendorf seconded a motion to adjourn the meeting at 6:24 p.m. All voted "yes." Motion carried.

Respectfully submitted,

David E. Maeda
City Clerk

**EDA Agenda Item #5A
Meeting of September 12, 2011**

Brief Description 2012 Preliminary Budget and HRA Levy

Recommendation Adopt a resolution setting a preliminary HRA levy

HRA Levy

An HRA levy is a mechanism commonly used by many cities to fund economic development activities. State law limits such levies, and the maximum rate is 0.0185 percent of a city’s taxable market value. This equals about \$1.39 million in Minnetonka.

The first levy for housing and redevelopment began in 2009. The chart below shows the history of the amounts and the uses of the HRA levy, as well as the 2012 proposed budget.

Year	Amount/Rate	Use
2009	\$100,000 .001171%	Homes Within Reach
2010	\$175,000 .002121%	•Village Center Master Planning (\$75,000) •Housing programs (\$100,000)
2011	\$175,000 .002233%	•Village Center Master Planning (\$85,000) •Housing programs (\$90,000)
2012	\$175,000 ~.002233% (Proposed)	•Village Center Master Planning (\$80,000) •Housing programs (\$95,000)

Village Center Planning Processes

The purpose of the master planning process is to provide a guide to potential investors or developers as to the organization of the property, general layout of building envelopes, and a more defined range of uses. There is a strong emphasis on community engagement and realistic implementation strategies. The first village center master planning process, for Highway 7/County Road 101, was completed earlier this year.

The next two village centers to be studied are Ridgedale and Shady Oak. The Ridgedale village center study will likely require more funding to complete because it is a larger area, has more regional impacts, and has a more complex traffic/roadway system requiring further review. The budget would include utilizing the fund balance for 2011 plus 2012 funds of \$45,000 for completion of the Ridgedale study. The \$35,000 remaining for village center planning budget would be used for the Shady Oak study

which leverages county community works funding. The remainder of the 2012 budget, \$95,000, would be dedicated to the housing programs.

Housing Programs

The housing programs (housing rehab and first time homebuyer) funded by HRA levy funds in 2010 and 2011 are now underway. It is the intention that eventually, because these are loans to be paid back, the housing programs will become self-sustaining. Staff will be more able to determine more assuredly when self-sustainment will be achieved after terms are determined for the current requests, but in theory by 2018 the programs would not require new levy dollars to fund the program.

The statistics; thus far are:

Housing rehabilitation pre-applications received: 64
Minnetonka Home Enhancement (HRA levy) applicants*: 11
Emergency Repair Program (CDBG) applicants: 53
Welcome to Minnetonka first time homebuyer pre-applications received*: 6

*Minnetonka Home Enhancement applicants and Welcome to Minnetonka first time homebuyer applicants have been sent full loan applications.

Recommendation

The EDAC as well as staff recommend no change in the levy and recommend approval of the resolution on pages A1-A2 setting a preliminary HRA levy which provides a total budget of \$175,000.

Originated by:

Julie Wischnack, AICP, Community Development Director

EDA RESOLUTION NO. 2011-

RESOLUTION SETTING A PRELIMINARY 2012 H.R.A. TAX LEVY AND BUDGET

BE IT RESOLVED by the Economic Development Authority (EDA) of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

- 1.01. On May 2, 1988 by Resolution 88-8637 and amended on May 9, 1994 by Resolution 94-9715, the city council established the Economic Development Authority (EDA) of the City of Minnetonka, and effective June 15, 1988, transferred to the EDA the control, authority and operation of all projects and programs of the city's Housing and Redevelopment Authority (HRA). On March 8, 2010, the city council became the appointed EDA.
- 1.02. Minnesota Statutes 469.033, Subdivision 6 authorizes housing and redevelopment authorities the power to levy a tax upon all taxable property within its district to finance housing and redevelopment programs subject to the consent of the city council.
- 1.03. The law and council resolutions further require the EDA to file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city and all actions of the authority to be approved by the city council.
- 1.04. State law requires the city to certify to the county a preliminary HRA tax levy by September 15, 2011, and a final HRA budget and levy to be adopted, approved and certified to the county by December 27, 2011.

Section 2. Findings.

- 2.01. The EDA finds that an annual budget and tax levy of \$175,000 for levy in 2011, collectible in 2012, will fund housing and redevelopment activities of the authority in 2012.

Section 3. Authorization.

- 3.01. The preliminary 2012 HRA budget and tax levy is hereby approved.
- 3.02. The city council is requested to consent and approve by resolution the preliminary 2012 HRA budget and tax levy and to direct the City Clerk to transmit a certified copy of the resolution to the Hennepin County Director of Property Tax and Public Records.

Adopted by the Economic Development Authority of the City of Minnetonka, Minnesota,
on this 12th day of September 2011.

Terry Schneider, President

ATTEST:

Julie Wischnack, Secretary

ACTION ON THIS RESOLUTION:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.