Our Mission: Brooklyn Park, a thriving community inspiring pride where opportunities exist for all.

Our Goals:

Strong Neighborhoods • Adapting to Changing Demographics • Public Safety
Financial Sustainability • Community Image • Focused Redevelopment and Development

I. ORGANIZATIONAL BUSINESS

1. CALL TO ORDER/ROLL CALL

2. PUBLIC COMMENT AND RESPONSE
   This provides an opportunity for the public to address the EDA on items, which are not on the agenda. Open Forum will be limited to 15 minutes (if no one is in attendance for the Open Forum, the Regular Meeting may begin) and it may not be used to make personal attacks, to air personality grievances, to make political endorsements or for political campaign purposes. Commissioners will not enter into a dialogue with citizens. Questions from the EDA will be for clarification only. Open Forum will not be used as a time for problem solving or reacting to the comments made but, rather, for hearing the citizen for informational purposes only.

   2A. RESPONSE TO PRIOR PUBLIC COMMENT
   2B. PUBLIC COMMENT

3. APPROVAL OF AGENDA

II. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION

4. CONSENT
   4.1 Consider Approving Meeting Minutes
   4.1A May 20, 2019 Meeting Minutes

The following items relate to the EDA’s long-range policy-making responsibilities and are handled individually for appropriate debate and deliberation. (Those persons wishing to speak to any of the items listed in this section should fill out a speaker’s form and give it to the Secretary. Staff will present each item, following in which audience input is invited. Discussion will then be closed to the public and directed to the EDA table for action.)
5. Public Hearings
   5.1 None.

6. General Action Items
   6.1 Consider Approving a Contract for Agricultural Lease between the Brooklyn Park Economic Development Authority and Bill Brooks
      6.1A Resolution
      6.1B Lease
      6.1C Location Map

III. DISCUSSION - These items will be discussion items but the EDA may act upon them during the course of the meeting.

7. Discussion Items
   7.1 Status Update
   7.2 Housing Update
   7.3 Housing Programs Update
   7.4 Business Support and Incubator Update
      7.4A Incubator Interest List and Examples

IV. WORK SESSION - This portion of the meeting will not be televised nor videotaped and will be held in the Council Chambers.

8. Work Session
   8.1 None.

V. ADJOURNMENT

Since we do not have time to discuss every point presented, it may seem that decisions are preconceived. However, background information is provided for the EDA on each agenda item in advance from City staff; and decisions are based on this information and past experiences. If you are aware of information that has not been discussed, please raise your hand to be recognized. Please speak from the podium. Comments that are pertinent are appreciated. Items requiring excessive time may be continued to another meeting.
City of Brooklyn Park
Request for EDA Action

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Executive Director’s Proposed Action:

MOTION __________, SECOND __________ TO APPROVE THE MAY 20, 2019 MEETING MINUTES.

Overview:

N/A

Primary Issues/Alternatives to Consider:

N/A

Budgetary/Fiscal Issues:

N/A

Attachments:

4.1A MAY 20, 2019 MEETING MINUTES
THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
MAY 20, 2019 REGULAR MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: President Jeff Lunde at 7:00 p.m.

   ROLL CALL PRESENT: President Jeff Lunde, Vice President Lisa Jacobson (7:40 pm) and Treasurer Wynfred Russell, Commissioners Mark Mata, Terry Parks, Susan Pha and Tonja West-Hafner, Executive Director Kim Berggren and EDA Secretary Theresa Freund

   ABSENT/EXCUSED: None.

2. PUBLIC COMMENT AND RESPONSE:

   2. A Response to Prior Public Comment: None.

   2. B Public Comment: None.

3. APPROVAL OF AGENDA

   MOTION WEST-HAFNER, SECOND PARKS APPROVING THE AGENDA AS PRESENTED. MOTION PASSED UNANIMOUSLY.

II. STATUTORY BUSINESS:

4. CONSENT:

   4.1 None.

5. PUBLIC HEARINGS:

   5.1 None.

6. GENERAL ACTION ITEMS:

   6.1 Consider Approving Restructuring of a $1,200,000 Multi-Family Housing Rehabilitation Loan for Sherman Associates, Inc. for the Autumn Ridge Apartments Project.

   MOTION LUNDE, SECOND MATA TO WAIVE THE READING AND ADOPT RESOLUTION #2019-9 APPROVING A RESTRUCTURING OF A $1,200,000 MULTI-FAMILY HOUSING REHABILITATION LOAN FOR SHERMAN ASSOCIATES, INC. FOR THE AUTUMN RIDGE APARTMENTS PROJECT. MOTION PASSED UNANIMOUSLY.

   MOTION MATA, SECOND PHA TO AMEND MAIN MOTION TO INCREASE INTEREST RATE ON THE LOAN FROM 4% TO 5%. MOTION FAILED (2 TO 4). COMMISSIONERS LUNDE, PARKS, RUSSELL AND WEST-HAFNER VOTED NO.
6.2 Consider Authorizing Acceptance of a Grant and Execution of Agreement with Hennepin County for Transit-Oriented Development Program Grant Funding.

MOTION WEST-HAFNER, SECOND JACOBSON TO WAIVE THE READING AND ADOPT RESOLUTION #2019-10 AUTHORIZING RECEIPT OF A HENNEPIN COUNTY TRANSIT-ORIENTED DEVELOPMENT (TOD) GRANT AND EXECUTION OF AGREEMENT TO DEVELOP A TEMPORARY PLAZA PARK ON THE NORTHEAST CORNER OF 85TH AVENUE AND WEST BROADWAY. MOTION CARRIES (6 TO 1). COMMISSIONER MATA VOTED NO.

III. DISCUSSION:

7. DISCUSSION ITEMS

7.1 BrookLynk Update – Breanne Rothstein stated we are almost halfway through 2019 and we are just getting started with our program year. We thought this would be a great time to come and provide the EDA an update as we move into budget season.

As you know BrookLynk is a youth employment program directed by the cities of Brooklyn Center and Brooklyn Park with a mission to coordinate partnerships that prepare employers to engage the next generation of workers and to connect young people in the Brooklyns facing barriers to employment.

The BrookLynk Advisory Board just met two weeks ago and had a retreat to talk about the past five years of this program and where they want to see it go in the next few years. This was a really rewarding time where not only the board was present but also alumni. Luis Salado-Herrera and Jocelyn McQuirter were able to get ten alumni to this board retreat. There was really great conversation talking about and envisioning the future. They had some great ideas about how to make some small tweaks. You may be seeing some small tweaks to the mission statement as well as the strategic focus in 2020 and 2021 coming up.

The BrookLynk program is really about partnerships and has several components. Our youth and employer outreach is really the most important component of this because the crux of the program is about youth training, employer training and intern placements. We rely very heavily on our referral networks for both employer recruitment as well as youth recruitment.

The Get Ready training is the first part of the youth’s experience with BrookLynk. We held two this year with one in March and the other in April. We also have an employer training coming up next Wednesday that has been increasingly an important part of BrookLynk’s work.
In addition to the training and internships we also run a job board for local jobs here in the Brooklyns as well as hosting an annual job fair. Of course, you are most familiar with the piece of the program where we match youth with an internship. This year we have over twenty different employers involved in BrookLynk.

The final piece of the program is about alumni engagement and network. Being in the fifth year of the program we now have alumni who are graduating from high school and getting closer to graduating college. As we move forward that is one of the strategic focuses that was the result of the board retreat and because there were so many alumni there it stands to reason, to continue support and engagement with alumni.

BrookLynk serves the underrepresented population of the community with access to jobs and education. BrookLynk students represent over twenty different cultural backgrounds. We do ask for their ethnicity and we get a much broader response than just the census responses. It is really a rich culturally diverse program with 96% are students of color, 78% are low income and 66% are first or second-generation immigrants.

In terms of the impact we have had since 2015, four program years:
- We have leveraged over $750,000 in wages paid by the employers and earned by the youth interns.
- 900 plus youth completed pre-employment training, which is the Get Ready Training.
- More than 400 internships have been coordinated.
- Currently we have over 200 alumni in our network that we use as volunteers and work with to continue to market the program. We are drawing on them as resources to educate the next cohorts of participants.

We have applied for two grants and were successful:
- DEED provided a Youth Support Services Grant for the program for two years, 2018-2019.
- Hennepin County is providing the Minnesota Youth Program Grant for 2019-2020.

We can leverage additional funds through both the state as well as the county to fund this work.

So far, this year 220 youth have completed pre-employment training and 116 internships are being coordinated right now with more than 20 employers.

Every year we conduct a thorough program evaluation. That helps us understand the impact that we are having with BrookLynk and get future funding through grants and foundations. Some of the things we track: 100% of those who responded to the survey graduated from high school, 93% went to college and 74% are active in the labor force (as of the summer of 2018).
So far in 2019 we have completed our Great Ready! Work readiness training program and the job fair held in March and April. We are just about to send the matches of our interns both to the employers and the interns. We are doing our employer training on Wednesday. We were able to secure three more employers in 2019. Last year we had 104 internships this year 117. There were 100 students attending the job fair this year. We received positive feedback from the employers on the job fair and there was quite a bit of hiring on the spot.

This week we are placing our interns. Next week we have the supervisor training. We have applied for another DEED grant, called Youth at Work for another two-year funding cycle. We are optimistic and have had a lot of success with applying and receiving grants for BrookLynk. We see that as our funding strategy for BrookLynk. This year we enhanced internship support by adding a Job Coach position who will be providing an extra level of hands for the weekly check-in we do with all the interns and employers. Orientation is schedule in June. We have our four-day long intern readiness boot camp that the staff puts on. There will be several alumni events and a yearend celebration. Commissioners are encouraged to attend as an observer or get involved in volunteering and this is a great way to see the impacts first hand.

Commissioner Susan Pha thanked staff for all the work they are doing for BrookLynk. I am glad we are reapplying for the Youth at Work grant this year. Minnesota has an equity grant they are looking at allocating $3.8 million for Youth at Work this year. I believe previously we have received this grant and I’m hoping we will ask for more money say around $200,000. The City of St. Paul received over $200,000 for their Youth at Work program. We have done such an excellent job here at the city with our BrookLynk program that I really think we could get more funding.

Breanne Rothstein stated this will be our first time applying for the Youth at Work grant through DEED and we did ask for over $200,000 for two years. We have received DEED grant funding in the past and we currently are finishing up the Support Services grant, which is a broad grant that includes a lot more than just youth training and development. We were successful in getting that grant and we will look at that one again this year as well. The application for that grant will come up in June. From Hennepin County, we received $100,000 a year for two years for Minnesota Youth Program, which is DEED pass through money and the county administers it. We are right in the middle of the first year for reimbursement of that grant and then we will have another year with $100,000. Also in the past, there was a DEED Equity grant and I believe that was for $50,000. We are working with DEED and county staff to figure out the best way to fund BrookLynk. We know that this is a state priority and that the funding opportunities are out there. Foundations have shifted their priorities to work force development training and we are evaluating those shifts as well. In conclusion, the employer resources are the most valuable and sustainable.
The more we can leverage employer relationships who pay our interns and is a unique part of this program, the more sustainable that revenue will be.

Commissioner Lisa Jacobson stated I would like to thank you for all you do for BrookLynk and the team that has put so much into it to make it what it is today. Working in a space with youth for many years, one of the things we don’t necessarily see in the statics is the opportunities that the youth are provided to see life through a different lens. When they get to walk through the doors of Boston Scientific for example they meet people who spend their careers at Boston Scientific and seeing life through their eyes, seeing what it can look like to show up to work every day on time and early and the benefit you may get from doing that over time. For many youths that is new concepts and is equally important.

7.2 Status Update – Kim Berggren highlighted the following:

- Blanks USA has just satisfied the loan that BPDC gave them several years ago. This is an example of one of the strategies the EDA has been using over the years. The EDA originally funded the BPDC revolving funds available to businesses that are needing access to financing. Commissioners are encouraged to let businesses know about the BPDC.
- MGK is a new company moving to Brooklyn Park. They are bringing with them many jobs.
- Protolabs held a grand opening and 20-year celebration last week at their new Brooklyn Park facility. The company is bringing 225 jobs to the facility and plans on adding 120 more over the next three years.
- Staff has been working with Nexus, which is a nonprofit who is looking at worker ownership as a strategy for equitable economic development. This is an emerging conversation we are talking about and there are examples employee ownership in Brooklyn Park. Diversified Plastics was recently converted. There are great examples of how ownership can really help a company stabilize and stay and give wealth building opportunities to the people that work at the company. Staff will continue to work with Nexus and we hopefully be able to introduce that concept to our local businesses.
- The Center for Economic Inclusion hosted a Powering Inclusion Summit a few weeks ago and they released some indicators on economic inclusion for the region. Staff provided the link to the indicators if commissioners are interested in looking at that. This will also inform some of the work that we are doing as we look at the work we outlined in the economic development chapter of the comp plan and starting to advance some of the work.
- Breanne Rothstein presented at the Northwest Minneapolis Tourism luncheon. They have been a partner for a long time and they understand and appreciate the need to do more to market restaurants in Brooklyn Park. That is an exciting partnership right now.

Commissioner Susan Pha attend the Powering Inclusion Summit for her work and was happy to see Kim Berggren and Luis Salado-Herrera there.
Commissioner Mark Mata stated I have given Kim Berggren a laundry list of items for the Clubhouse and the restaurant operations there. They are overlooking that we have a golf course that is connected to right where the restaurant is and we are getting some lost vision. I am getting a lot of phone calls and complaints. I am requesting that the Pro Shop, which is owned by the city have comment cards that the city can look at. As opposed to comment cards at the restaurant, which are looked at under the restaurant operation side. There were some issues at Mother's Day brunch where the golfers outside were not able to come into the restaurant. Kim Berggren stated that staff will look at the list and give you an update. I would encourage commissioners to give staff feedback you hear as we start this new partnership with D’Amico and encourage folks to contact city staff with any questions or concerns.

Commissioner Tonja West-Hafner stated the feedback I have heard is about the 3% wellness fee and then the other one I hear consistently is the pricing equal to the portions. I agree we should make sure that the comments are coming back to the city since it is our restaurant. All the changes in the building is amazing, it doesn’t look like the same place and I am very happy about that but we want people to go there.

President Jeff Lunde stated I would like to know when the fee was started. Was it after the City of Minneapolis changed the rules to force everyone in that city to do it? If a business is going to cover it, then charge more and not have the fee listed.

Commissioner Lisa Jacobson informed commissioners that I have given a lot of feedback to Brad Tullberg and they have made changes so they are listening. I would get that information in as soon as you can. I would like to think of this project as a marathon and not a sprint. We can’t get it right from day one. I don’t think any business can, no restaurant can for certain. That is why they don’t hold grand openings for a while after they open. We knew we were going to pay more and we wanted a nicer place but how much more are we comfortable with. I think they will get it right it is going to take time and feedback. I know it is a concern.

7.3 Housing Update – Erika Byrd highlighted the following:
- We held a conversation that was facilitated by a consultant with apartment managers and owners in Brooklyn Park on the eviction study. There is a summary of those results in your packet. As a follow-up, we are reaching out to owners and managers about some information they said they were wanting to share with us to check against the eviction study. We will be sharing the results with other community engagement to test the thinking on what we hear from each community as we go. The next step is for staff to meet with CURA and Dr. Lewis to talk about a proposal to do some tenant research in Brooklyn Park. This meeting will be held this week to see if we can move forward with that. We have a couple of meetings scheduled in June with housing organizations and community service providers to talk about housing stability in Brooklyn Park and evictions.
• Last week the city council passed a Fair Housing Policy with an amendment that we bring it back within three months. Staff is working to create some materials to address questions and concerns and you will see an update and discussion around that either at the City Council or the EDA within the next three months.

• For the tenant protection and notice our project facilitator is working on a draft and will be sharing a discussion with the Human Rights Commission in June.

• The strategic plan for affordable apartments is an item that came out the strategic work sessions that this body had over the last several months. Staff is working to put together a high-level program framework both on naturally occurring affordable housing preservation and rehab and a program that would fund creation of new affordable housing. Staff wants to provide that framework to you next month at the EDA meeting for some feedback before we move on to flushing out that program more.

President Jeff Lunde stated that there are some nonprofits that are working with the people that are living in apartments in the city that would be interested in being part of the discussion on affordable apartments. Erika Byrd asked President Lunde to share the information on the nonprofits with her or Kim Berggren. Staff would be more than happy to make that connection and have a discussion.

7.4 2019 Restaurant Initiative Update – Breanne Rothstein stated per strategic direction several months back we are looking at a renewed restaurant initiative as part of the EDA’s work for 2019. We laid out a memo in your packet and that goes to everything we are currently doing and some of the new things we are doing.

Daniela Lorenz and I are working in coordination with other staff on active recruitment of businesses: getting connected with restaurant professional associations and real estate groups; meeting people who are interested in expanding or currently running restaurants and interested in Brooklyn Park; working with communications on an enhanced marketing campaign; sharing out things on social media as well as other publications that the city issues; highlighting some of the programs that we have offered; and we have a variety of different financial programs for restaurants.

In terms of some of the mid and long initiatives we are planning to do a business survey as well as an enhanced business retention and expansion program. This will include visiting the restaurants and asking them how things are going, what they could use for assistance and if they are interested in expansion. As Kim Berggren mentioned we have a partnership with Minneapolis Tourism and they have rejuvenated interest in the Brooklyn’s and providing marketing services. We will be developing partnerships with all their new staff and they are very active in social media. We are looking at highlighting some restaurant success stories, potentially a restaurant for the month campaign. We are looking at hosting a food truck event or support a food truck event this summer.
President Jeff Lunde stated that Champlin Park High School, Park Center High School and Osseo Learning School youth all want to become better connected to restaurants and retail, especially restaurants and opportunities to talk about jobs locally. The successful launch of a restaurant in Brooklyn Park seems to be dependent upon finding employees. Also, I spoke to Design Ready Controls and they would like an initiative for food trucks. They have talked to Tesla, Wurth Adams, Takeda and all the businesses right around there and they would like the city to host a food truck in the commons area. Most of the manufacturing companies get a half hour for lunch so for them to walk out their doors and over to a food truck say once a week would be great.

Commissioner Lisa Jacobson reported we did have a meeting with Jason Newby and food truck owners and talked specifically about that. We talked about piloting that this summer and, allowing some set times for food trucks to be there. There may need be an ordinance change. Kim Berggren responded that the food truck conversation has taken off this spring. We will have a couple of strategies deployed this summer and use it as a pilot to see if we want to bring ordinance changes forward this fall to the council. One of the challenges right now is you can’t have food trucks on public streets so we are going to use special event permitting to pilot it and we will keep commissioners updated.

IV. WORK SESSION:

8. WORK SESSION ITEMS

8.1 None.

V. ADJOURNMENT

Meeting adjourned at 8:37 p.m.

Respectfully Submitted
EDA Secretary Theresa Freund
Executive Director’s Proposed Action

MOTION __________, SECOND __________ TO WAIVE THE READING AND ADOPT RESOLUTION #2019-__ APPROVING A CONTRACT FOR AGRICULTURAL LEASE BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND BILL BROOKS.

Overview:

In 2017, the Brooklyn Park Economic Development Authority (EDA) purchased a 22.84-acre parcel of land from the Minnesota Department of Transportation (MNDOT) located in the northeast corner of US-169 and TH-610. The EDA is holding the land for future development opportunities. MNDOT previously had an annual lease with Bill Brooks to farm this land. In 2017 and 2018 the EDA acted to continue to lease this land to Bill Brooks. Mr. Brooks current lease ends in December 2019 and he has requested the EDA again lease him the land for 2020 and 2021 growing seasons.

Primary Issues/Alternatives to Consider:

- **What is the rent and how was it determined?**

  EDA staff has negotiated a rent term of $850 per year with Mr. Brooks for 2020. The proposed lease runs from January 2020 to December 2020 and allows the EDA and Mr. Brooks to extend the lease for one additional year. The proposed farm lease has a provision that allows the EDA to cancel the lease before May 1 or after October 31 each year if the property is needed for economic development purposes.

  In 2018, EDA staff did research on average area agricultural rents and spoke to staff from the University of Minnesota Extension Office. Based on the discussions with the Extension Office, market prices for the agricultural land vary widely across the region with many rents determined through negotiation. Mr. Brooks had previously paid $650 per year under MNDOT ownership. In 2018, EDA staff negotiated a rate of $800 per growing season with Bill Brooks, which the EDA subsequently approved. For the upcoming year, Mr. Brooks has agreed to pay $850 per year.

- **Does Target have a purchase option for this land?**

  Target Corporation no longer has a purchase option for this land but remains interested in acquiring the land when development advances in the area.

Budget/Fiscal Issues:

The EDA will receive $1,700 in revenue from the 2-year lease agreement. The EDA will not be subject to any property maintenance costs during the term of the lease and the lease requires Mr. Brooks to pay real estate taxes, if any.
Recommendation:

The Executive Director of the Economic Development Authority recommends approval.

Attachments:
6.1A RESOLUTION
6.1B LEASE AGREEMENT
6.1C LOCATION MAP
WHEREAS, the Brooklyn Park Economic Development Authority, a public body corporate and politic (the “EDA”) owns certain real property located in the northeast quadrant of the intersection of Highways 610 and 169 (the “Property”);

WHEREAS, the EDA has also determined that while the EDA holds the Property for development it is reasonable and necessary to enter into an Agricultural Lease (the “Agricultural Lease”) with Bill Brooks an individual (the “Tenant”);

WHEREAS, the EDA has determined that the terms of the Agricultural Lease are reasonable and it in the best interests of the EDA to enter into and execute the Agricultural Lease;

NOW, THEREFORE, BE IT RESOLVED BY the Brooklyn Park Economic Development Authority Board of Commissioners that:

1. The Board hereby approves entering into the Agricultural Lease and the execution thereof, together with any related documents necessary in connection therewith, including without limitation all documents referenced in or attached to the Agricultural Lease (collectively, the “Documents”) and the Executive Director of the EDA is hereby authorized and directed to execute the Documents on behalf of the EDA and to carry out, on behalf of the EDA, the EDA’s obligations thereunder.

2. The approval hereby given to the Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the officers authorized herein to execute said Documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the Documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the EDA as, in the opinion of the City Attorney, may act in their behalf.

3. The authority to approve, execute and deliver future amendments to the Documents is hereby delegated to the Executive Director, subject to the following conditions: (a) such amendments or consents to not materially adversely affect the interests of the EDA; (b) such amendments or consents do not contravene or violate any policy of the EDA or applicable provision of law, and (c) such amendments or consents are acceptable in form and substance to the counsel retained by the EDA to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of
such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Executive Director shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Executive Director any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the EDA authorized to act in his or her place and stead.
AGRICULTURAL LEASE

This Lease is made between the Brooklyn Park Economic Development Authority ("Landlord") and Bill Brooks an individual, ("Tenant").

1. In consideration of payment of the rent hereinafter specified to be paid by Tenant, and the covenants and agreements herein contained, Landlord hereby leases to Tenant that certain property ("Premises") in the County of Hennepin, State of Minnesota, described as follows:

   Address of Premises: NE quadrant of TH 169 and TH 610; See Exhibit “B” attached and incorporated

   Type of Premises: Agricultural

   Legal Description: See Exhibit “A” attached and incorporated

This lease is in effect from January 1, 2020 through December 31, 2020, with the right of cancellation in Landlord and Tenant as set forth in Section 7 below.

Tenant has an option to renew this lease for one additional one-year term. Tenant shall provide Landlord with written notice of intent to renew lease at least 60 days prior to the expiration of the current term. The renewal period would be from January 1, 2021 through December 31, 2021, with the right of cancellation in Landlord and Tenant as set forth in Section 7 below.

2. RENT. Tenant shall pay to Landlord as rent for the premises the sum of Eight Hundred and Fifty Dollars ($850.00) payable in one lump sum payment at the beginning of the term of this lease.

Rent payments are to be mailed or delivered to:

Brooklyn Park Economic Development Authority
5200 85th Avenue North
Brooklyn Park, MN 55443
Attn: Erika Byrd

Checks are payable to:
Brooklyn Park Economic Development Authority

3. USE OF PREMISES. Tenant will use the Premises for agricultural purposes only and no other use whatsoever. It shall be the sole responsibility of Tenant to comply with all laws, regulations, or ordinances imposed by any jurisdiction governing the use of the Premises. Failure to comply will not relieve Tenant of the obligation to pay rent.
4. MAINTENANCE OF PREMISES. Tenant shall not commit, suffer, or permit any waste on the Premises. Tenant shall keep the Premises cleared of all trash and debris. At any reasonable time, Tenant shall permit Landlord to enter upon and inspect the Premises.

5. UTILITY CHARGES. Tenant shall pay when due all utility charges and any other charges or expenses connected with Tenant’s use of the Premises.

6. NOTICES. All notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when served personally on Landlord or Tenant, or when made in writing and deposited in the United States mail and addressed as follows: To Tenant at the mailing address above stated and to Landlord, Brooklyn Park Economic Development Authority, 5200 85th Avenue North, Brooklyn Park, MN 55443. The address to which notices are mailed may be changed by written notice given by either party to the other as herein provided.

7. CANCELLATION. Tenant may cancel this Lease at any time during the term hereof by giving Landlord notice in writing prior to the date when cancellation shall become effective. Landlord may cancel this Lease at any time before May 1 or after October 31 by giving Tenant notice in writing prior to the date when cancellation shall become effective. If either party terminates the Lease, the rent will be prorated.

8. SUBLETTING. Tenant shall not assign the Lease or sublet the Premises.

9. REMEDIES. If any rent is due and unpaid or if Tenant defaults in any of the covenants or agreements on the part of the Tenant contained in this Lease, Landlord may, at any time after default, re-enter and take possession of the Premises in the manner provided by the law. Tenant will pay Landlord all costs and expenses, including attorney’s fees, in any action brought by Landlord to recover any rent due and unpaid hereunder, or for the breach of any of the covenants or agreements contained in this Lease, or to recover possession of the Premises, whether such action progresses to judgement or not.

10. INDEMNIFICATION. As between Landlord and Tenant, Tenant assumes by this agreement all risk of personal injury or, or death to, himself, his employees, customers, invitees, licensees, family or guests while on or about the Premises, and agrees to save harmless the Landlord, the City of Brooklyn Park and the governing body members, officers, agents (including their independent contractors, consultants and legal counsel, servants and employees) thereof from all claims, suits, costs, losses, damage, and expenses arising out of such injury or death.

11. PRIOR LEASES. If there is any prior existing lease between Tenant and the Brooklyn Park Economic Development Authority covering the Premises, it is agreed that this Lease shall cancel the prior lease as of the beginning date of this Lease.

12. INSURANCE. Tenant shall procure a liability insurance policy on the Premises in the minimum amount for each occurrence and for each year of $1,000,000 and shall name Landlord as an
“additional insured” thereunder and shall provide Landlord with a certificate thereof and shall procure a workers compensation insurance policy in accordance with Minnesota Statutes, Chapter 176.

13. HAZARDOUS SUBSTANCES OR POLLUTANTS OR CONTAMINANTS. Tenant shall not cause or permit any hazardous substance or pollutant or contaminant to be used, generated, stored or disposed of on or in the Premises by Tenant, Tenant’s agents, employees, contractors or invitees.

Tenant may apply pesticides or fertilizers on the Premises provided that:
(a) The applicator must have a commercial license from the Minnesota Department of Agriculture.

(b) Every application of pesticides and fertilizers must comply with all specifications and directions of the manufacturer.

Tenant must not store any pesticides or fertilizers on the Premises. If the Tenant causes or allows the Premises to become contaminated in any manner by hazardous substances or pollutants or contaminants, during the term of this Lease, Tenant shall indemnify and hold harmless the Landlord in accordance with Section 10 of this Lease. This indemnification is intended to, and shall, survive the termination of this Lease. Without limitation of the foregoing, if Tenant causes or permits the presence of any hazardous substance or pollutant or contaminant on the Premises, and that presence results in contamination, Tenant shall promptly, at its sole expense, take any and all necessary actions approved by the Landlord to return the Premises to a condition that is in accordance with all applicable Federal, State, and Local regulations and meets the Landlord requirements to restore the Premises to its condition immediately prior to the contamination.

14. WELL FLUSHING. Notwithstanding anything to the contrary in Paragraph 7, Tenant and Landlord acknowledge and agree that at any time during the term of the Lease, Landlord may seal the irrigation well located on the Premises as shown on Exhibit B attached and incorporated. It is further acknowledged and agreed, Tenant’s crop may be adversely affected by the sealing of the irrigation well. In the event the sealing of the irrigation well causes damage to Tenant’s crop or personal property. Tenant will have no recourse or claim against Landlord including the remedy set forth in Paragraph 7 of this Lease.

15. PROPERTY TAXES. The Premises are currently tax-exempt. In the event that the Premises are no longer tax-exempt due to the Tenant’s use of the Premises, the Tenant shall be responsible for paying the annual Real Estate Taxes attributable to the Premises. The Tenant shall pay the Real Estate Taxes directly to the County when they become due. The term “Real Estate Taxes” shall mean all real estate taxes, all assessments, and any taxes in lieu thereof which may be levied upon or assessed against the Premises. A photocopy of the tax statement submitted by the
Landlord to the Tenant shall be sufficient evidence of the amount of taxes and assessments assessed or levied against the Premises.
TENANT
Bill Brooks

Signature: ________________________________

Print Name: ________________________________

Title: ________________________ Date: ____________

LANDLORD
Brooklyn Park Economic Development Authority
Executive Director

By: ________________________________

Kimberly Berggren
Executive Director, Brooklyn Park Economic Development Authority

Date: ________________________
This map is for general reference only. It is not for legal, engineering, or surveying use. Please contact the sources of the information if you desire more details.
MEMORANDUM

DATE: September 12, 2019
TO: EDA Commissioners
FROM: Kim Berggren, Executive Director
SUBJECT: Status Update

BUSINESS AND WORKFORCE DEVELOPMENT

Small Business Resources and Service Conversation
On August 27, staff in partnership with ACER, Inc. held the first small business resource and services conversation. Twelve businesses attended the event to provide feedback about existing City services and resources and suggested how the City can change its current offerings to be more useful to businesses. Some of the top needs identified were additional technical assistance options, more clarity about the process of starting a business and more flexible financial assistance. Staff plans on hosting additional conversations to get more feedback from businesses about their needs.

Avivo Event at Zanewood
On August 20, the City in partnership with Avivo, a workforce development organization, hosted an event at Zanewood Recreation Center designed to help individuals seeking to enter the workforce or get a new job work on their resumes, get interview tips, and job search. Avivo recently received $500,000 from the Minnesota Department of Employment and Economic Development which will assist in their effort to host more events like this one in the northwest suburbs.

IBEW 292 Facility Ground Breaking
On August 13, the International Brotherhood of Electrical Workers held the ground breaking for its new facility located at 6700 West Broadway Ave. Construction on the 26,000 square foot facility is underway and once finished will house about 15 employees. A portion of the building will be unfinished until the IBEW benefits office moves in which will add an additional 15 employees. The space will also include a hall for larger meetings at that location. Congressman Dean Phillips also spoke at the event.

Business Forward Advisory Board (BFAB) September Meeting
The Business Forward Advisory Board kicked of its 2019-2020 meeting year on September 10. With City Hall under construction the group met at the library to discuss the upcoming board year schedule and the addition of potential new members. BFAB meets the first Tuesday of every month (barring a schedule change to accommodate holidays) to discuss business matters in the City and to provide staff feedback on business related programs and policies. Some of the topic the board will be discussing this year include; potential loan program changes, how businesses play a role in becoming an age friendly community, and green initiatives. Commissioner Jacobson is the City Council/EDA liaison, and all EDA members are welcome to attend BFAB meetings.
93rd Ave Businesses Food Truck Wednesday
A handful of businesses located near 93rd Ave and Winnetka Ave have banded together to host a food truck event on Wednesday September 25 from noon to 2pm. Takeda led the charge in coordinating this event after a member of their staff, Matt Rau, learned about some of the opportunities the City/EDA started exploring to make Brooklyn Park more food truck friendly at a Business Forward Advisory Board (BFAB) meeting last spring. The list of businesses hosting food trucks is below. If you are interested in attending please email Daniela, Business Development Coordinator at Daniela.lorenz@brooklynpark.org.

Participating businesses:
- Takeda
- Tesla
- Nilfisk
- Wurth Adams
- Reliable Medical
- Modern Manufacturing & Engineering (MME)
- Southern Graphic Systems (SGS)

Restaurant Week
Brooklyn Park’s first ever Restaurant Week took place from September 9-13 and featured five local, independently-owned restaurants: El Rancho Mexican Restaurante, Fat Nat’s Eggs, Milah’s Royal Bistro, Cajun Deli, and Mi-Sant Banh Mi Co. Residents were enthusiastic about the restaurants and engaged well with Facebook and Instagram posts. El Rancho, which was featured on Monday September 9th, received 189 post likes and 144 comments within 24 hours on Facebook. Fat Nat’s Eggs, featured on Tuesday September 10th, received 277 likes and 173 comments. A short article and video on each featured restaurant is available at https://www.brooklynpark.org/restaurant-week/.

OTHER

The Brooklyn Restaurant is receiving regional attention with assistance from the City’s Communications Manager, Camille Hepola, and the EDA/City restaurant week campaign. The restaurant was featured on the morning show on Fox 9 and was also mentioned in the StarTribune by Rick Nelson on September 6 with the title “Try 3 upscale Twin Cities spots at bargain prices at these happy hours.”

...And at the great-looking Brooklyn (8700 Edinbrooke Crossing, Brooklyn Park, 763-315-8550, brooklynedinburgh.com), happy hour (3 to 5:30 p.m. daily) means $3 off a long list of bar menu bites, including tuna poke, fish tacos and a fried walleye sandwich, plus $5 house wines and draft beers.

First Annual Minnesota Africans United Summit
The First Annual Minnesota Africans United Conference was held on September 5 at North Hennepin Community College (NHCC). The conference was a full day of hearing from elected leaders, business owners, and experts about the contributions Minnesotans of African descent make in Minnesota. The event included keynote presentations from Lieutenant Governor Peggy Flanagan, Deputy Department of Employment and Economic Development (DEED) Commissioner Hamse Warfa, GreaterMSP’s CEO Peter Frosch, Ambassador Arikana Chihombori-Quao, and Ambassador David Gilmour. Wokie Freeman-Gbogba also sat on a panel discussing ways interested individuals can get involved at the local level.
MN Opportunity Collaborative Hosting ‘Be Inspired Summit’ in Brooklyn Park
A day-long conference on attracting investment in Minnesota’s Opportunity Zones is September 18, 2019 at the Marriott Northwest. Community members, developers, investors, elected officials, economic & community development professionals, community foundations, housing advocates, attorneys, accountants, business owners and leaders are encouraged to attend. More information and registration can be found at mnoppco.com/product/be-inspired-summit-ticket/

7601 Brooklyn Boulevard – Roers Development Proposal
Roers Companies, a local developer held a community outreach meeting August 18, 2109 at Bowlero to gather public input on a potential mixed-use development for an EDA-owned parcel at 7601 Brooklyn Boulevard. A few neighbors attended to learn about the proposed project. Given concerns expressed about the proposal by EDA members at the most recent EDA meeting, Roars is unlikely to continue to pursue the project.

2nd Annual African Immigrant Professional Development Conference
Mark your calendars for the 2nd Annual African Immigrant Professional Development Conference (AIPDC) to be held on Saturday, September 21 at North Hennepin Community College. The day, which focuses on connecting African immigrant professionals with employers, will feature a keynote from Senior Vice President of Land O’Lakes, Teddy Bekele. Everyone is welcome to attend and connect with more than 200 African immigrant professionals. Staff is planning to table at the event. Please RSVP at www.eventbrite.com/e/2nd-annual-african-immigrant-professional-development-conference-tickets-64258179946

Goodbye Luis and Welcome Catrice!
The Brooklyn Park EDA says goodbye and well wishes to Luis Salado-Herrera as he goes to work for Best Buy Foundation. Welcome to Catrice O’Neal, our new program manager for BrookLynk. Catrice joins us from Plymouth Christian Youth Center where she was Director of Out of School Programming. She also teaches part time at the University of St. Thomas’ School of Social Work.

Rail-volution
EDA staff and Commissioner Russell attended the Rail-volution Conference the week of September 9. Always a fruitful experience, staff will provide an update on learnings to the EDA next month.

METRO Blue Line Extension (Bottineau LRT) Update
Agendas and previous meeting presentations can be found at:

Connect Blue Line Now! Communication Coalition
The Connect Blue Line Now! Coalition is an ongoing collaboration effort around the METRO Blue Line Extension. The coalition includes elected representatives from cities along the future LRT route and other communities near the route. The goal of the coalition and campaign is to create a unified message about the benefits of the line to the Northwest suburbs.
https://www.connectbluelinenow.com/
MEMORANDUM

DATE: September 12, 2019
TO: EDA Commissioners
FROM: Erika Byrd, Development Project Coordinator
CC: Kim Berggren, EDA Executive Director
     Breanne Rothstein, Economic Development and Housing Director
SUBJECT: Housing Update

This memo provides an update to the Economic Development Authority (EDA) on several housing-related items. In addition to updating the EDA, this memo serves to keep interested stakeholders, such as City commissions and community groups informed of this work.

HOUSING POLICY UPDATES

Eviction and CURA Research Project
Minnesota Housing recently selected the joint application from City of Brooklyn Park and the Center for Urban and Regional Affairs (CURA) for their Capacity Building Initiative grant. CURA will conduct a year-long qualitative research project in Brooklyn Park to investigate the issues of eviction, housing stability, and renter quality of life. The research will involve interviews with tenants and landlords and will be developed in collaboration with a variety of stakeholders.

Minnesota Housing will provide $38,350 toward this upcoming research project. The EDA and Hennepin County Housing and Redevelopment Authority have also committed funding to the research. EDA staff is currently working on a contract for services with CURA along with other funding partners. The work is anticipated to begin in fall semester of 2019.

Tenant Notification Policy
Staff will bring a first reading of the ordinance to City Council on October 14. EDA commissioners indicated an interest in advancing a tenant protection and notice ordinance in 2019 after encouragement from members of the community. The purpose of such an ordinance is to improve communication practices when apartments sell or change ownership and to provide tenants with more time and resources if they are potentially facing displacement.

Fair Housing Policy
Staff presented an update on the Fair Housing Policy at the August 12 City Council work session. The City of Brooklyn Park passed the Policy in May. Staff are working with other regional cities and partners to find or develop appropriate Fair Housing training for the City.

Estimated Timeline of Planned Housing Policy Work
• October 14—Tenant Notification Ordinance at City Council for first reading
EDA SUPPORTED APARTMENT REHABILITATION PROJECTS

Brooks Landing and Brook Gardens
Rehabilitation work at Brooks Landing and Brook Gardens has started. The property owner Reprise Associates Limited Partnership-Amorce I, LLC closed on their financing for the rehabilitation project on August 31. The EDA is providing a $400,000 rehabilitation loan toward the project. The loan serves as one source in a project with just over $30 million in total refinancing and re-habilitiation costs. The redevelopment of the 170 units is expected to take up 2 years. Both Brooks Landing and Brook Gardens serve low-income households and have received project-based Section 8 rental assistance since 1978.

The scheduled work at Brooks Landing is going to be extensive, covering exterior and interior renovations. They have partnered with Metro Blooms, the City of Brooklyn Park and African Career Education and Resources Inc (ACER) on a landscape and stormwater retrofit projects at both apartment communities. A resident engagement meeting for the landscape work will be held on September 17th.

Autumn Ridge Apartments
Phase II of a landscaping and stormwater retrofit project at Autumn Ridge Apartments is underway. The project partners including Sherman Associates, Autumn Ridge residents, ACER, City of Brooklyn Park, the Shingle Creek Watershed Management Commission and Hennepin County are working on a plan to plant six rain gardens with 2000 new plants in total. The planting event will be in September or October with a specific date to come.

Continuing rehabilitation work is also underway. In 2016, the EDA contributed a loan of $1.2 million to assist Sherman Associates in the re-investment and rehabilitation of the property while maintaining long-term affordability. Earlier this year, the EDA approved an extension of the loan to assist with the completion of additional rehabilitation upgrades that include the installation of the key fob system, security cameras and exterior lighting.

OTHER HOUSING ACTIVITY

Huntington Place
Huntington Place ownership has committed to investing millions in immediate physical investments as well as identifying a caretaker for each of their buildings. The City has been in communication with Huntington Place owners/managers about potential improvements (currently estimated at $7.5 million) and strategies to reduce crime in the community. Community members can get information about construction at https://www.liveathp.com/improvements.aspx.
MEMORANDUM

DATE: September 10, 2019
TO: EDA Commissioners
FROM: John Kinara; Housing and Redevelopment Specialist
CC: Kim Berggren, EDA Executive Director
     Breanne Rothstein, Economic Development and Housing Director
SUBJECT: Home Improvement Loan Programs Update

Overview:

The purpose of this report is to update the Economic Development Authority (EDA) Board of Commissioners on the status of the Home Improvement Loan Programs that were approved at the April 15 EDA meeting. During the meeting, Commissioners considered and approved a request to modify guidelines to the EDA re-habilitation loan program and also to create new sub-categories for the program to increase program utilization. The Commissioners also approved a budget amendment to allocate $300,000 to these programs in 2019.

Program Activity Since April

What is the number of loans closed so far?

Since the revision of the program guidelines and the introduction of the four additional programs in April of 2019, loan utilization rates have significantly increased with 22 loans already closed. The most popular programs are the Senior Deferred and the Down Payment Assistance. Both these programs were each allocated $100,000 for the 2019 fiscal year and the funds have been exhausted. 16 participants were awarded these loans totaling $199,830. The previously underused revolving loan program that was closing one loan per year has closed 6 loans in the amount of $115,692 and has 10 applications pending. The Code Correction Loan Program has one pending application. To date, all these combined programs have expended $315,522 leaving a fund balance of less than $75,000 and 21 applications still waiting to be funded total approximately $400,000 in pending requests. While staff anticipates a higher utilization rate in the first and second years due to pent up demand especially among the seniors and first-time homebuyers, it is also likely that zero interest, deferred/forgivable loans like the senior program and down payment assistance program will always be desirable.

Table 1 – Brooklyn Park Home Improvement Loan Programs

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Amount Loaned</th>
<th>Loans closed</th>
<th>Waitlisted / in process</th>
<th>Demographics including waitlisted applicants</th>
<th>Average Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Deferred</td>
<td>$99,830</td>
<td>6</td>
<td>5</td>
<td>Black (4), White (7)</td>
<td>69</td>
</tr>
<tr>
<td>Down Payment</td>
<td>$100,000</td>
<td>10</td>
<td>5</td>
<td>Black (10), White (3), Asian (2)</td>
<td>37</td>
</tr>
<tr>
<td>Revolving Loan</td>
<td>$115,692</td>
<td>6</td>
<td>10</td>
<td>Black (5), White (7), Asian (4)</td>
<td>58</td>
</tr>
</tbody>
</table>
What are the recommended plans for Fiscal Year 2020?

Based on the popularity of these programs, staff recommends additional funds be made available. There are 21 participants that are presently on the waiting list at CEE. These participants have been screened and qualified to be awarded funds wherever the funds are made available. Staff anticipates that allocating $400,000 to the programs in the 2020 fiscal year would play a critical role in addressing the existing waiting list. The down payment and senior programs would be capped at $100,000 per year.

What are the risks associated with these programs?

The diversified loan portfolio presents both an opportunity and challenges. The deferred and low interest loans play a critical role in enhancing the quality of living in the community’s neighborhoods and supporting the creation of wealth with participating households. However, since two of the new programs (senior deferred and down payment) are zero interest (deferred or forgivable) loans, that results in less program income/cashflow earnings than if the loans were structured as repayable and interest bearing. To address this, it is important to place a cap on how much funding can be dedicated to each program annually.

EDA and CEE staff will continue to monitor and evaluate the need for each program on an annual basis to determine the purpose of additional funding and prioritize accordingly. All loan applications will continue to use the same quality control and underwriting processes that have resulted in a loan pool default rate of less than one percent.

How were the programs marketed?

The Brooklyn Park EDA staff worked with all the program partners to implement an effective marketing strategy that has created awareness and promoted the increased utilization of the housing programs in the community. Some of these strategies included the following:

- **Website Marketing:** EDA and CEE staff partnered to improve the design of the housing programs content, with a focus on generating and distributing relevant and consistent information to attract new customers in the community. The housing programs information was hosted on the City and CEE websites. Some of the details in the housing programs content featured program qualifying criteria, contact information, pictures of completed projects, and application forms.

- **Social Media Marketing:** The EDA and CEE staff deployed social media platforms like Facebook, Twitter and Instagram ads as low-cost ways to target message postings to residents, who in turn shared the information with other members of the social media community and spread the word. Social media offered comprehensive options for targeted advertisement, such as the ability to focus on members that reside within a specific geographic radius. Through social media platforms EDA and CEE staff engaged the target audience and developed interactive relationships with homeowners in Brooklyn Park.
Direct Mail and Flyers: The EDA and CEE staff deployed direct mail strategy by delivering promotional printed material to the target audience in Brooklyn Park. These materials included brochures, catalogs, postcards, new connect bag, and flyers. Some of these materials were posted at strategic locations within the City such as the Community Activity Center, Zanewood Recreation Center, City Hall and the Hennepin County Library.

Code Enforcement, Public Health and Assessing Staff: The EDA staff worked with the environmental health and assessing divisions to disseminate relevant information to homeowners related to housing programs resources available at the City. These staff are frequently out in the community interacting with residents on property maintenance needs.

Digital Marketing: EDA staff worked with CEE and developed digital media content that was aired in the local television channel 12 to reach specific consumers in the community.

Event Marketing: Staff and CEE partnered to promote the housing programs at a special homeowner financial resources event that was held on June 29th at the Community Activity Center. During this event, over 75 homeowners attended to learn about the City’s housing programs. Other events City staff utilized to disseminate information included Tater Daze, Farmer’s Market, National Night Out, and several community engagement events.

Summary of Housing Program Guidelines

1. Senior Deferred Loan Program

This loan program is designed as an incentive for Brooklyn Park seniors aged 62 and above to make improvements that will allow them to remain in their homes if they need to or update their homes for a potential future sale. Additionally, this program helps the Brooklyn Park seniors to invest in customized modifications of their homes to accommodate specific special needs like the installation of ramps for wheel chairs, handicap accessible bathrooms and kitchens, among others. This loan is due upon sale or transfer of the property. This program provides up to $25,000 in deferred loans to seniors at 0% interest rate. The funds are payable when the homeowner no longer occupies or owns the home.

This program aligns well with the BP2025 goal of beautiful spaces and quality infrastructure where quality and well-maintained housing for all ages and incomes are integrated throughout the community.

2. Down Payment Assistance Program

This program provides up to $10,000 in down-payment/closing cost assistance to first-time homebuyers or to buyers who have not owned a home in the last three years. Program participants must meet specific income limits to be eligible for assistance that will be indexed up to 120% of the area median income and tiered by household size. Homebuyer education for first time buyers and a minimum cash investment of the lesser 1% of the purchase price or $1,000 are required. The cash investment must come from the homebuyer’s assets and may not be a loan or sweat equity contribution. The funds are forgiven if the homeowner maintains occupancy and ownership for 10 years.
3. Code Correction Loan Program

The intent of the Code Correction Loan Program is to provide funds to owner-occupied properties that face City Code mandated home repairs and are unable to obtain funds to address the repair needs through other funding sources.

Based on the data from the City’s Environmental Health staff, there are an average of 20 to 50 serious code related violations each year with most of the affected homeowners unable to address the problems as required. The violations range from severely damaged siding, driveways, windows to mold infestations, hoarding and plumbing issues. This program provides eligible residents a loan amount of between $2,000 and $25,000 at a 2% fixed interest rate. The loan is repayable in a period of up to 15 years and is secured by a subordinate mortgage on the property.

4. Revolving Loan Program

The EDA also approved revised guidelines for this low-interest home improvement revolving loan financing to Brooklyn Park homeowners. Eligible improvements include most interior or exterior improvements, maintenance or remodeling. Funds are held in a non-interest-bearing escrow account at CEE from loan closing until the work is completed and all final documentation is received and verified. This program provides eligible residents a loan amount of between $2,000 and $25,000 at a 3% to 4% fixed interest rate. The loan is repayable in a period of up to 15 years and is secured by a subordinate mortgage on the property.

Budgetary/Fiscal Issues:

The amended 2019 EDA budgeted expenditures from the EDA Rehab Loan Program fund is $300,000 and the total fund balance was $780,000. For 2020 budget, staff anticipates a higher demand for the senior deferred loan and down payment assistance loan programs to continue. Consequently, the EDA would need to consider adjusting the budget in the coming year by investing additional EDA fund balance to accommodate the prevailing demand.
ITEM 7.4

MEMORANDUM

DATE: September 12, 2019

TO: EDA Commissioners

FROM: Daniela Lorenz, Business Development Coordinator

CC: Kim Berggren, Executive Director
    Breanne Rothstein, Economic Development and Housing Director

SUBJECT: Strategic Priority Update: Business Support Services and Incubator Work

Overview:

In Spring of 2019, the Economic Development Authority (EDA) identified four priority work areas for staff to focus on advancing in 2019. The identified priorities include; recruiting new restaurants and marketing current ones, preserving naturally occurring affordable housing (NOAH), attracting opportunity zone investment, and exploring an incubator concept and other small business support options. The purpose of this memo is to update the EDA on the work that has been done specific to the business incubator and small business support focus area since early spring 2019 and to get direction on how to move forward with this strategic priority.

Small Business Support Services

Open to Business:
Since 2009, the City of Brooklyn Park through the Brooklyn Park Development Corporation has partnered with the Metropolitan Consortium of Community Developers (MCCD) to provide its Open to Business program to interested businesses. Open to Business is a free technical assistance program that provides help to small and emerging businesses. Businesses that use the program get help with the creation of business plans, help with marketing, and access to financial programs. Businesses in Brooklyn Park consistently use Open to Business’s services more than any other community. Below is a mid-year summary of who MCCD/Open to Business has worked with under the contract. The table also indicated if the business is owned by a person of color, woman, or low-income owner (making 80% of area median income or less).

<table>
<thead>
<tr>
<th>Business Description</th>
<th>Industry</th>
<th>Existing Business?</th>
<th>Low-Income</th>
<th>Minority Owned</th>
<th>Woman Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event Center Rental</td>
<td>Real Estate</td>
<td>No, pre-planning</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Dog Training</td>
<td>Service</td>
<td>No, pre-planning</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Nail Salon</td>
<td>Service</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Small Convenience Store</td>
<td>Retail</td>
<td>No, pre-planning</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Food Truck</td>
<td>Food</td>
<td>No, pre-planning</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Paint and Sip Business</td>
<td>Food</td>
<td>No, pre-planning</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Nail Salon Supply Distributor</td>
<td>Wholesale</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Coffee Roaster and Distributor</td>
<td>Wholesale</td>
<td>No, pre-planning</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Adult Day Care</td>
<td>Health/fitness</td>
<td>No, pre-planning</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>African Sauce</td>
<td>Food</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Garbage Disposal</td>
<td>Service</td>
<td>Start-up</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Group Home</td>
<td>Health/fitness</td>
<td>No, pre-planning</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Adult Day Care</td>
<td>Health/fitness</td>
<td>No, pre-planning</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Solar Panel Installer</td>
<td>Construction</td>
<td>Start-up</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
Of the 14 businesses that have used Open to Business so far in 2019, 64% are low-income, 100% are owned by people of color, 42% are women-owned and all but three are new businesses or in the pre-planning stage.

**Brooklyn Park Development Corporation:**
In the early 1990s the Economic Development Authority formed a limited partnership, the Brooklyn Park Development Fund, for the purpose of establishing a small business loan program. The Brooklyn Park Development Corporation (BPDC) was also formed as a non-profit for the purpose of acting as the general partner of the Fund, with the EDA acting as the limited partner. BPDC offers two loans; a fixed rate real estate and equipment loan for $100,000-$300,000 that can be used to purchase fixed assets including land, building machinery, and equipment, and a small business micro loan of up to $50,000 for working capital, inventory, equipment, and general operations.

There are currently two active loans through BPDC’s revolving loan fund and no active loans in the micro loan fund. Blanks USA located at 7700 68th Ave N leveraged a $200,000 real estate and equipment loan in 2012. Design Ready Controls located at 9325 Winnetka Ave N leveraged a $300,000 real estate and equipment loan in 2017. The small business micro loan opened a $20,000 loan in 2013 for Polar Pharmacy, which has since closed. Since that time MCCD, the administrator of that loan, has written off the remaining balance because it was determined to be uncollectable.

Since 2013, BPDC has assisted 12 businesses in securing financing with one of the two existing loan programs. As of December 31, 2017, BPDC has $1,964,881 worth of assets. BPDC banks with Wells Fargo and has a business checking and business savings account.

Given the limited use of BPDC’s program in recent years, staff is exploring re-vamping the programs to better cater to the needs of today’s businesses. Staff has specifically decided to focus on re-tooling the micro business program because it was designed in 2009 during the financial crisis which resulted in considerably higher than typical interest rates (10%) and shorter than typical terms (3-5 years).

BPDC is set to sunset on December 31, 2020 unless the EDA makes a motion to continue as limited partner. Staff is in the process of developing recommendations for on how to proceed with business loan programs in Brooklyn Park.

**2019 Work to Date**

**Small Business Conversation**
On August 27, EDA staff along with staff from African, Career, Education, and Resources (ACER), Inc. held a small business conversation with a group of 12 small/micro businesses and emerging entrepreneurs in the community. The attendees included individuals from retail, information technology, financial, travel, food, and clothing based businesses. The focus of the conversation was to get feedback on the types of resources, including financial, that the City could offer to small and emerging businesses to help them start and grow. Those present at the conversation identified several potential changes or additions to existing programs and resources including:

- additional technical assistance resources
- creation of a “how to” sheet for new businesses
- access to entrepreneurial classes
- mentorship programs
- access to affordable space, funding with lower interest rates
- less focus on credit when making decisions about whether or not to give a business a loan
- flexible payment terms
- longer term loans
• lower equity requirements for some loans

Staff is planning to have additional conversations like this one with other small and new businesses to get a better sense of what business needs exist in the community. The information gathered from these conversations will be used to help re-vamp the existing business micro loan offered through BPDC. Along with additional conversations, staff will be asking the Business Forward Advisory Board (BFAB) to weigh in on any proposed changes to loan programs.

Additionally, recently the Liberian Business Association (LIBA) approached the EDA with a proposal to conduct a survey of businesses owned by people of color in Brooklyn Park. LIBA would conduct the survey and then share the data received with the EDA along with recommendations about next steps with business engagement. This data will help better connect with businesses, especially those that might be home based or do not have a consistent permanent location.

**Business Incubator**

Another strategic priority area identified by the EDA was exploring the concept of a business incubator in Brooklyn Park. There are several types of business incubator models that provide small, short-term, and less expensive space to new businesses. The EDA identified this as a priority as businesses often talk about the lack of small, affordable space available to businesses in the City.

Since February, staff has had several meetings with community members who are interested in creating different types of incubator space. The meetings have ranged from offering small co-working space to the build-out of a commercial kitchen space that can be rented. Staff has kept a list of the meetings that revolved around business incubators and noted what types of incubator models the attendees were interested in. The list is attached.

Additionally, staff has identified some spaces that are attractive to small and microbusinesses because they offer small office spaces at affordable rents with flexible lease terms. The two most prominent are the buildings located at 7420 Unity Blvd N and 7714-7710 Brooklyn Blvd N. Based on the most recent business survey conducted by staff this spring, there are 64 business currently operating at these locations. The businesses that operate here are largely service based (ex. Tax preparation, hair braiding, legal services, small retail, etc.). There may be an opportunity upon sale of a building for the City to participate financially in their renovation, assuming approval from the EDA, to maintain long-term affordability in those buildings.

Going forward, staff is identifying incubators currently in operation and intends to get a better idea about how the model works. Specifically, staff is interested in understanding what an operating proforma looks like for different types of incubators and how cities have partnered on the development and ongoing operations of incubators. Attached are a list of incubators operating in the metro area.

**Attachments:**
7.4A INCUBATOR INTEREST LIST AND EXAMPLES
Incubator meetings:

1. Rita and Jacque Apaloo (May 2019)
2. Hassanen Mohammed (August 2019)
3. Matty O’Reilly (June 2019)
4. MIND (June 2019)
5. Falilou Diaby (March 2019/August 2019)

Organizations interested in incubator concepts:

1. LIBA (has an accelerator?)
2. ACER
3. MIND

Incubator concepts we’ve heard (examples):

1. Food hall/food truck concept
   a. St. Paul: Keg and Case
   b. Minneapolis: Malcom Yards (under construction)
2. Cultural gathering space with small offices
3. Small spaces for non-profits
4. Micro business space
5. Commercial kitchen space
   a. Minneapolis: Breaking Bread
   b. Maplewood: Garden Fresh Farms and Commercial Kitchen
6. Retail incubator / Ethnic market concepts
   a. Minneapolis: Mercado Central, Mid-Town Global Market
   b. St. Paul: Karmel Village, Hmong Village
7. Makers space (light industrial, manufacturing, artist)
   a. Minneapolis: Creators Space, DevJam and SoMakers,
   b. Oakdale: Incubology (Tech space)
8. Co-working
   a. Minneapolis: BrainCo, Everyday Office, Flock, Impact Hub, Studio Cowork
   b. St. Paul: CoCreatX
   c. Multiple locations: The Commons, The Reserve, WeWork
9. Co-working and start up space/accelerator
   a. Minneapolis: Fueled Collective
   b. St. Paul: Glen Nelson Center, Lunar Startups