



Tuesday, January 22, 2019
7:00 pm

City Hall – Council Chambers
5200 - 85th Ave North

**THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
ANNUAL MEETING – AGENDA #1**

**President Jeffrey Lunde, Treasurer Lisa Jacobson,
Commissioners Mark Mata, Terry Parks, Susan Pha, Wynfred Russell & Tonja West-Hafner
Executive Director Kim Berggren, Assistant Executive Director Jay Stroebel
& Secretary Theresa Freund**

If due to a disability, you need auxiliary aids or services during an EDA Meeting, please provide the City with 72 hour notice by calling 763-493-8012 or FAX 763-493-8391.

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 Designating US Bank as the Official EDA Depository

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 Election of Officers

6.2 Consider Approving Forgiveness of an EDA Loan Obligation - \$2,449,390 in Principal and \$1,601,662 in Interest for Creekside Gables Apartments

6.2A Resolution

6.2B Map

6.2C BP Partners Letter

6.2D Third Amendment to the Development Agreement

6.3 Authorize Submittal of a Grant Application to the Hennepin County Transit-Oriented Development Program for Phase II of the Brooklyn Boulevard Multi-Modal Trail Project in the Amount of \$202,500 and for the 65th Avenue Trail Gap Project in the Amount of \$80,000.

6.3A Project Map - Boulevard Blvd. Trail, Phase 2

6.3B Project Map - 65th Avenue Trail Gap

6.4 Consider Authorizing the Executive Director to Enter into a Professional Services Agreement for Edinburgh Clubhouse Construction Management Services with TDB Builders, LLC

6.4A Resolution

6.4B Professional Services Proposal

6.5 Consider Authorizing the Executive Director to Enter into Agreements with Prime Contractors for Edinburgh Clubhouse Renovations

6.5A Resolution

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

7.1A D'Amico Press Release

7.2 Housing Update

7.3 2019 Legislative Update

7.3A 2019 Legislative Policy Positions

7.4 Presentation from Home Line and CURA regarding Eviction Study

7.4A Eviction Report

IV. WORK SESSION

8. Work Session

8.1 Discuss the Usage of Paid Sewer Availability Charge Credits and Direct Staff to Bring Back a Policy Regarding the Reuse of Excess Credits in the Future

8.1A Acceptance Letter from Met Council

8.1B Water Access Charge Policy

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.

The Brooklyn Park Economic Development Authority's Agenda Packet is posted on the City's website.

To access the agenda packet go to www.brooklynpark.org

The Next Scheduled EDA Meeting is February 19, 2019 (February 18 is Presidents' Day)

City of Brooklyn Park Request for EDA Action

Agenda Item No:	4.1	Meeting Date:	January 22, 2019
Agenda Section:	Consent	Prepared By:	Theresa Freund, EDA Secretary
Resolution:	N/A	Presented By:	Theresa Freund, EDA Secretary
No. of Attachments:	0		
Item:	Consider Designating US Bank as the Official EDA Depository for 2019		

Executive Director's Proposed Action:

MOTION _____, SECOND _____ DESIGNATING US BANK AS THE OFFICIAL EDA DEPOSITORY FOR 2019.

Overview:

Minnesota Statute 118A.02 states the governing body of each government entity shall designate, as a depository of its funds, one or more financial institutions and the governing body may authorize the treasurer or chief financial officer to:

- Designate depositories of the funds;
- Make investments of funds under sections [118A.01](#) to [118A.06](#) or other applicable law; or
- Both designate depositories and make investments as provided in this subdivision.

US Bank has been the official depository for both the City and EDA since 2004. On January 7, 2019, the City Council designated US Bank as the official depository for the City of Brooklyn Park for 2019.

Primary Issues/Alternatives to Consider:

- **What does this action do?**

This action designates US Bank as the official EDA depository for the calendar year 2019.

Budgetary/Fiscal Issues:

N/A

Attachments:

None

City of Brooklyn Park Request for EDA Action

Agenda Item No:	6.1	Meeting Date:	January 22, 2019
Agenda Section:	General Action Items	Prepared By:	Theresa Freund, EDA Secretary
Resolution:	N/A	Presented By:	Jeff Lunde, President
No. of Attachments:	0		
Item:	Consider Election of Officers		

Executive Director's Proposed Action:

MOTION _____, SECOND _____ TO ELECT _____ AS PRESIDENT OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY.

MOTION _____, SECOND _____ TO ELECT _____ AS VICE PRESIDENT OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY.

MOTION _____, SECOND _____ TO ELECT _____ AS TREASURER OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY.

MOTION _____, SECOND _____ TO ELECT _____ AS SECRETARY OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY. MOTION PASSED UNANIMOUSLY.

Overview:

The officers of the Authority shall consist of a President, a Vice President, a Secretary, a Treasurer and an Assistant Treasurer. The President, the Vice President and the Treasurer shall be members of the Board and shall be elected annually. No Commissioner may serve as President and Vice President at the same time. The offices of Secretary and Assistant Treasurer need not be held by a Commissioner.

The **President** shall preside at all meetings of the Board.

The **Vice President** shall preside at any meeting of the Board in the absence of the President and may exercise all powers and perform all responsibilities of the President if the President cannot exercise or perform the same due to absence or other inability.

The **Treasurer** shall receive and be responsible for Authority money, shall disburse authority money by check only, keep an account of all Authority receipts and disbursements and the nature and purpose relating thereto, shall file the Authority's financial statement with its secretary at least once a year as set by the Authority, and be responsible for the acts of the assistant treasurer.

The **Assistant Treasurer** shall be the **City Finance Director** and shall have all the powers and duties of the Treasurer, if the Treasurer is absent or disabled.

The **Secretary** shall keep or cause to be kept minutes of all meetings of the Board and shall maintain or cause to be maintained all records of the Authority. Traditionally this position has been held by the Executive Director's Assistant.

City of Brooklyn Park Request for EDA Action

Agenda Item No:	6.2	Meeting Date:	January 22, 2019
Agenda Section:	General Action Items	Prepared By:	Jennifer Jordan, Senior Project Manager
Resolution:	X	Presented By:	Jennifer Jordan, Senior Project Manager Jason Aarsvold, Ehlers Associates
Ordinance:	N/A		
No. of Attachments:	4		
Item:	CONSIDER APPROVING FORGIVENESS OF AN EDA LOAN OBLIGATION - \$2,449,390 IN PRINCIPAL AND \$1,601,662 IN INTEREST FOR CREEKSIDE GABLES APARTMENTS		

Executive Director's Proposed Action

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION #2018-____ APPROVING FORGIVENESS OF AN EDA LOAN OBLIGATION - \$2,449,390 IN PRINCIPAL AND \$1,601,662 IN INTEREST FOR CREEKSIDE GABLES APARTMENTS.

Overview:

In July 2001, the EDA made a \$2,965,455 loan to BP Partners, Limited Partnership (Lang Nelson Associates) using housing-restricted Tax Increment Financing (TIF) funds from TIF districts 15 and 17 (currently referred to as the Housing Set Aside) to rehabilitate the former Parkwood Apartments, located at 7601 Zane Avenue North and convert it to a senior complex now known as Creekside Gables Apartments. The loan helped pay for renovations that included: adding a gabled roof to the main building and garages, screening in all the balconies, constructing new garages, constructing a new community building, reconstructing the parking lot, upgrading the landscaping and completely renovating the interior units and common areas. The property was constructed in 1969 and has 90 housing units.

The EDA undertook this project with the following goals and objectives:

- Convert existing apartments to senior complexes to decrease the oversupply of market rate apartments in the city
- Further the goals and objectives of The Village Master Plan/Shingle Creek Corridor Plan
- Physically rehabilitate an aging building
- Stabilize and increase property values
- Utilize funding sources the EDA has created to complete apartment rehabilitation

Typically, a project of this nature would be financed using TIF from a "pay-as-you-go" (PAYGO) approach. With PAYGO, the \$2,965,455 in TIF would be paid to the developer over time, *without* repayment to the City. For the Creekside Gables project, the EDA used the Housing Set Aside funds since they were available and restricted for housing projects like this one. While the project needed the assistance provided for financial feasibility, the EDA structured the assistance as a loan, rather than PAYGO in case the project was more successful than projected. This preserved the ability of the EDA to recapture some of the TIF dollars expended, rather than having it all paid out in a PAYGO scenario.

The development agreement states that any repayment of the loan was to come from three sources: (1) excess cash flow from the project (over a 10% cash-on-cash rate of return), (2) tax increment generated by the project and (3) any proceeds from the sale or refinancing of the property. There have not been any excess cash flow payments. This property was located in the TIF district #17 and did, however, generate some tax increment payments because the rehabilitation increased the valuation of the property. There has been a total of

approximately \$516,065 paid on the loan principal from the tax increment generated. TIF district #17 was decertified in 2012 and the increased property value is now contributing to the City's overall tax base.

In June 2011, Lang Nelson received EDA approval to refinance the property. No additional proceeds were available for payment of debt at the time of the refinancing. In December 2011, the EDA approved termination of an assessment agreement between the EDA and BP Partners because the assessment agreement value was higher than the actual market value and needed to be terminated anyway in 2012 when TIF district #17 was decertified. The 2019 estimated market value of the property per Hennepin County is \$6,275,800; the 2019 property tax estimate is \$117,942.

Primary Issues/Alternatives to Consider:

The primary goals and objectives for this project in stabilizing the property and serving low-income seniors have been met and the project continues serving a key community need – affordable senior rental housing. The financial performance for the project, while stable over the last 17 years, has not yielded the excess cash flow necessary to repay the principal loan balance.

In addition, based on a review of the current project status, it does not appear likely that any additional repayment can be expected on the loan from the project in the foreseeable future. By removing the EDA loan obligation for Creekside Gables, the owner will have increased flexibility with its financing to help ensure long-term sustainability of the project.

For these reasons, staff is recommending forgiveness of the remaining loan balance subject to the following conditions to be reflected in the third amendment to the development agreement that ensures the EDA's original objectives continue to be met:

- BP Partners continues to own the property for an additional 20 years from the date of the EDA's action.
- BP Partners continues to operate the property as senior rental for as long as they own the property.
- BP Partners continues to accept Section 8 vouchers at the property for as long as they own the property.
- BP Partners agrees to maintain affordability levels as outlined in the original development agreement and in accordance with the city's current adopted Mixed-Income Housing Policy with a minimum of 40% of the units affordable at 60% area median income.

Recommendation:

The Executive Director of the Economic Development Authority recommends approval.

Attachments:

6.2A RESOLUTION

6.2B MAP

6.2C BP PARTNERS LETTER

6.2D THIRD AMENDMENT TO THE DEVELOPMENT AGREEMENT

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK

RESOLUTION #2019-

APPROVING FORGIVENESS OF AN EDA LOAN OBLIGATION - \$2,449,390 IN PRINCIPAL AND \$1,601,662 IN INTEREST FOR CREEKSIDE GABLES APARTMENTS.

BE IT RESOLVED by the Board of Commissioners of the Brooklyn Park, Economic Development Authority ("Authority") as follows:

1. Background.

1.01. The Authority entered into a Contract for Private Redevelopment (the "Agreement") between the Brooklyn Park Economic Development Authority, a public body, corporate and politic (the "Authority") and BP Partners, a Limited Partnership, a Minnesota limited partnership, dated July 12, 2001 for purchase and rehabilitation of the Parkwood Apartments now known as Creekside Gables Apartments located at 7601 Zane Avenue North (the "Property").

1.02. As part of the Agreement, the Authority agreed to loan BP Partners \$2,965,455 (the "Loan") from the Tax Increment District for the purchase and rehabilitation of the Property for a term of 10 years with years 1-3 at 0% interest and years 4-10 at 5.5% interest.

1.03. Cash flow and tax increment payments were identified as the sources for payback on the Loan principal and interest.

1.04. Tax increment payments in the amount of \$516,065 were used to pay a portion of principal on the Loan.

1.05. To that end, the Property has never produced cash flow for payback of the Loan principal and interest to the Authority.

2. Approval of Loan Forgiveness.

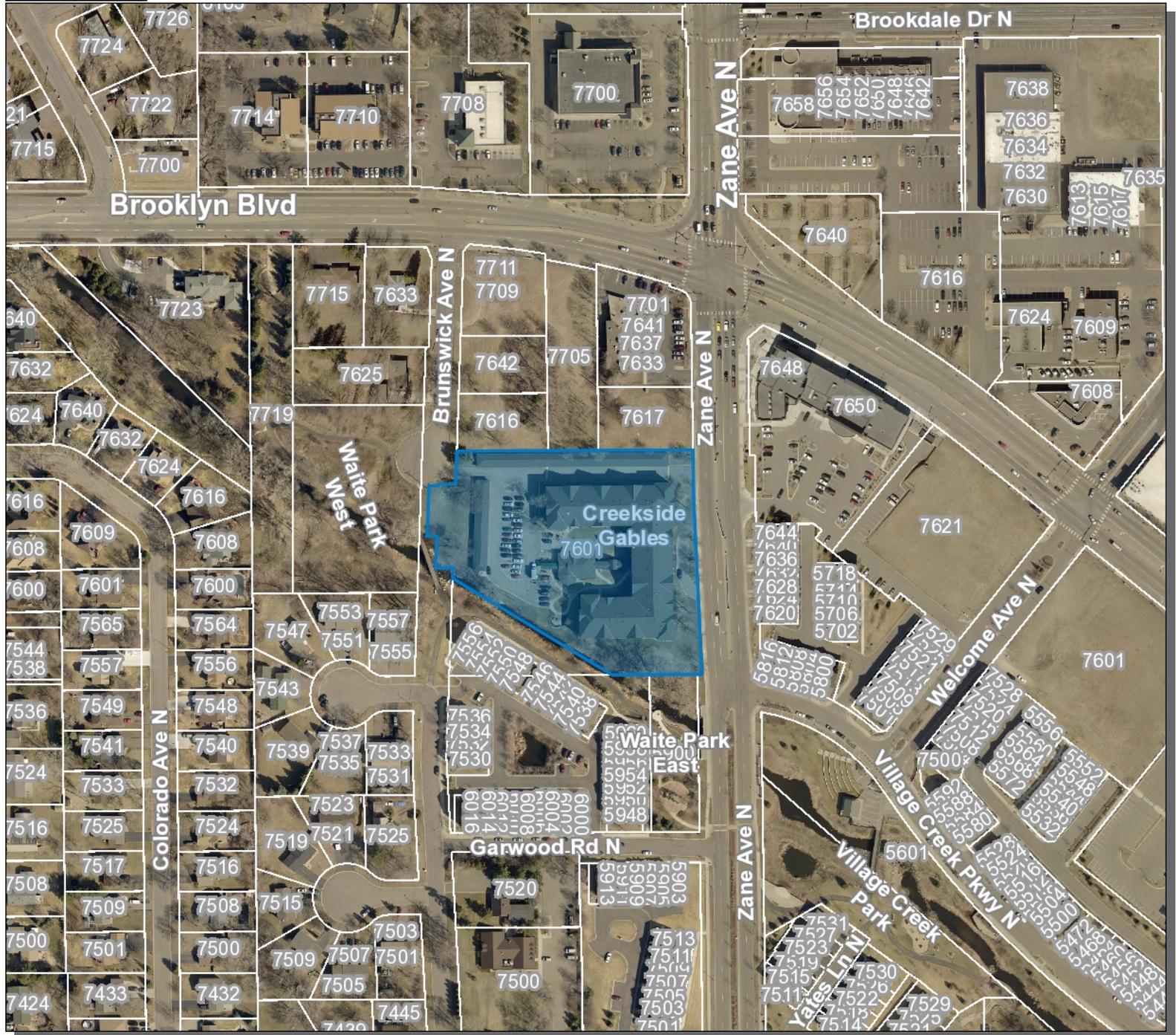
2.01. The Authority approves forgiveness of the Loan to BP Partners and authorizes and directs the Authority President and Executive Director to execute an amended Development Agreement with BP Partners to forgive the Loan principal and interest with the following conditions:

- BP Partners continues to own the property for an additional 20 years from the date of the EDA's action.
- BP Partners continues to operate the property as senior rental for as long as they own the property.
- BP Partners continues to accept Section 8 vouchers at the property for as long as they own the property.
- BP Partners agrees to maintain affordability levels as outlined in the original development agreement and in accordance with the city's current adopted Mixed-Income Housing Policy with a minimum of 40% of the units affordable at 60% area median income.

2.02. Authority officials (Executive Director) or any other person designated by the Authority to act on behalf of the Authority are authorized to take any other actions and execute any required documents.

Map Scale = 1: 2,958

-  City Boundary
-  City Background





December 7, 2018

Kim Berggren, AICP
Director of Community Development
City of Brooklyn Park
5200 85th Ave. N.
Brooklyn Park, MN 55443

RE: Creekside Gables

Dear Ms. Berggren:

Thank you for taking the time to review our request to remove the EDA Note obligation from our Creekside Gables property.

As you can conclude from the financial history provided, the site has never met or come near the required return parameters set forth in the beginning, with that said we feel very positive about Creekside Gables as it has turned into a fine senior apartment building.

We'd like to remind you what the property was before we joined with the city. In our opinion, it was a property not well run nor maintained. The neighborhood remained in turmoil and renting was difficult. To address this, we removed all existing residents from the building and rented to seniors. We took out the inground pool and added a large community space. We replaced the entire roof with a hip roof to enhance the aesthetic of the property along with many updated cosmetic features.

Creekside Gables was accepted by the seniors and provided clean affordable apartment homes to an appropriate senior population in Brooklyn Park. Over half of the building residents are Section 8 rent vouchers with another two thirds connected to other forms of public assistance.

Our partners take pride in the revitalization of Creekside Gables, which still has challenges. Unfortunately, with the financial requirements set forth, our goal of repaying the EDA Note was not accomplished. We cannot continue having the note on our balance sheet.

As written in our original contract for private redevelopment drafted by the City of Brooklyn Park and the City Council, the objective of the EDA Note and renovation of Creekside Gables was to participate in the rehabilitation of blighted and distressed rental properties and provide decent and safe rental housing for senior citizens. We believe we have accomplished that change.

We welcome any member of the city staff to schedule a tour of Creekside Gables, we are a very proud owner/operators of Creekside Gables today and continue to maintain it as a very special senior apartment community.

The note must be removed and the property and partnership continue as is.

Sincerely,

A handwritten signature in cursive script that reads "Francis W. Lang". The signature is written in black ink and is positioned above the typed name.

BP Partners, A Limited Partnership, its Owner
Anthony Thomas Inc., its General Partner
Francis W. Lang, its President

Cc.

Jennifer Jordan, AICP
LRT Senior Project Manager, City of Brooklyn Park

THIRD AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT

THIS THIRD AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT (the “Amendment”) is made effective January 22, 2019, (the “Effective Date”) by and between the Brooklyn Park Economic Development Authority, a Minnesota public body corporate and politic (the “Authority”) and BP Partners, a Limited Partnership, a Minnesota limited partnership (the “Developer”).

RECITALS

WHEREAS, the Authority and the Developer executed a Contract for Private Development dated July 12, 2001 (as previously amended, the “Original Agreement” and, together with this Amendment, the “Agreement”) providing a loan to the Developer of \$2,965,455 (the “Authority Loan”) for the acquisition and rehabilitation of the Parkwood Apartments apartment complex, now known as “Creekside Gables Apartments,” located at 7601 Zane Avenue North in the City; (the “Development”);

WHEREAS, all capitalized terms in this Amendment not otherwise defined herein shall have the meanings ascribed to them in the Original Agreement;

WHEREAS, the Authority Loan helped fund renovations at the Development, including adding a new gabled roof to the main building and garages, screening-in balconies, constructing new garages and a new community building, reconstructing the parking lot, upgrading the landscaping, and renovating the interior apartment units and common areas (as further defined in the Agreement, the “Minimum Improvements”);

WHEREAS, the Authority Loan was to be repaid by the Developer or its successors over 10 years from tax increment generated from the property, annual cash flow, and proceeds from a sale or refinancing;

WHEREAS, the Authority recognizes that the purpose of the Minimum Improvements was to stabilize the Development and serve low-income seniors and that the purpose has been met;

WHEREAS, the Development has not produced sufficient tax increment or cash flow for the Developer to fully repay principal of and interest on the Authority Loan to the Authority in accordance with the terms of the Original Agreement; and

WHEREAS, the Developer has requested that the Original Agreement be amended to forgive outstanding balance of the principal of and accrued interest on the Authority Loan in exchange for agreeing to the conditions set forth herein (the “Operating Covenants”).

AGREEMENT

In consideration of the mutual covenants of the parties set out in this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The definition of “Developer” shall be deleted in its entirety and replaced with the following:

“Developer” means BP Partners, a Limited Partnership, a Minnesota limited partnership, or any entity affiliated with any of its current partners or with Lang-Nelson Associates Incorporated.

2. The definition of “Section 42 Compliance Period” shall be deleted in its entirety and replaced with the following:

“Section 42 Compliance Period” means the period which shall commence on January 1, 2005 and continue through the later of (i) January 22, 2039 or (ii) the date the Developer no longer owns the Development.

3. Section 4.2 of the Original Agreement shall be deleted in its entirety and replaced with the following:

Section 4.2. Periodic Payments and Loan Forgiveness. In consideration of the Minimum Improvements, the terms of this Amendment and the partial payment of the Authority Loan through the date of this Amendment, the Authority shall forgive outstanding balance of the principal of and accrued interest on the Authority Loan and deem the Authority Loan and the Developer Note paid in full. If requested by the Developer, the Authority will return the Developer Note marked cancelled and will execute a satisfaction of mortgage with respect to the Authority Mortgage.

4. Section 4.3 of the Original Agreement shall be deleted in its entirety.

5. Section 5.5 of the Original Agreement shall be deleted in its entirety and replaced with the following:

Section 5.5. Operating Covenants. The Developer agrees that commencing on January 1, 2005 and continuing until the end of the Section 42 Compliance Period, the Developer shall operate the Development as a rental housing facility for adults 50 years of age or over, and in accordance with Article VI hereof and the City’s Mixed-Income Housing Policy with a minimum of 40% of the units affordable at 60% of area median income and shall accept Section 8 vouchers at the Development.

6. Section 12.2 of the Original Agreement shall be deleted in its entirety and replaced with the following:

Section 12.2. Option to Terminate. The Authority may terminate this Agreement pursuant to Section 11.2 if there occurs an Event of Default that is not cured within the applicable cure period. Notwithstanding Section 11.2 or any other provision of this Agreement to the contrary, Developer shall have no option to terminate this Agreement prior to the end of the Section 42 Compliance Period.

7. Except as amended above, all other terms and conditions of the Original Agreement shall remain in full force and effect.

8. The amendments made to the Original Agreement, as amended by this Amendment, shall be effective as of the date hereof.

[Signatures on the following pages]

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

**BROOKLYN PARK ECONOMIC
DEVELOPMENT AUTHORITY**

By _____
Its Executive Director

BP PARTNERS, A LIMITED PARTNERSHIP,
a Minnesota corporation

By _____

Its: _____

City of Brooklyn Park Request for EDA Action

Agenda Item No:	6.3	Meeting Date:	January 22, 2019
Agenda Section:	General Action Items	Prepared By:	Jennifer Jordan, Senior Project Manager, John Kinara, Housing & Redevelopment Specialist
Resolution:	N/A	Presented By:	Breanne Rothstein, Economic Development and Housing Director
Ordinance:	N/A		
No. of Attachments:	2		
Item:	Authorize Submittal of a Grant Application to the Hennepin County Transit-Oriented Development (TOD) Program for Phase II of the Brooklyn Boulevard Multi-Modal Trail Project in the Amount of \$202,500 and for the 65 th Avenue Trail Gap Project in the Amount of \$80,000		

Executive Director's Proposed Action:

MOTION _____, SECOND _____ AUTHORIZING SUBMITTAL OF A GRANT APPLICATION TO HENNEPIN COUNTY FOR THE TRANSIT-ORIENTED DEVELOPMENT (TOD) PROGRAM FOR PHASE II OF THE BROOKLYN BOULEVARD MULTI-MODAL TRAIL PROJECT IN THE AMOUNT OF \$202,500 AND FOR THE 65TH AVENUE TRAIL GAP PROJECT IN THE AMOUNT OF \$80,000.

Overview:

In May 2016, the EDA secured \$225,000 in grant funding from the Hennepin County Transit Oriented Development (TOD) program to construct Phase I of a portion of a one mile, 10-foot bituminous trail to run on the south side of Brooklyn Boulevard from Zane Avenue (Village Creek redevelopment area) to West Broadway. This new trail will create a critical pedestrian and bike connection between the Brooklyn Boulevard commercial area, Starlite Transit Center, and the Village Creek neighborhood. When finished, this project will complete the multi-modal trail connection from the planned Brooklyn Boulevard LRT station to the Shingle Creek regional trail. This corridor is also currently well-used by pedestrians and the proposed trail will immediately improve the bike/walk conditions for residents. Given the cost and coordination necessary for constructing this type of infrastructure project, construction was planned in two phases. Phase I of the trail was completed in October 2018.

Staff estimates \$557,000 in total project costs for Phase II. Phase II of the construction project is planned from Hampshire Avenue to Kentucky Avenue where it will tie into the remaining link of trail to be completed with the West Broadway roadway reconstruction and associated Blue Line Extension Light Rail Transit (BLRT) project, which is planned to occur between 2020 and 2023.

At the direction of Hennepin County staff, a second small trail segment along the north side of 65th Avenue between Zane Avenue and Fair Oaks Elementary School, approximately 710 feet, will be wrapped into the grant request to fill a gap in the trail network. This trail segment was discussed by the City Council in early 2018 as part of the parking study discussion on 65th and Welcome avenues. This trail segment will allow elementary school students who are currently being bussed across Zane Avenue to walk to school safely (District 279 does not allow students to walk on busy streets without a trail or sidewalk). The trail will also provide better transit connections between the three bus routes and the nearby businesses.

Brooklyn Boulevard Phase II Trail Funding

Funding secured towards Phase II of the Brooklyn Boulevard trail connection project includes a \$100,000 Hennepin County Bikeway Program Grant. The EDA originally allocated \$254,500 in TIF#3 funds for Phase I of the project in 2016. Because Phase I of the trail project came in significantly under-budget, the EDA could do a 2019 budget amendment to fund Phase II of the project. If TIF funds are used for Phase II, the proposed \$202,500 Hennepin County TOD grant will cover the remaining estimated gap to proceed with the project.

Staff estimates the construction and engineering of this trail to cost approximately \$557,000. This estimate includes \$83,000 in construction contingency, \$72,000 in easement acquisition (right-of-way), lighting, and standard turf restoration. It does not include any additional amenities such as signal modification, benches, bus stops, burial of overhead utilities, or landscaping. This estimate is based on cost information from previous trail projects along with input from SRF staff, a local planning and engineering consulting firm, and Brooklyn Park staff. Based on the experience of receiving favorable bids on Phase I of the project, staff anticipates the cost of Phase II to be lower than the estimate provided. If that is the case, the EDA's contribution to the project will be reduced.

The burial of overhead utilities in the Phase II trail project area has been discussed by the EDA in the past, and direction will be needed on the EDA's desire to fund this work prior to advancing this project.

Table 1: Sources and Uses for Phase II of the Brooklyn Boulevard Multi-Modal Trail Project

Sources – Construction		Uses	
2019 HC TOD funding	\$202,500	Construction	\$350,000
EDA Funds (TIF #3)	\$254,500	ROW	\$72,000
2017 Hennepin Bikeway Grant (Secured – funds need to be spent by June 2021)	\$100,000	Contingency	\$83,000
		Engineering	\$52,000
Total Project Cost	\$557,000	Total	\$557,000

65th Avenue Trail Gap Funding

Hennepin County funding for this project would allow the city to fill a critical infrastructure gap for residents and improve the safety of school children who attend Fair Oaks Elementary. Staff estimates that construction and engineering of this segment to cost approximately \$80,000. This estimate includes \$8,000 in construction contingency, lighting, and standard turf restoration.

Table 2: Sources and Uses for 65th Avenue Trail Gap Project

Sources – Construction		Uses	
2019 HC TOD funding	\$80,000	Construction	\$72,000
		Contingency	\$8,000
Total Project Cost	\$80,000	Total	\$80,000

Primary Issues/Alternatives to Consider:

- **Why should the EDA Commissioners consider this action?**

The Brooklyn Boulevard Trail project is a strategic investment to create an east/west connection for pedestrians and bicyclists in an older area of the community that lacks trails. The 2016 Metro Blue Line Extension LRT Bicycle Study identified this connection project as the top priority project toward improving the Brooklyn Park bicycle network. Criteria used in developing each project ranking included the proximity and connection to a

LRT station, addressing known safety concerns, service to zero car households and number of residents and employees served by the project.

The 2012 Brooklyn Park Recreation and Parks Master Plan and the 2015 Brooklyn Park Station Area Plans also both recommend this trail connection. Based on input received from community members and stakeholders in 2016, the *Brooklyn Park 2025 Goals and Priorities* includes providing modern transportation options and recreation and park amenities. These goals support this project as a strategic investment.

The missing section on 65th Avenue has been identified as an issue for the surrounding community and was identified as a priority project in the 2015 Brooklyn Park Pedestrian Plan. In addition, in recent conversations with Osseo Area Schools, they have expressed a desire for this connection to improve walking routes to its schools.

- **What is the anticipated project timeline?**

The two projects would proceed on similar timelines as follows:

- February 7, 2019 – submit grant application to Hennepin County
- Fall 2019 – anticipate Hennepin County TOD funding secured
 - \$202,500 – Brooklyn Boulevard, Phase II Project
 - \$80,000 – 65th Avenue Trail Gap Project
- Fall 2019 – EDA resolution to accept award
- Spring 2020 – Engineering design work completed
- Summer 2020 – Projects out to bid
- Fall 2020 – Construction starts
- Fall 2020 – Construction complete

- **What other multi-modal infrastructure projects have been completed in the community?**

Below is a summary of recently completed multi-modal connection projects in the community. Approximately 98 percent of these projects were funded with grants.

Brooklyn Boulevard – Phase I multi-modal trail

- Extends regional trail network west from Village Creek
- 2018 construction completed
 - The total project cost was \$225,000
 - Hennepin County TOD Program - \$225,000

Connections at Shingle Creek – 1 mile multi-modal trail

- Connects Village Creek redevelopment area to regional trail network
- 2016 construction completed
- Project included biodiversity themed enhancements such as terraced learning space at the creek used by Park Center and Brooklyn Middle teachers and students, benches with decorative blades, and enhanced landscaping.
- \$1.9 million in planning and construction. Funding sources included:
 - Hennepin County (several sources) - \$663,000
 - Watershed - \$287,500
 - Federal Transportation Enhancement - \$950,000

Village Creek Park – Trail reconstruction

- Existing trail was raised to make trail functional when creek water is high and an ADA path to trail system was added.
- 2015 construction completed.
- \$165,000 in planning and construction. Entirely funded using Hennepin County Stable Neighborhood Action Plan (SNAP dollars).

Northland Drive Sidewalk – 1/5 mile sidewalk

- Connects Boone Avenue to a transit stop and the MN Workforce Center on Northland Drive.
- 2015 construction completed.
- \$45,500 in planning and construction. Funded using Brooklyn Park Capital Improvement Plan (CIP) dollars.

Zane Avenue Trail – ½ mile multi-modal trail

- Connects pedestrian and bicycle traffic from Zanewood Recreation Center, Zanewood Community School, and the apartment community between 69th Avenue and 73rd Avenue.
- 2014 construction completed.
- \$414,000 in planning and construction. Entirely funded using Hennepin County SNAP dollars.

Budget/Fiscal Issues:

If grant funds are secured for the Brooklyn Boulevard Phase II project, staff will request a 2019 budget amendment when the project comes before the EDA for approval in the fall. The recommended funding source will be TIF District #3, which has available cash.

The EDA will need to decide whether to fund the burial of overhead utilities as part of Phase II of the trail project. Staff will bring back information on utility burial at a future meeting, but previously estimated the cost to be as high as \$1 million. With the 2019 budget, the EDA approved an estimated \$500,000 in costs associated with burying overhead utilities just west of this project in association with the reconstruction of highway 81. The EDA has also indicated an intent to bury utilities along the West Broadway corridor.

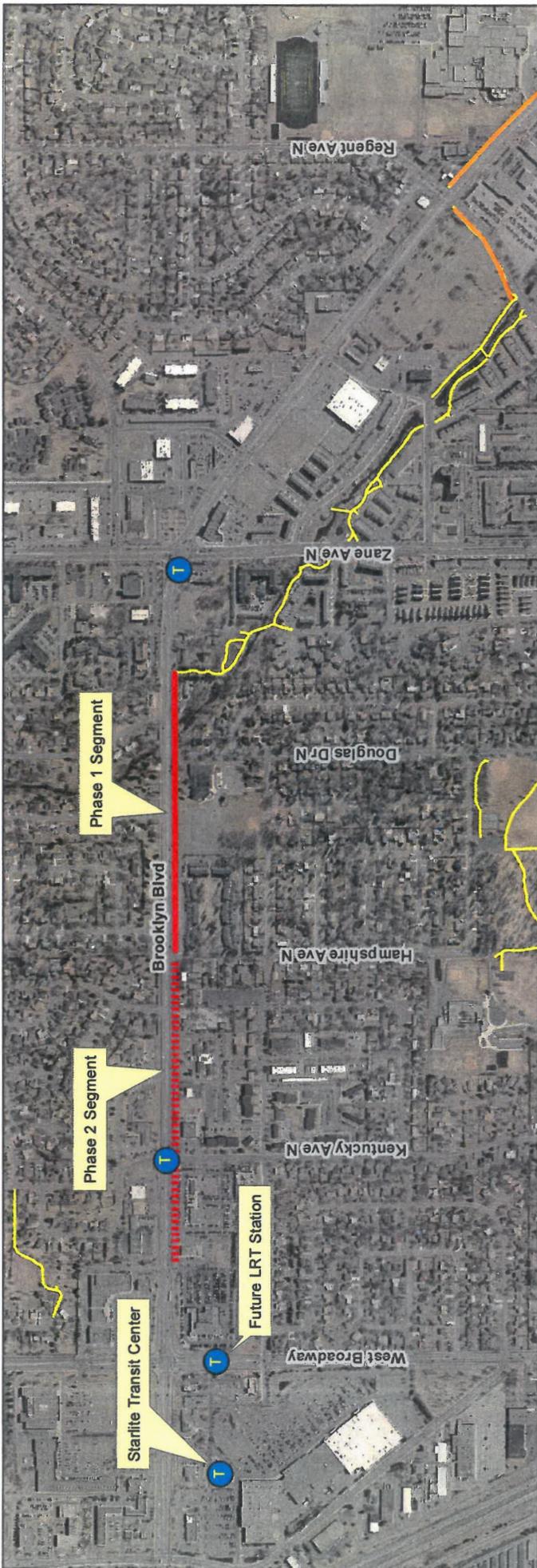
For the 65th Avenue Trail Gap project, grant funds will fully cover the cost to construct this section. If the project comes in over the grant amount, the EDA would need to fund the balance of the project through completion.

Recommendation:

The EDA Executive Director recommends approval.

Attachments:

- 6.3A Project Map – Brooklyn Boulevard Trail, Phase II
- 6.3B Project Map – 65th Avenue Trail Gap



Brooklyn Park
 Unique. Unified. Undiscovered.

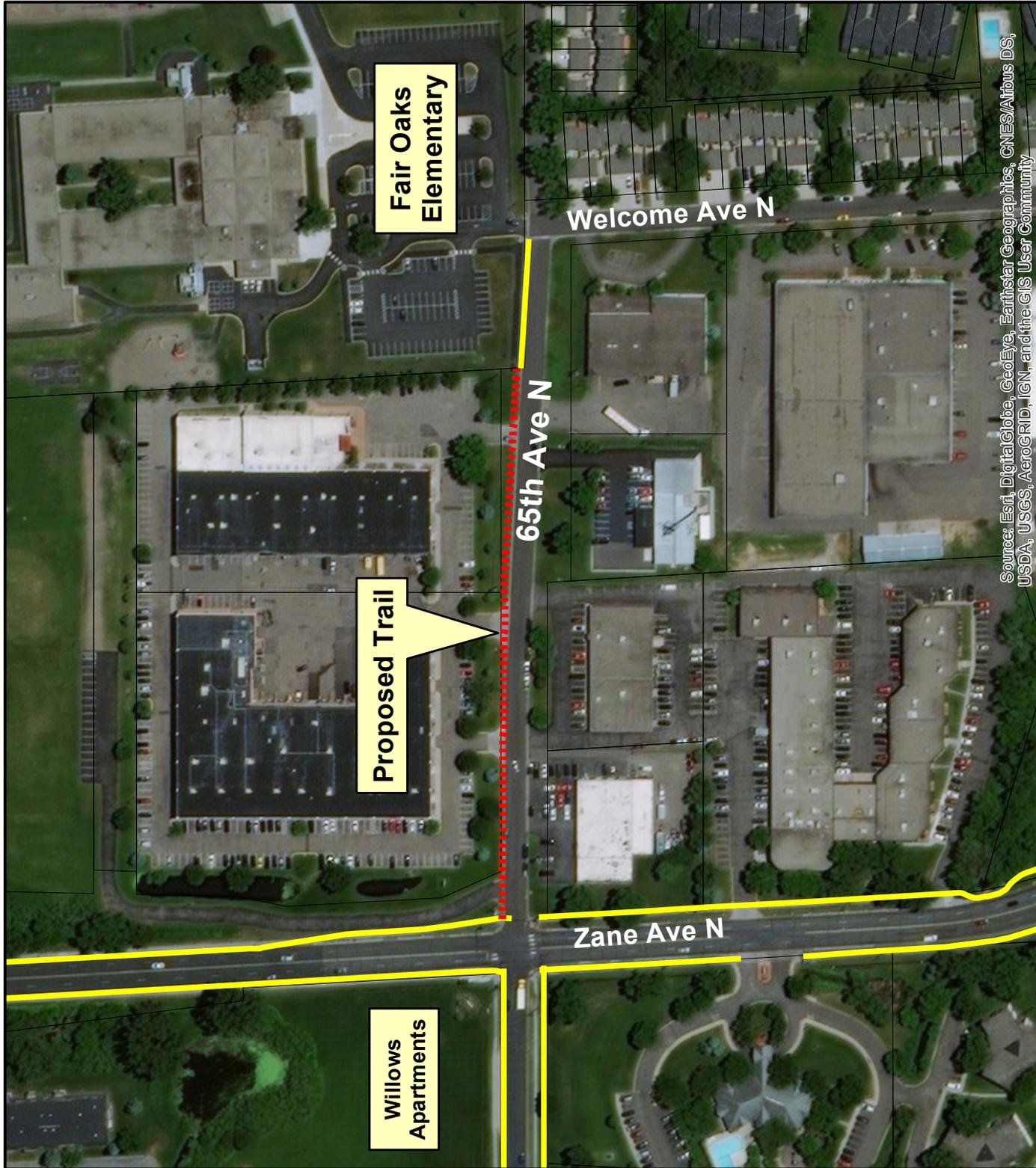
- Proposed Trail
- Existing Trails
- Connections at Shingle Creek Trail
- T Major Transit Stop

Brooklyn Boulevard Trail

November 7, 2016



**65th Avenue Trail Gap
Zane Avenue to Fair Oaks Elementary School**

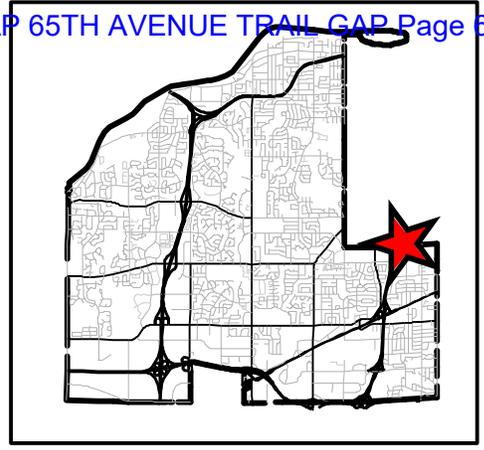


Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Legend

- Existing Trails/Sidewalks
- Proposed Trail

Spring 2016 Air Photo.



City of Brooklyn Park Request for EDA Action

Agenda Item No:	6.4	Meeting Date:	January 22, 2019
Agenda Section:	General Action Items	Prepared By:	Brad Tullberg, Parks & Facilities Manager
Resolution:	X	Presented By:	Brad Tullberg, Parks & Facilities Manager
No. of Attachments:	2		
Item:	Consider Authorizing the Executive Director to Enter into a Professional Services Agreement for Edinburgh Clubhouse Construction Management Services with TDB Builders, LLC		

Executive Director's Proposed Action:

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION #2019-__ AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT FOR EDINBURGH CLUBHOUSE CONSTRUCTION MANAGEMENT SERVICES WITH TDB BUILDERS, LLC.

Overview:

The Brooklyn Park Economic Development Authority (EDA) entered into a Clubhouse Management Agreement with D'Amico & Partners Catering effective January 1, 2019.

The Clubhouse at Edinburgh USA is both a community public recreation facility and an economic development strategy designed to meet the leisure time needs of our golf course patrons, individual residents, community groups, organizations and the general public to enhance the quality of life in Brooklyn Park.

Primary Issues/Alternatives to Consider:

- How much has been committed for improvements at the Edinburgh USA Clubhouse?

On June 18, 2018, the EDA committed to funding \$1.5M in improvements to Edinburgh USA Clubhouse to refresh the restaurant/bar, banquet rooms, develop an outdoor wedding venue and other necessary general improvements to the facility.

- What experience is TDB Builders, LLC. Bringing to the project?

TDB Builders, LLC has experience working with the D'Amico team and is familiar with its expectations for construction standards during the renovation of buildings and banquet facilities. This knowledge and experience will make them an important part of the team working to meet the ambitious rehabilitation timeline for the Clubhouse renovation as they solicit construction contract pricing and provide oversight of construction work. Because of this familiarity, staff recommends TDB Builders, LLC for construction management services for the work on the first-floor lobby, public hallways, banquet room, pre-function space, restaurant/ bar, and outdoor patio area. Standard American Institute of Architects (AIA) documents will be used for the professional services agreement.

Budgetary/Fiscal Issues:

The TDB Builders, LLC proposal to provide construction management services for the work on the first-floor lobby, public hallways, banquet room, pre-function space, restaurant/ bar, and outdoor patio area totals \$87,500. The total cost of these phases of construction is estimated to be \$975,000. Funding for these services will come from the EDA general fund and will would fall within the \$1.5M budget for the remodeling of the Edinburgh USA Clubhouse.

Recommendation

The Executive Director of the Economic Development Authority recommends entering into a Professional Services Agreement for Edinburgh Clubhouse Construction Management Services with TDB Builders, LLC.

Attachments

6.4A RESOLUTION

6.4B PROFESSIONAL SERVICES PROPOSAL

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK

RESOLUTION #2019-

AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT FOR CLUBHOUSE CONSTRUCTION MANAGEMENT SERVICES WITH TBD BUILDERS, LLC.

WHEREAS, the Clubhouse at Edinburgh USA is both a community public recreation facility and an economic development strategy designed to meet the leisure time needs of our golf course patrons, individual residents, community groups, organizations, and the general public to enhance the quality of life in Brooklyn Park; and

WHEREAS, the Brooklyn Park Economic Development Authority (the "EDA") entered into a Clubhouse Management Agreement with D'Amico & Partners Catering effective January 1, 2019 to operate the EDA-owned Clubhouse at Edinburgh USA golf course; and

WHEREAS, The EDA has committed to funding \$1,500,000 in improvements to Edinburgh USA Clubhouse to refresh the restaurant/bar, banquet rooms, develop an outdoor wedding venue and other necessary general improvements to the facility; and

WHEREAS, TBD Builders, LLC has been identified to provide construction management services for the work on the first-floor lobby, public hallways, banquet room, pre-function space, restaurant/ bar, and outdoor patio area; and

WHEREAS, TDB Builders, LLC has experience working with the D'Amico team and is familiar with its expectations for construction standards during the renovation of buildings and banquet facilities that will make them an important part of the team working to meet the ambitious rehabilitation timeline for the Clubhouse.

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

1. The Executive Director to enter into a Professional Services Agreement for Edinburgh Clubhouse Construction Management Services with TDB Builders, LLC based on the proposal presented to the EDA; and
2. The Executive Director to execute the Agreement on behalf of the EDA and to carry out, on behalf of the EDA, the EDA's obligations thereunder.

City of Brooklyn Park Request for EDA Action

Agenda Item No:	6.5	Meeting Date:	January 22, 2019
Agenda Section:	General Action Items	Prepared By:	Kim Berggren, Executive Director Brad Tullberg, Parks & Facilities Manager
Resolution:	X	Presented By:	Brad Tullberg, Parks & Facilities Manager
No. of Attachments:	2		
Item:	Consider Authorizing the Executive Director to Enter into Agreements with Prime Contractors for Edinburgh Clubhouse Renovations		

Executive Director's Proposed Action:

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION #2019-AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AGREEMENTS WITH PRIME CONTRACTORS FOR EDINBURGH CLUBHOUSE RENOVATIONS.

Overview:

The Brooklyn Park Economic Development Authority (EDA) entered into a Clubhouse Management Agreement with D'Amico & Partners Catering effective January 1, 2019.

The Clubhouse at Edinburgh USA is both a community public recreation facility and an economic development strategy designed to meet the leisure time needs of our golf course patrons, individual residents, community groups, organizations and the general public to enhance the quality of life in Brooklyn Park.

Primary Issues/Alternatives to Consider:

- **How much has been committed for improvements at the Edinburgh USA Clubhouse?**

On June 18, 2018, the EDA committed to funding \$1.5M in improvements to Edinburgh USA Clubhouse to refresh the restaurant/bar, banquet rooms, develop an outdoor wedding venue and other necessary general improvements to the facility.

The Clubhouse renovation is a complicated process of trying to complete this work as quickly as possible while coordinating around previously scheduled events. Each day the Clubhouse is out of operation is lost potential revenue.

- **What role will Prime Contractors fulfill?**

The Executive Director has recommended the use of a construction manager that will be responsible to solicit quotes for each segment of the work. The construction manager would bring the quotes forward for consideration by Executive Director Berggren, Recreation and Parks Director Yungers, and Parks and Facilities Manager Tullberg. This group would review and select the contract to award subject to State of Minnesota bidding statutes.

It is anticipated that separate contracts will be awarded for each specific trade including, but not limited to, demolition, millwork, painting, flooring, electrical, mechanical, plumbing, and general construction.

Staff has been working with Kennedy and Graven to develop an AIA contract document template that would outline the parameters of the agreement with each prime contractor, then attach the project proposal/quote as the scope of work.

Giving the Executive Director the authority to enter in to the contracts directly with prime contractors on this project should eliminate the need for Special Meetings of the Economic Development Authority.

- **What contracts have already been awarded for the Clubhouse?**

- Oct. 1, 2018 - D'Amico & Partners - Contract for Clubhouse Management Services
- Dec. 3, 2018 - Anderson Engineering - Contract for Edinburgh first-floor Construction Design & Administration (\$83,940)
- Dec. 17, 2018 - Lancer Catering – Purchase of existing Edinburgh Clubhouse equipment (\$182,217.50)
- Jan. 22, 2019 TDB Builders – Edinburgh first-floor Construction Management Services, (\$87,500) – pending approval

Budgetary/Fiscal Issues:

Each day the restaurant is closed, revenue is being lost. With the ambitious renovation schedule, it is important to approve the contracts in a timely manner to order materials and schedule contractors to do the work.

By State of Minnesota statute, any contract in excess of \$175,000 requires use of a sealed bid process. The process of using a construction manager keeps contracts to any single contractor below this threshold; however, the City's purchasing policy requires board approval for contracts over \$25,000 or delegation of authority as is being requested.

If contract award authority is provided, contracts awarded under this authority will remain within the \$1.5M renovation budget. The EDA will be updated on awarded contracts at its monthly meeting. Any significant changes to the renovation scope or process will brought back before the EDA for approval.

Recommendation

Authorize the Executive Director to Enter into Agreements with Prime Contractors for Edinburgh Clubhouse Renovations.

Attachments

6..5A RESOLUTION

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK

RESOLUTION #2019-

AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AGREEMENTS WITH
PRIME CONTRACTORS FOR EDINBURGH CLUBHOUSE RENOVATIONS

WHEREAS, the Clubhouse at Edinburgh USA is both a community public recreation facility and an economic development strategy designed to meet the leisure time needs of our golf course patrons, individual residents, community groups, organizations, and the general public to enhance the quality of life in Brooklyn Park; and

WHEREAS, the Brooklyn Park Economic Development Authority (the "EDA") entered into a Clubhouse Management Agreement with D'Amico & Partners Catering effective January 1, 2019, to operate the EDA-owned Clubhouse at Edinburgh USA golf course; and

WHEREAS, The EDA has committed to funding \$1,500,000 in improvements to Edinburgh USA Clubhouse to refresh the restaurant/bar, banquet rooms, develop an outdoor wedding venue and other necessary general improvements to the facility; and

WHEREAS, separate contracts will be awarded for each specific trade including, but not limited to, demolition, millwork, painting, flooring, electrical, mechanical, plumbing, and general construction; and

WHEREAS, a construction manager will be responsible to solicit quotes for each segment of the work and present the quotes for consideration by a selection team. The team will review and select the contract to award subject to State of Minnesota bidding statutes; and

.NOW, THEREFORE, BE IT RESOLVED by the Brooklyn Park Economic Development Authority Board of Commissioners that the EDA authorizes:

1. The Executive Director to enter into Agreements with Prime Contractors for renovations at the Clubhouse based on the proposal presented to the EDA; and
2. The Executive Director to execute the Agreement on behalf of the EDA and to carry out, on behalf of the EDA, the EDA's obligations thereunder.

MEMORANDUM

DATE: January 22, 2019
TO: EDA Commissioners
FROM: Kim Berggren, Executive Director
SUBJECT: Status Update

HOUSING AND DEVELOPMENT**The 27th Annual Brooklyn Park Realtor Forum**

Fall in Love with Brooklyn Park is the theme of the Brooklyn Park Annual Realtor Forum scheduled to take place on Feb. 14 at the Edinburgh USA Clubhouse. The event mainly consists of real estate professionals, realtors, brokers, City staff and invited guests. The attendees will learn about Brooklyn Park's demographic trends and the state of housing values in the northwestern suburbs.

This event will be conducted in consultation with the Minnesota Department of Commerce that confers continuing education credits to real estate professionals that attend. Registration requirements and other details can be accessed by clicking on the following link;

<https://www.brooklynpark.org/events/27th-annual-brooklyn-park-realtor-forum/>

Community Development Block Grant (CDBG) Meeting

Hennepin County held a CDBG informational session on Jan. 8 at the City of St. Louis Park with all the direct allocation cities staff. Breanne Rothstein and John Kinara represented the City of Brooklyn Park. During the session, attendees were briefed on the specific program requirements, consolidated plan priorities, funding levels for various direct allocation cities and timelines for submitting grant applications in the 2019 program year.

The City of Brooklyn Park received about \$464,000 in the fiscal year 2019 with 15% of this fund earmarked for public service activities and the remaining amount will be spent on the City's programming priorities based on the City Council's direction on Feb. 11 during the public hearing on CDBG allocation.

Housing Collaborative Institute (HCI) Meeting

The monthly HCI meeting for Housing and Economic Development professionals from the metro cities region was held on Jan. 7 at the City of Roseville. Breanne Rothstein and John Kinara represented the City of Brooklyn Park. The main topics of discussion revolved around opportunity zones financing program and the Minnesota legislative updates.

The key takeaways from the meeting were approval of opportunity zones is intended to help ensure local needs and opportunities are being met as well as to encourage concentration of capital in targeted, geographically contiguous areas in each state; opportunity zones should align with mutually reinforcing state resources or federal programs such as promise zones, empowerment zones and renewal communities, as well as local economic development initiatives to maximize the benefit of this new source of capital; and there should be intentional policies and strategies to proactively guard against displacement, and ensure that the benefits of economic development are available to all. Equitable investment should be a cornerstone of this program.

States and localities need to begin planning to ensure that the proper policies and resources are in place to steward responsible economic development and community revitalization.

BUSINESS DEVELOPMENT

Star Closes Out Its Minnesota Investment Fund (MIF) Loan

In 2016, Star, a multimedia marketing and exhibit creation company, applied to the Minnesota Department of Employment and Economic Development (DEED) in conjunction with the City of Brooklyn Park for a Minnesota Investment Fund (MIF) loan. MIF's goals are to provide financing for companies located or looking to locate in Minnesota to help retain and create high wage jobs. Star was awarded a \$250,000 loan with a job creation of 11 permanent jobs paying at least \$17.50/ hour and retaining 78 employees. Star officially completed that goal as of December 31, 2018 which means it is no longer obligated to report to the City and State annually and \$100,000 of its \$250,000 is now forgivable.

Business Forward Advisory Board (BFAB) January Meeting

At their January Meeting, BFAB members had two good discussions about the type of services the city provides to businesses and the resources currently available to new and existing businesses. The first discussion focused on the closing of North Hennepin Area Chamber of Commerce and what BFAB could do to fill any gaps left as a result. Board member Joe Pickett of Primrose Schools and Annette Lund of Diversified Plastics, Inc. were both members of the board and gave context about what businesses might be missing as the chamber prepares to close its doors. The second discussion was about the city's current business services and programs (including resources) and whether or not they are meeting the needs of businesses. Both of these conversations will be helpful to staff as they evaluate current programs and make recommendations about potential changes.

Business Forward Welcome New Members

The board welcomed three new members in 2018-2019. The first is Anh Tran from Evotronics, a circuit board prototype manufacturer located at 8463 Xerxes Ave N. Evotronics has been in Brooklyn Park for almost 5 years and employs about 30 people. The second is Curt Medina of Daily Dose Café. Daily Dose has been located at 9578 Noble Pkwy for almost 2 years. Finally, Matt Rau from Takeda Pharmaceuticals is now a BFAB member. Takeda is Brooklyn Park's first biopharmaceutical company and has called Brooklyn Park home for nearly three years. All three new members were excited to join the board and help influence the creation of programs, policies, and initiatives that make Brooklyn Park a great place to do business.

Second Harvest Heartland Welcomes a New Chief Executive Officer

One of the newest members of Brooklyn Park's business community, Second Harvest Heartland, is starting 2019 with a new Chief Executive Officer (CEO). After a comprehensive search, the non-profit's board selected Allison O'Toole to lead the organization. O'Toole succeeds Rob Zeaske who has lead the organization since 2008. Allison begins in February which means she will be in place to lead Second Harvest as they continue to drive towards completing their new facility in Brooklyn Park. Along with a CEO, Second Harvest was also recently recognized by the Minneapolis/Saint Paul Business Magazine as the 4th largest non-profit in Minnesota.

I-94 Chamber of Commerce Coffee Conversation

Breanne Rothstein attended a meet and greet with the I-94 Chamber of Commerce directed toward previous North Hennepin Chamber members. It was a chance to meet members of I-94 Chamber and learn more about their programs and offerings. They are honoring North Hennepin Chamber memberships through 2019.

Twin West meeting

Several staff members including Kim Berggren, Breanne Rothstein, Daniela Lorenz, and Jay Stroebel met with staff from the Twin West Chamber of Commerce on January 14 to discuss the Chamber's priorities. The meeting included a broad overview of the METRO Blue Line Extension

project and a discussion about how the Chamber could get involved with garnering business input on the project and general outreach. Discussion was also had about the different services Twin West provides including workforce development and business retention and expansion support. This was a good opportunity to hear about Twin West's strategic priorities and to identify any potential places to partner in the future.

OTHER

Clubhouse

D'Amico has officially begun moving into the Edinburgh USA Clubhouse. They plan to gradually move in to office spaces as they are updated in the renovation. They have been hard at work hiring several key positions including a new General Manager Jim Wolters and a new Sales Manager Diane Nichols. Several former Lancer employees have been hired by D'Amico including St. Andrews Club Manager Adam Guili and Office Manager Denise Bonesteel as well as many bartenders and serving staff.

First-floor renovation planning is moving quickly. Anderson Engineering is finishing plans for the restaurant so those can be released for bids/quotes as soon as possible. There was some additional design work done that delayed the release, but staff has received a rendering of The Brooklyn Restaurant, which can be seen to the right.



A press release is attached announcing the D'Amico's partnership and the imminent opening of The Brooklyn.

Center for Innovation and the Arts (CITA)

Feasibility study work continues for the Center for Innovation and the Arts (CITA). EDA staff discussed the project with the Human Rights Commission and the Community Long-range Improvement Commission in January. The feasibility study consultants will be engaging the public at the Brooklyn Park Community Assembly on January 24th. Further outreach to the City commissions, North Hennepin Community College community, and public is being planned over the next two months.

METRO Blue Line Extension (Bottineau LRT) Update

Brooklyn Park staff is soliciting applications from interested residents and businesses to serve on the Citizens Advisory Committee (CAC) and Business Advisory Committee (BAC). Deadline to submit an application is January 31, 2019. City Council members will review the applications and make appointments by March 2019.

Application materials can be found at:

[Light Rail | Brooklyn Park](#)

Agendas and previous meeting presentations can be found at:

<http://www.metrocouncil.org/Transportation/Projects/Current-Projects/METRO-Blue-Line-Extension/Committees.aspx>.

Connect Blue Line Now! Communication Coalition

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.

<http://connectbluelinenow.com/>

Lockridge, Grindal, Nauen PLLP. – Federal Representation Services

The Cities of Golden Valley and Robbinsdale along with the Brooklyn Park EDA entered into a Federal Representation Services Agreement with Lockridge, Grindal, Nauen, P.L.L.P. (LGN) from July 1 through December 31, 2018 for \$12,000. The purpose of this agreement was to assist in monitoring, reporting and lobbying related to federal legislative and administrative matters for the Connect Blue Line Now! Coalition.

At the November 19, 2018, EDA meeting commissioners approved a budget for a lobbyist consultant/pre-development under Contractual Services in the 2019 budget. Staff is finalizing a Federal Representation Services Agreement with Lockridge, Grindal, Nauen, P.L.L.P. from January 21 through June 30, 2019 in the amount of \$12,000. The purpose of this agreement will be to continue assisting in monitoring, reporting and lobbying related to federal legislative and administrative matters for the Connect Blue Line Now! Coalition. This cost will be shared by the cities of Golden Valley and Robbinsdale.

Coalition members met January 7, 2019 and are planning a trip to Washington, D.C. to visit the Minnesota delegation and Federal Transit Administration officials in late January/early February 2019. The Coalition and North Hennepin Community College will host Representative Dean Phillips for a conversation about the METRO Blue Line Extension project the week of January 21, 2019. While in Brooklyn Park, Congressman Phillips will also visit area businesses with the Mayor and Staff. Other meetings with elected leaders are being coordinated.

Attachment:

7.1A D'AMICO'S PRESS RELEASE

Brooklyn Park Selects D'Amico & Partners to Create North Metro Hotspot at Edinburgh

Brooklyn Park Economic Development Authority selects restaurant and catering company as its partner for \$1.5 million investment in clubhouse update that will include restaurant, entry space and banquet rooms renovations, and upgraded wedding accommodations; the most significant facility upgrade since 1991

MINNEAPOLIS (Jan. 7, 2019) - The City of Brooklyn Park announced it has selected D'Amico & Partners (D'Amico), one of the most influential restaurant and catering operators in the Twin Cities and Naples, Fla. to manage food and event services at the Edinburgh USA golf course starting in 2019. The Brooklyn Park Economic Development Authority, which owns the clubhouse, approved this new service agreement with D'Amico & Partners after a competitive selection process, and plans to invest \$1.5 million in clubhouse renovations.

With D'Amico leading the design of the renovations, the clubhouse restaurant, Girvan Grille, will be transformed into the new The Brooklyn, a comfortable, clubby American bistro available for club members and the public. The clubhouse entry space and banquet rooms also will be renovated, and the wedding accommodations will be upgraded. Girvan Grille closed on Dec. 26, 2018 and the renovated restaurant and clubhouse are poised to open in early spring.

"When selecting a restaurant group to partner with at Edinburgh, we were impressed by D'Amico's vision for the property," said Kim Berggren, executive director of the Brooklyn Park Economic Development Authority. "Their creative vision never disappoints and we can't wait to see the transformations that will take place at Edinburgh. This will be the most significant upgrade of club facilities since the original restaurant space was added to the clubhouse in 1991. The high-profile D'Amico name and their stellar reputation for food, beverage and service excellence will help to make Edinburgh USA and The Brooklyn restaurant a key destination in Brooklyn Park for superb dining, drinks and events."

"When guests enter The Brooklyn, we want them to feel like they have stepped into a comfortable club where they can have an exquisite meal during a night out, gather with friends over lunch, or stop in for a round of drinks straight off the course," said Richard D'Amico, D'Amico & Partners co-founder and design visionary. "The menu will feature classic, comforting American dishes, elevated with fresh, contemporary touches and locally sourced ingredients. With a curated selection of wine, beer and craft cocktails, the beverage program will be unlike any other in the northwest metro."

In addition to managing the restaurant operations, events at Edinburgh will be managed by D'Amico & Partners' catering operation, D'Amico Catering. D'Amico will also manage the St. Andrews Club and all non-golf operations.

"The D'Amico Catering team executes hundreds of events of all sizes, budgets and scales each year," said D'Amico. "Bringing incomparable culinary experience and a reputation for impeccable service to Brooklyn Park, our goal is to make Edinburgh USA a destination for premiere weddings, corporate events and community gatherings, as well as casual dining."

About D'Amico & Partners

D'Amico & Partners was founded in 1982 and owns and operates restaurants and catering companies in Minnesota and Naples, Florida. Minnesota operations include seven D'Amico & Sons restaurants, D'Amico Catering, Café & Bar Lurcat and Campiello. Florida operations include Campiello, The Continental and D'Amico & Sons. D'Amico & Partners is a multiple time James Beard Award nominee. For more information, visit www.damico.com.

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Contact:
Roepke Public Relations
612-677-1717
Press@roepkepr.com

MEMORANDUM

DATE: January 17, 2019

TO: EDA Commissioners

FROM: Erika Byrd, Economic Development Specialist

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

SUBJECT: Housing Update

This memo provides an update to the Economic Development Authority (EDA) on a number of 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.

Brooklyn Park Homeowner Programs

Staff is working on a report of the EDA's current homeowner programs. The EDA administers a number of programs that provide financial resources to single-family and townhome homeowners for capital improvement repairs. This review of program guidelines and loan usage numbers is scheduled for discussion at the February EDA meeting.

Fair Housing Policy

Starting in 2019, the Metropolitan Council is requiring that cities adopt a fair housing policy prior to the disbursement of any Livable Communities Demonstration Account funds. EDA last held a work session on housing policy November 19, 2018. During the November work session, the EDA supported the idea of staff working with the City's Human Right's Commission to create a policy. EDA staff will be beginning that process by discussing fair housing at the January 17th Human Rights Commission meeting.

Evictions

The City of Brooklyn Park worked with HOME Line and the Center for Urban and Regional Affairs (CURA) at the University of Minnesota to produce an analysis of evictions in Brooklyn Park. During the November EDA work session, EDA commissioners indicated a desire to invite HOME Line and CURA to present the report at a subsequent EDA meeting. Representatives from HOME Line and CURA will be presenting on their Evictions in Brooklyn Park report at the January 22 EDA meeting. The contributing researchers on the report include:

- Eric Hauge, HOME Line, Executive Director
- Samuel Spaid, HOME Line, Staff Attorney and Research Director
- Rebecca Hare, CURA, Graduate Research Assistant

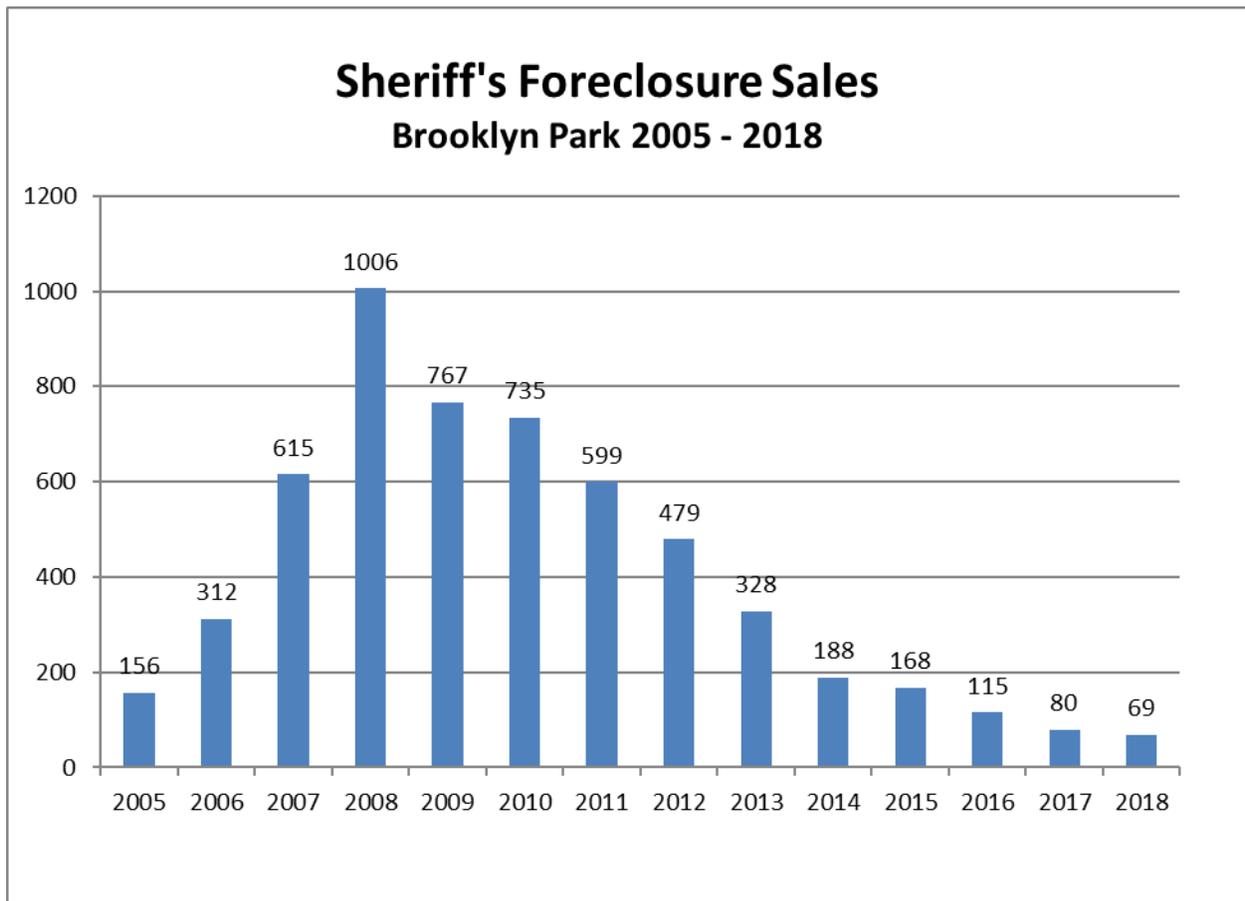
Meanwhile, EDA staff is exploring possible ways to prevent evictions and support tenants. A first step that emerged through discussion with the Multi-Family Housing Association is to support a facilitated discussion on evictions with stakeholder groups in early 2019.

Tenant Protection Policies

At the November EDA work session, EDA commissioners discussed the status of the City's housing policies and indicated an interest in working on a tenant protection ordinance. Staff will be working with stakeholders to prepare some recommendations on this topic for the EDA's consideration.

Foreclosure

Foreclosure recovery was a focus of the EDA between 2008 to 2017. Due to declining foreclosure numbers in the community, this is not a current active program area of the EDA. In 2018, the City saw only 69 new foreclosures in Brooklyn Park for the year, as compared to over a thousand in 2008 (graph below). Staff has been working on a closeout report that summarizes the EDA's Foreclosure Recovery Program activity over the last decade. The closeout report will be shared with the EDA soon.



MEMORANDUM

DATE: January 17, 2019

TO: EDA Commissioners

FROM: Kim Berggren, Director of Community Development
Breanne Rothstein, Economic Development and Housing Director

SUBJECT: 2019 Legislative Update

Working with various partners and agencies, staff developed a draft listing of Brooklyn Park Economic Development Authority (EDA) related legislative initiatives for 2019. This document highlights important statewide issues affecting Brooklyn Park and outlines the EDA's position as it relates to each of these areas. These initiatives will be incorporated into a city-wide legislative strategy.

Preparing an official list of legislative initiatives will help clarify to legislators the things that Brooklyn Park is most concerned with in the upcoming legislative session. In addition, it will provide policymakers and key staff with a focused agenda for discussions with lawmakers.

The draft 2019 Legislative Initiatives of the EDA are attached for your review and consideration. Changes can be accommodated and incorporated into the final version that will be considered by the City Council at a future meeting.

Attachments:
7.3A 2019 LEGISLATIVE POLICY POSITIONS

2019 Legislative Policy Positions



2019 Legislative Policy Positions

Brooklyn Park Economic Development Authority

Overview

Brooklyn Park works together with its partners to support proposals for new legislation in Minnesota designed to strengthen the community. Several of the 2018 legislative policies identified by these partners are budget neutral and offer innovative ideas that would help position Brooklyn Park for success in the future.

The Brooklyn Park Economic Development Authority (EDA) supports many of the legislative policies of its partner organizations, including policies that help the City manage through difficult times and improve livability in the community. For 2018, the Brooklyn Park EDA is focusing on economic development funding, neighborhood stability, multi-modal transportation investments, workforce development, support for manufacturing, affordable housing, and support of others in the legislative process.

I. Economic Development Funding

Stable and secure funding sources for economic development are critical to the community's long-term success. The State should support economic development funding and continue to enhance local development tools.

Position

- *Continue competitive funding for the Minnesota Investment Fund and the Job Creation Fund*
- *Brooklyn Park opposes any changes that would further restrict the use of Tax Increment Financing (TIF) to accomplish the community's development/redevelopment objectives.*
- *Brooklyn Park supports changes to the TIF statute that treat energy efficient and/or alternate energy technologies, sustainable site design and other "green" development alternatives as qualified development costs.*
- *Brooklyn Park supports changes to the TIF statute allows redevelopment districts to be created to redevelop "functionally obsolete" buildings.*
- *Brooklyn Park supports the League of Mn Cities effort to clarify the method for calculating available TIF pooling.*

- ***Brooklyn Park supports the extension, clarification, and broadening of the Opportunity Zone program to further encourage and incentivize investment in these areas.***

II. Neighborhood Stability

Aging housing and infrastructure in areas with declining private investment strains local government resources and threatens to destabilize neighborhoods. The State of Minnesota needs to continue to take actions that provide the tools necessary to manage areas of disinvestment. While this problem requires additional resources, the State can take policy actions to alleviate some of the local impacts without stressing the State's budget.

Position

The EDA supports neighborhood stabilization initiatives including:

- ***Increase flexibility of Tax Increment Financing (TIF) pooling for specialized uses, such as housing rehabilitation.***
- *Eliminate regulatory language that creates barriers to using the funds to reinvest in areas of disinvestment.*
- *Secure state and federal resources and provide financing tools for cities to help pay for costs associated with neighborhood reinvestment.*

III. Improved multi-modal transportation access and mobility

Capturing the full economic development potential of new development and redevelopment in Brooklyn Park requires improved transportation investments in the region. Strategic investments include the planned 1) METRO Blue Line Extension Light Rail Transit (LRT) project, 2) interchange at Highway 169 and 101st Avenue, and 3) improvements to Highway 252.

Position

- *Increase funding and maximum grant award amount for the Transportation Economic Development (TED) Program or similar programs to support strategic infrastructure investments that promote economic development.*
- ***Provide State resources to complete the local requirements to leverage the federal funding for the METRO Blue Line Extension LRT (BLRT) project, which will bring five LRT stations to Brooklyn Park.***
- *Increase the allocation of transit funds for BLRT operations and enhanced east-west bus connections and suburban circulator routes for better transit mobility.*
- *Increase funding for regional and local trail connections, especially in aging neighborhoods that lack connectivity, to improve pedestrian and bike connections within and across communities.*
- *Eliminate the exemption that prevents Hennepin and Ramsey counties from receiving their portion of the sales tax on leased vehicles through the county state aid formula.*

IV. Support Manufacturing

Brooklyn Park promotes the growth of the manufacturing sector within the community and throughout the state. This sector provides an excellent opportunity for future economic growth and employment and should continue to be supported.

Brooklyn Park supports programs that provide incentives for business to expand and continue to contribute toward increasing economic competitiveness for the state.

Position

- *Continue and expand investment tax credits and other tax incentives for investing in the life science, medical device, and precision manufacturing industries.*
- *Create venture capital funding pools for emerging companies.*
- *Modify Tax Increment Financing (TIF) pooling uses to support manufacturing investments in communities with high poverty*

V. Workforce Development

Access to a skilled and trained workforce is critical to economic growth and access to family-supporting employment is critical to a stable community.

Brooklyn Park supports activities and programs that strengthen links between employment opportunities in the community and job-seekers.

Position

- ***Increase workforce training funding options for local solutions including state funding for youth and adult workforce development programs.***
- *Continue funding for the Job Skills Partnership, youth employment programs and other workforce training programs administered by the state that lead to jobs that provide a living wage and benefits, and help address racial disparity gaps in employment.*
- *Establish innovative workforce programs and partnerships that foster workforce readiness; including state funding for youth and adult programs, the Minnesota State University System, and Department of Employment and Economic Development Workforce Centers and its programs.*
- *Create a payroll tax credit for job training programs that invest in employees.*

VI. Affordable and Fair Housing

Position

- *The Met Council's affordable housing allocation formula should be further adjusted to better reflect the balance and breadth of existing subsidized and naturally occurring affordable housing.*
- *The State of Minnesota and the Metropolitan Council should affirmatively further fair housing by taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.*
- *Minnesota Housing should continue to offer Low-Income Tax Credits with Housing Revenue Bond awards without additional restrictions.*

VII. Other

Brooklyn Park's partner organizations have advanced several additional legislative proposals that would enhance the livability, economic vitality, and financial condition of the city. While not identified as the city's top priorities, the Brooklyn Park Economic Development Authority may support these initiatives as well.

2019 Policy Partners

- Metro Cities
- League of Minnesota Cities
- Economic Development Association of Minnesota
- Urban Land Institute Minnesota
- Minnesota Housing Partnership
- National Association of Housing and Redevelopment Officials
- Minnesota Chapter of the American Planning Association
- Twin West Chamber of Commerce
- North Metro Mayors

MEMORANDUM

DATE: January 17, 2019
TO: EDA Commissioners
FROM: Erika Byrd, Economic Development Specialist
SUBJECT: Eviction Report Presentation from HOME Line and CURA

The City of Brooklyn Park worked with HOME Line and the Center for Urban and Regional Affairs (CURA) at the University of Minnesota to produce an analysis of evictions in Brooklyn Park from 2015 to 2017. The report (attached as item 7.4A) examines trends related to residential evictions in Brooklyn Park in order to better understand the eviction process and to identify strategies to minimize evictions and the harmful impacts they have on Brooklyn Park households.

During the November 2018 EDA work session, EDA commissioners indicated a desire to invite HOME Line and CURA to present the report at a subsequent EDA meeting. Representatives from HOME Line and the Center for Urban and Regional Affairs (CURA) at the University of Minnesota will be presenting on the Evictions in Brooklyn Park report. The contributing researchers on the report include:

- Eric Hauge, HOME Line, Executive Director
- Samuel Spaid, HOME Line, Staff Attorney and Research Director
- Rebecca Hare, CURA, Graduate Research Assistant

Attachment:
7.4A Eviction Report

EVICTIONS IN BROOKLYN PARK

HOME Line - August 2018

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Report Summary

Context and Purpose

Matthew Desmond's book, *Evicted*, documented the impact of evictions on communities of color and female-headed households in Milwaukee while his study, *Evicting Children*, highlighted their effect on children. To demonstrate parallels from his work to Minnesota, the Minneapolis Innovation Team conducted a study with HOME Line that found up to 50% of tenants in two North Minneapolis ZIP codes were evicted in a two-year span. (<https://homelinemn.org/implsevictions>) This is devastating for families, schools, and communities as a whole. HOME Line oversaw a 2016-2017 University of Minnesota Humphrey Institute Policy Fellows team who observed that African-American females were both the largest demographic group in Minneapolis evictions and the least likely to be represented by an attorney.¹ A survey of 2017 Brooklyn Park residential tenant calls to HOME Line's free tenant hotline for eviction advice confirms similar demographic patterns in Brooklyn Park.² The disparity in the demographics of households impacted by evictions suggest evictions are a civil rights issue with important Fair Housing implications. As the recipient and beneficiary of federal funds, the City of Brooklyn Park has an obligation to affirmatively further Fair Housing by addressing barriers to housing access such as evictions.³

With the above in mind, HOME Line prepared this report at the request of the City of Brooklyn Park. The purpose of this report is to examine trends related to residential evictions in Brooklyn Park in order to better understand the eviction process and to identify strategies to minimize evictions and the harmful impacts of displacement on Brooklyn Park renter households.

There are three portions to this report:

- A mapped geographic distribution by both ZIP code and address of evictions in Brooklyn Park using a summary-level data extract from the state courts.
- Case file review consisting of individual analyses of a randomly selected set of eviction cases filed in 2015, 2016, and 2017.
- Detailed state data extract analysis of all evictions filed in Brooklyn Park.

Overview and Key Findings

According to 2016 American Community Survey 5-year estimates, 30% of all occupied housing in Brooklyn Park is renter-occupied housing. Demographic information for renters in Brooklyn Park shows 68% of renting householders in the city are non-white, compared to 40% of renters in Minneapolis and 36% of renters in all of Hennepin County.

In 2017, there were an estimated 602 residential evictions filed against tenants in the City of Brooklyn Park. This number represents 7% of residential rental units within the city, which has 8,337 total rental units. However, this number

¹ "Evictions in Hennepin County: Observations of Race & Gender" by Amy Cohn, Alice Hill, Sara Lopez, Jim Nikolai, and Jennifer Tong.

²In 2017, 79% of tenants calling with questions about evictions identified as people of color, while 73% of tenants calling with other concerns were people of color. This divide was greater for African-American callers (74% to 63%). The trend was also present for families (81% to 69%) and, to a lesser degree, female callers (76% to 72%).

³ 24 CFR 91.225

underrepresents the residents affected by eviction because it does not reflect multiple family members involved in a single eviction, nor does the data capture informal evictions outside of the court process.

While the number of evictions in Minnesota has decreased over the last few years, approximately 16,000 evictions were filed in 2017, this has not been the trend in Brooklyn Park where the number of evictions has remained relatively steady. Evictions, regardless of outcome, may limit a renter's available options to lower-quality or otherwise less-desirable housing and create housing instability within a community. An eviction action resulting in a judgment against the tenant leads to the short-term disruption of a household, forcing an immediate and unplanned move. It can also lead to long-term instability and barriers to housing access. Even an eviction filing may limit future access to housing, as the filing itself is part of a standard rental report and is frequently used by landlords to deny housing. An eviction filing effectively remains on a tenant's rental record for 7 years and can be found in court records indefinitely.

Understanding the contributing factors behind both filings and judgments is essential in developing ways to increase housing access, stability, and quality.

This study found the following:

- **1.75 months' rent** or approximately **\$1,600** stand between tenants and eviction in Brooklyn Park. (This figure is higher than the actual amount of rent owed, as court fees of approximately \$300 are typically included in the total amount owed.)
- In nonpayment cases, **evictions were filed 16 days after rent was due**, assuming rent was due on the first of the month where nonpayment occurred (average calculated using median and excluding one outlier of 935 days).
- Evictions filed by just **four property owners** comprised 65% of the cases in the study sample (129 out of 200 cases). The impact of these four property owners is so great, that their patterns and practices for evictions filing skew the rest of the data.
- **Most evictions are filed in ZIP code 55429, followed by 55443 and 55428.** Specifically, along the Zane Avenue Corridor between 63rd Avenue N and 83rd Avenue N.
- **Nonpayment cases account for 97% of eviction filings in Brooklyn Park**, and 95% of eviction cases identified no reasons beyond nonpayment. These numbers are noticeably higher than other areas that have been studied recently. (See "Evictions in Minneapolis" and "Evictions in Greater Minnesota".)
- If we remove the unknown outcomes, **53% of all filings ultimately resulted in a tenant displacement.**
- **Showing up matters.** Tenants showed up at the eviction hearing in 62% of cases. In **81% of cases where the tenant did not show up but the landlord did, the tenant was displaced.** When both parties showed up to the hearing, **more than 95% of cases resulted in a settlement.** When the tenant showed up, they had a 52% chance of avoiding displacement.
- **66% of cases settled.** The most common type of settlement was some form of payment plan. Most payment plans appeared to be successful since writs (the clearest sign of a failed settlement) were only issued later in 29% of cases. However, 16% of settlements were agreements by the tenant to move by a specific date.

- Landlords were represented by either an attorney or someone with power of authority **in 92% of cases**. Conversely, tenants were represented in just one case (less than one percent) and in this particular case, the attorney started representing the tenant after the tenant had already lost the eviction at the initial hearing.
- For owners who filed at least ten eviction cases in 2017, the average rate, measured as the number of filings compared to the number of rental units owned, was 18%, or about 18 Brooklyn Park eviction cases per 100 Brooklyn Park units (we did not consider evictions filed or buildings owned by these owners in other cities).
- Of the eviction cases filed in 2015 through 2017 in Brooklyn Park, **61% of eviction cases** were filed by the **top four frequent filer owner groups**, despite these four property owner groups owning only 28% of rental units in Brooklyn Park. However, there are several owners/companies with large portfolios who have low number of filings as well as owner/companies who filed many cases with very modest portfolios.
- While the number of evictions have significantly decreased in Hennepin County since 2009, **the number of evictions in Brooklyn Park (and Minneapolis) have stayed relatively the same.**

Conclusions and a Call to Action

Preventing and addressing the damaging consequences of evictions must be part of a comprehensive approach to increasing housing stability, access, and quality. Evictions stem from a variety of reasons—a response to housing disrepair, lack of affordable housing, short- and long-term financial difficulties—and the manner in which the formal eviction process plays out throughout the state makes a significant difference for the housing outcomes of Minnesota families. It is important to remember that an eviction is more than a data point in a report. They involve real people, adults and children, in crisis. Of similarly critical importance is that while an eviction may resolve one issue for a landlord, it creates additional issues and hardships for the Brooklyn Park resident. These residents must find somewhere else to live, likely still in Brooklyn Park, but with additional housing burdens. Therefore, while evictions may be necessary in some instances, seeking to reduce eviction filings and ensure safe and stable housing is both a short and long-term benefit to the city. This report provides both general and specific solutions, and aims to raise targeted questions to facilitate productive discussions among key Brooklyn Park stakeholders and influencers.

How might we...

- *Connect tenants experiencing housing emergencies to legal supports, rental subsidies, or emergency assistance more easily and quickly?*
- *Increase the number of renters who show up to housing court for their hearing?*
- *Increase the likelihood and quality of settlements?*
- *Reduce the number of evictions filed?*
- *Increase the use of expungements?*
- *Reduce the harmful impact evictions have on the future housing choices of a household?*
- *Address disparities in the demographics of households affected by eviction?*

Several key findings in this report offer important local insight into how both tenants and landlords in Brooklyn Park are influenced by and influencing the eviction process as a whole: the amount of overdue rent many evictions are filed over, the speed at which cases play out, the parties who end up in court (or fail to). Further, the findings suggest there are a

number of property owners and managers who tend to file evictions more frequently and through unique methods such as Power of Authority. Because of the issues raised, we offer the series of below recommendations that more broadly aim to address the harmful consequences of evictions for the community, as well as targeted proposals aimed at issues that we identified as unique to Brooklyn Park.

Recommendations:

- Enact a city ordinance mandating reporting of both informal and formal evictions to the city. Consider additional research, particularly around informal eviction notices, qualitative interviews with affected tenants and landlords, and/or a landlord cost/benefit analysis of filing evictions.
- Implement a rental licensing program that couples eviction data with ongoing city engagement with both tenants and landlords, including landlord legal providers and Power of Authorities. Rental licensing provisions could require engagement with frequent eviction filers about management processes and strategies, as well as mediation options.
- Use existing rental licensing program and landlord trainings to promote and incentivize alternatives to formal eviction actions such as cash for keys, pre-filing mediation, “confession of writ” form of settlement and others.
- Identify opportunities for more direct local connections to sources of emergency assistance and other social service providers.
- Survey tenants affected by evictions to determine their use of social services before and after the eviction process and determine what cost each eviction has on the City of Brooklyn Park.
- Engage in tenant outreach in rental properties with excessive or frequent eviction filings. Seek to ensure that these tenants are informed of both their rights and responsibilities. Seek to connect tenants who need additional services to resources prior to eviction filing.
- Contribute additional city resources to service providers and organizations that work directly with renters to avoid eviction and displacement.
- Encourage more rental subsidy programs, the preservation of affordable housing, and production of new affordable units. Consider a city rental subsidy program and/or financial aid program (in advance of falling behind on rent).
- Enact a rental licensing ordinance requirement providing “pay or quit/vacate” notice requirements prior to eviction for nonpayment of rent. As demonstrated in this report, most evictions occur very quickly and the vast majority (more than 80%) of cases were for nonpayment of rent for between 1 and 2 months. This legal requirement would offer tenants more time and options prior to formal eviction, as well as a formal notice that could be used to access financial resources. Minnesota is behind most other states as it relates to this basic protection prior to eviction, and most federally-subsidized affordable housing programs, including some operating in Brooklyn Park, require such notices.
- Enact a rental licensing ordinance requirement that extends “Just” or “Good” cause protections in lease termination and non-renewal to address what has become a commonplace occurrence in private landlord/tenant relationships – “informal evictions” that include a failure to renew a lease for no stated reason, or no reason whatsoever. Such non-renewals are sometimes used for retaliatory purposes, as well as in order to “rescreen” tenants when ownership or management changes hands, resulting in the loss of housing for historically lease-compliant tenants.

- Enact a rental licensing ordinance that regulates rental screening criteria requirements such as “Ban the Box,” narrowing the scope of questions about rental history and/or criminal background on an application, or “Limited Lookback” approach that restrict how many years back such history can influence an application. Such policies offer tenants with imperfect records better access to locating and maintaining future housing options.
- Review existing Brooklyn Park Ordinances as they relate to Conduct on Rental Property and requirements under the Minnesota Crime Free Multi-housing Program (Title XI, Chapter 117, § 117.49 - § 117.491). The City of Minneapolis recently [completed a study on a similar set of city ordinances](#), and as a result is now in the middle of pursuing a series of reforms to their process. The report identified specific applications of the ordinance that either resulted in unlawful eviction or caused housing instability for renters when there were questionable facts.
- Review other city rental licensing and inspection processes, particularly in relation to any influence they may have on retaliatory notices to vacate or formal eviction filings.

Notes about the Data

- There are two primary data sources for this report. First, a data extract from the State of Minnesota which contains high-level data on evictions filed in Minnesota. Second, direct review of physical case files. Each section will note which data set it is using.
- Race, ethnicity, and other demographic data are not collected in civil court processes. This is unfortunate as it is clear from other studies, and from the general demographic data available through such sources as the American Community Survey, that evictions disproportionately impact communities of color. While the lack of this data makes it difficult to quantify the effect in Brooklyn Park, census data and anecdotal evidence implies that the trend is present in Brooklyn Park as well. This brings up important Fair Housing implications and should be kept in mind throughout the report.
- Eviction cases are largely standard residential rental cases, but also include some commercial evictions, bank foreclosures, and contract-for-deed cases. There is no official coding in the court data to indicate which cases are of which type. The researchers for this report attempted to remove those non-standard case types by filtering for cases where the plaintiff appeared to be a bank or mortgage company or where the defendant name indicated that the entity facing eviction is a business. Portions using the state data extract will include some non-residential evictions. However, direct case file review was able to identify non-residential evictions with a high level of certainty. Portions using the case file review data contain only residential eviction cases.
- There are a significant number of renters who are displaced through informal evictions. Informal evictions include situations outside of court where renters receive notices to vacate, lease non-renewals, or are simply being asked to leave. Many tenants comply with these notices regardless of their validity and enforceability. HOME Line, through its statewide tenant hotline, advises renters facing such situations nearly as regularly as we advise renters facing formal eviction filings. These types of situations are not reflected in the data provided, but could be a rich area for future research. Unfortunately, no formal data sources for these types of evictions exists.
- A writ of recovery is a legal document issued by the court that orders the county sheriff to physically remove someone from the property. While many tenants leave voluntarily before the writ is issued, making the issuance of the writ unnecessary, it is, generally speaking, the only legal method of forcibly removing a tenant and the ultimate goal of the eviction court process itself. Our analysis assumes that if a writ of recovery was issued, the tenant was

forced to move. While extremely unlikely, it is possible that in some cases, a writ could be “resolved” through a payment from emergency assistance, for example. There is no way to distinguish those cases with official records. However, observation by professionals and experts in this field support the assumption that writs nearly always result in displacement.

- In some cases, it is possible that the address provided for the defendant is not the address from which they were evicted, but a later, more current address provided to the court for purposes of ongoing communications with the court and other parties. This may have caused minor distortions in the data.
- Settlements are often considered to be positive outcomes. A settled case means both the landlord and tenant reached a mutually agreed upon resolution. However, settlements also mean that a great deal of information is lost. Generally, a settlement means that the actual merits of the case are never determined. Tenants may or may not have owed rent. Tenants may or may not have wanted or needed to move. Due to the nature of the court process and the tenant-landlord relationship, it is possible that tenants agree to deals that are simply not achievable and/or are largely against their interests. Settlements, and the data as a whole, must be viewed in this light.
- If the tenant entered into a payment plan with their landlord, and no writ was issued, we assumed the payment plan was successful. This seems to be a likely assumption, but it is an assumption. It is also possible that tenants voluntarily left after failing to complete a payment plan.
- Finally, throughout the analysis, expunged cases are necessarily not reflected in the data because expunged cases are removed from public records (which is the data used in this report). Evictions are more likely to be expunged when the case is resolved in favor of the tenant or when the case is many years old and different counties use different standards for expungements. Data suggests the expungement rate is low to very, low depending upon the county, but it has not been specifically studied. Nevertheless, this element distorts the representativeness of the data to an unknown degree.

Researchers

Contributing Researchers

- *Eric Hauge, HOME Line, Executive Director*
- *Samuel Spaid, HOME Line, Staff Attorney and Research Director*
- *Rebecca Hare, CURA, Graduate Research Assistant*

Report prepared by

- *Samuel Spaid, HOME Line, Staff Attorney and Research Director*
- *Rebecca Hare, CURA, Graduate Research Assistant*

2016 Evictions in Minneapolis Report prepared by

- *Zoe Thiel, City of Minneapolis Innovation Team*

We want to thank Zoe Thiel and the rest of the Minneapolis Innovation Team for directing the research and publication of the Minneapolis report. This report relies on the framing and analysis in that report.

Eviction Distributions in Brooklyn Park

Methodology

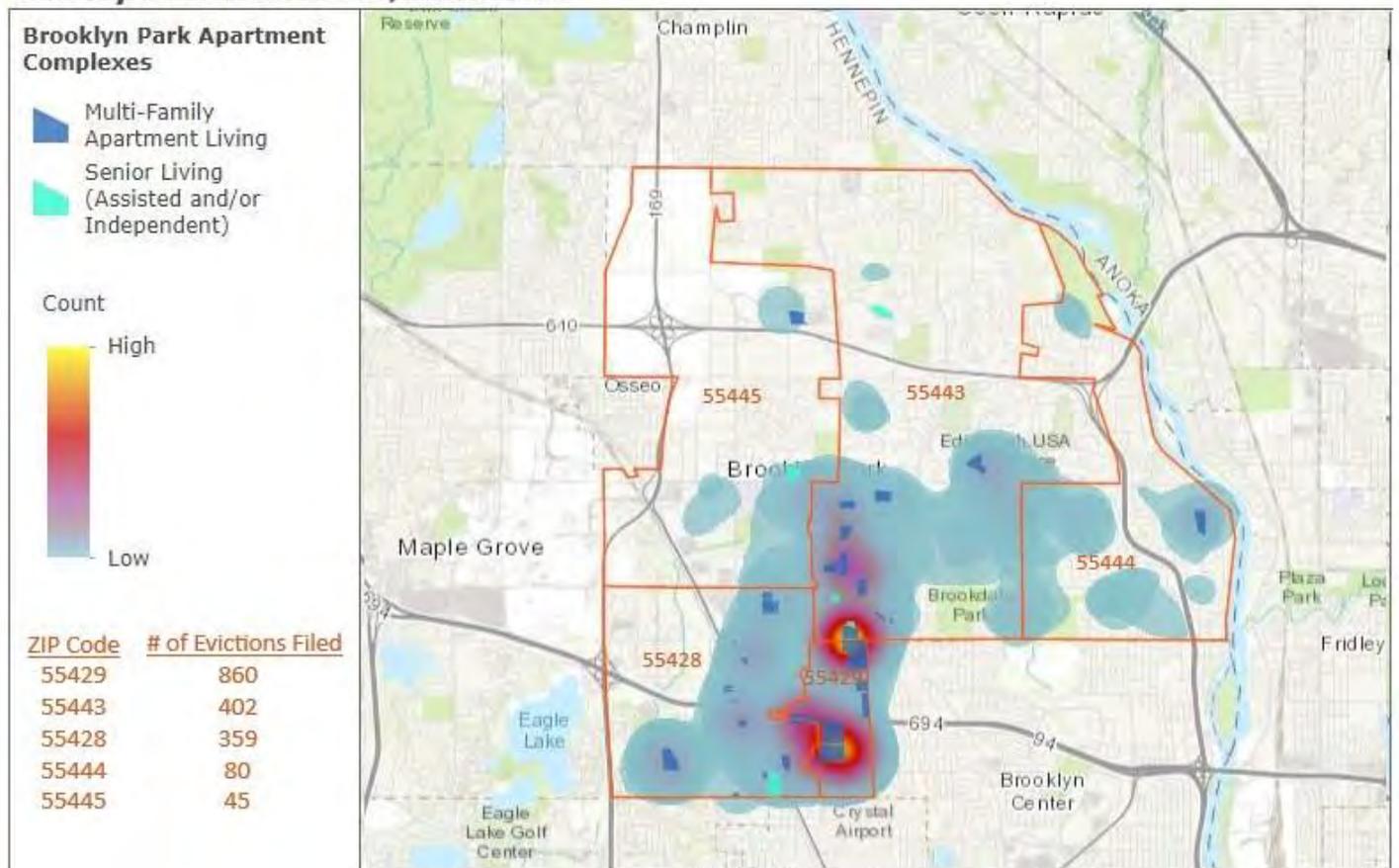
The data for this analysis comes from the state data extract. Analysts filtered the data extract from the state court to include only evictions filed in 2015, 2016, and 2017 with a defendant address in Brooklyn Park. This analysis excludes cases with commercial evictions, bank foreclosures, and addresses that were unverifiable and/or seemed outside of city limits. Addresses were cleaned manually using city information and Google Maps.

Key Findings

- **Most evictions are filed in ZIP code 55429, followed by 55443 and 55428.** Specifically, along the Zane Avenue Corridor between 63rd Avenue N and 83rd Avenue N. This is consistent with the frequent filer analysis later in this report which finds that most evictions in Brooklyn Park are filed by the same few landlords.

Fig 1. Total Evictions in Brooklyn Park (2015-2017)

Brooklyn Park Evictions, 2015-2017



Approximately 98% of evictions occurred with the highlighted areas. Around 2% of evictions occurred outside of the highlighted areas. These evictions were not concentrated enough to appear on the map and generally represented an eviction filed against a tenant in a non-multi-family apartment living situation, likely the only eviction for that address in the three-year time period.

Case file review

Methodology

The court data extract provides important summary-level data; however, much of the detail behind each of those cases is captured in hand-written and scanned case files, accessible only by public access court terminals which required in-person access.

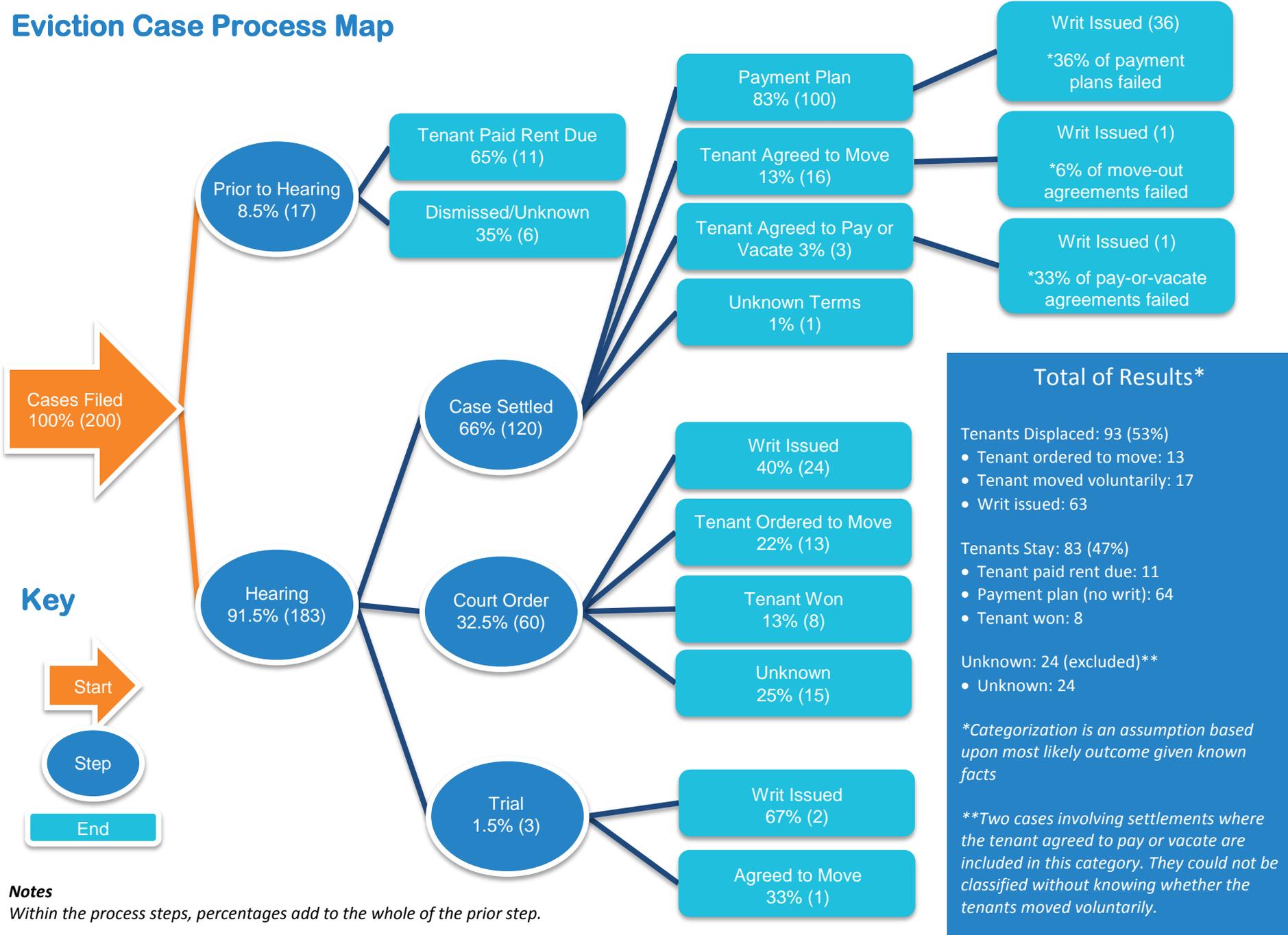
- 232 Brooklyn Park eviction cases from 2015, 2016, and 2017 were selected at random from the state court data extract.
- Analysts from HOME Line reviewed each of the 232 case files individually and recorded the details about each case on a custom Google survey form.
- After completion of reviews, staff removed cases determined to the best of our ability to be bank foreclosures, commercial evictions, contract-for-deed cases, or where significant documents or information were missing or not captured, leaving 200 cases.

Key findings

- **1.75 months'** rent or approximately **\$1,600** stand between tenants and eviction in Brooklyn Park. (This figure is higher than the actual amount of rent owed, as court fees of approximately \$300 are typically included in the total amount owed.)
- In nonpayment cases, **evictions were filed 16 days after rent was due**, assuming rent was due on the first of the month where nonpayment occurred (average calculated using median and excluding one outlier of 935 days).
- Evictions filed by just **four property owners** comprised 65% of the cases in the study sample (129 out of 200 cases).
- **Nonpayment cases account for 97% of eviction filings in Brooklyn Park**, and 95% of eviction cases identified no reasons beyond nonpayment.
- If we remove the unknown outcomes, **53% of all filings ultimately resulted in a tenant displacement.**
- **Showing up matters.** Tenants showed up at the eviction hearing in 62% of cases. **In 81% of cases where the tenant did not show up but the landlord did, the tenant was displaced.** When both parties showed up to the hearing, **more than 95% of cases resulted in a settlement.** When the tenant showed up, they had a 52% chance of avoiding displacement.
- **66% of cases settled.** The most common type of settlement was some form of payment plan. Most payment plans appeared to be successful since writs (the clearest sign of a failed settlement) were only issued later in 29% of cases. However, 16% of settlements were agreements by the tenant to move by a specific date.
- Landlords were represented by either an attorney or someone with power of authority **in 92% of cases.** Conversely, tenants were represented in just one case (less than one percent) and in this particular case, the attorney started representing the tenant after the tenant had already lost the eviction at the initial hearing.

- **Landlord representation (whether by attorney or POA) does not appear to result in different outcomes.** No statistically significant conclusions about tenant representation can be reached as only 1 case had a represented tenant.

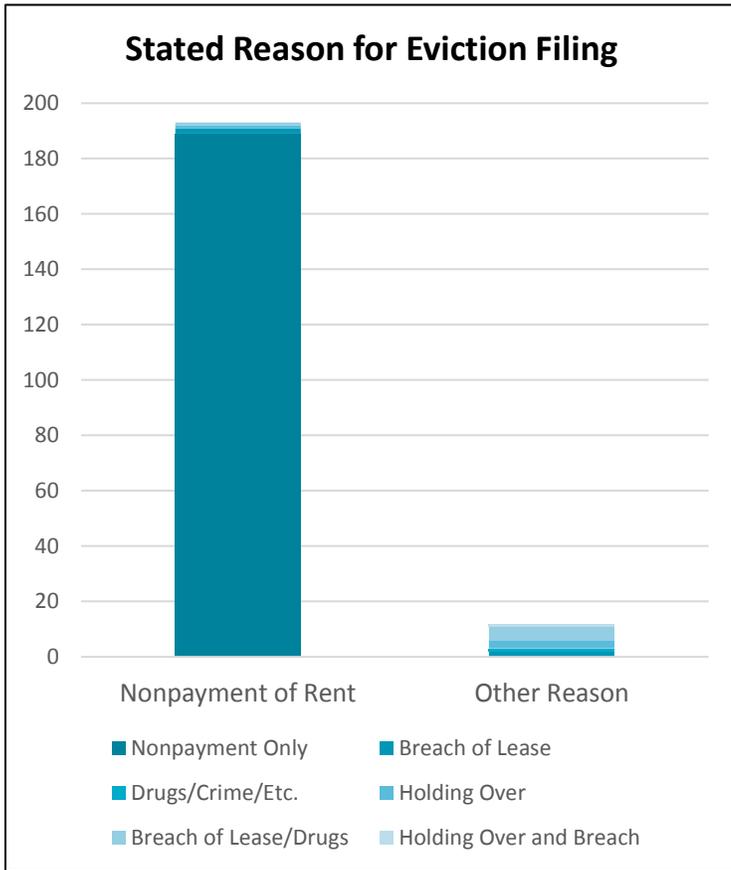
Eviction Case Process Map



Notes
 Within the process steps, percentages add to the whole of the prior step.

Tables and Figures

Fig 2. Reason for Filing



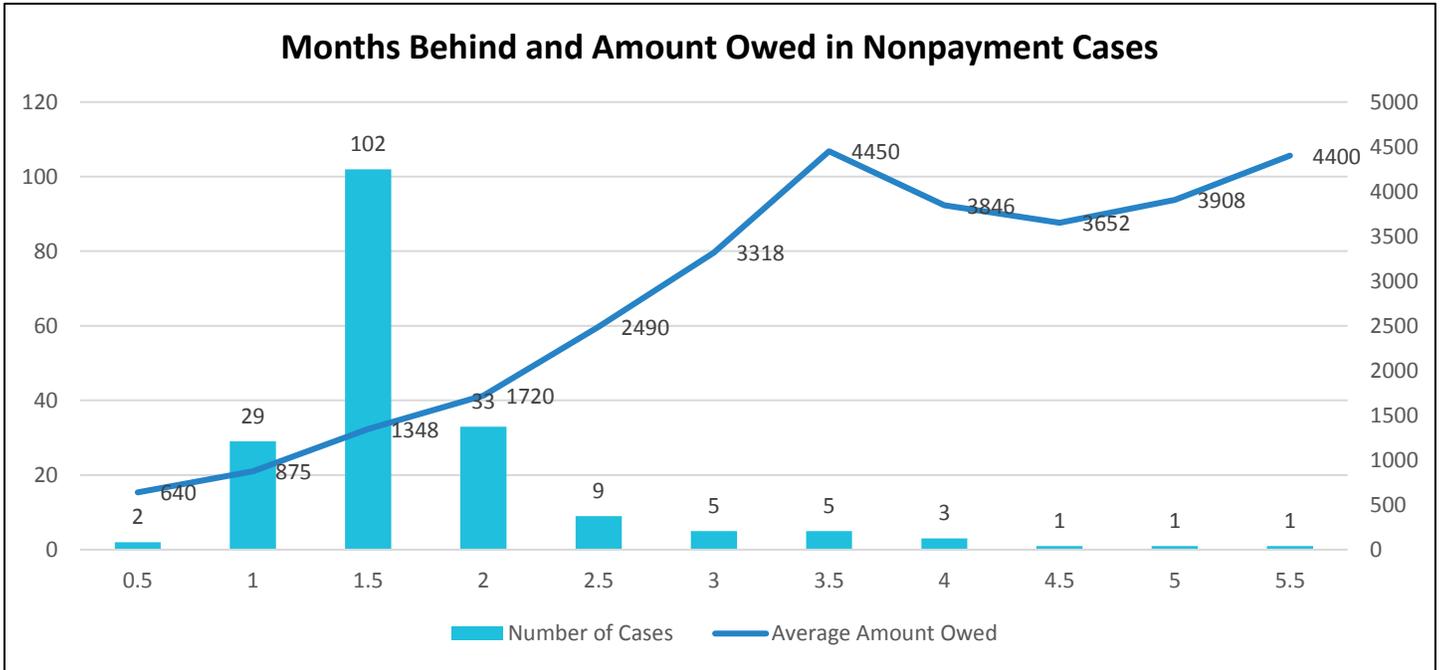
Nonpayment of rent and nonpayment of rent only was the reason for 94.5% of eviction cases filed.

Complete Eviction Categories	#
Nonpayment of Rent Only	189
Breach of Lease, Drugs/Crime/Etc. (504B.171)	4
Holding Over/Failure to Vacate	2
Nonpayment of Rent, Breach of Lease	2
Nonpayment of Rent, Breach of Lease, Drugs/Crime/Etc. (504B.171)	1
Nonpayment of Rent, Holding Over/Failure to Vacate	1
Holding Over/Failure to Vacate, Breach of Lease	1
Total	200

Occurrence of Eviction Category	#
Nonpayment of Rent	193
Breach of Lease	8
Holding Over/Failure to Vacate	4
Drugs/Crime/Etc. (504B.171)	5

Landlords may cite more than one reason for filing an eviction case. By far the most-often cited reason for filing was **nonpayment of rent**; it was cited in **96.5% of the cases**.

Fig 3. Nonpayment

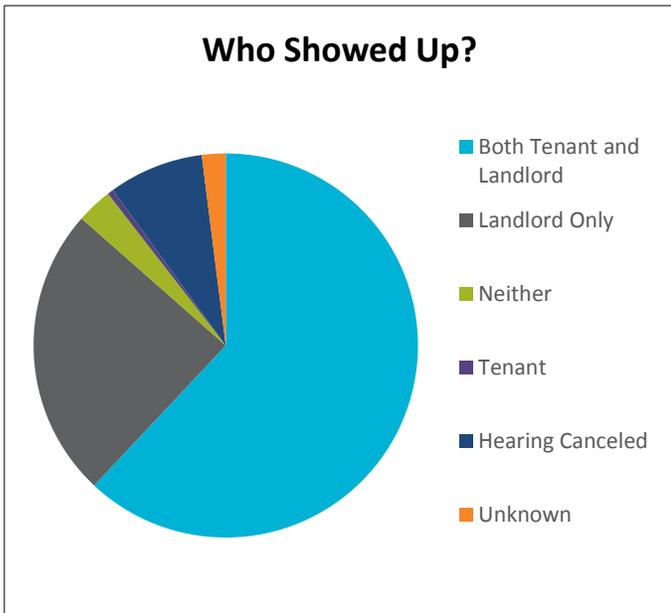


For nonpayment of rent cases, the average number of months a tenant was behind on rent was 1.75, owing approximately \$1,600. The vast majority (more than 80%) of cases were for nonpayment of rent for between 1 and 2 months.

Two outliers were excluded from these charts. An eviction for \$13,100 (over 6 months of unpaid rent) and an eviction for \$79,940 (landlord alleged nearly six years of unpaid rent).

Months Behind on Rent	# of cases	Average Amount owed (\$)
0.5	2	\$640
1	29	\$875
1.5	102	\$1,348
2	33	\$1,720
2.5	9	\$2,490
3	5	\$3,318
3.5	5	\$4,450
4	3	\$3,846
4.5	1	\$3,652
5	1	\$3,908
5.5	1	\$4,400

Fig 4. Appearance at Hearing

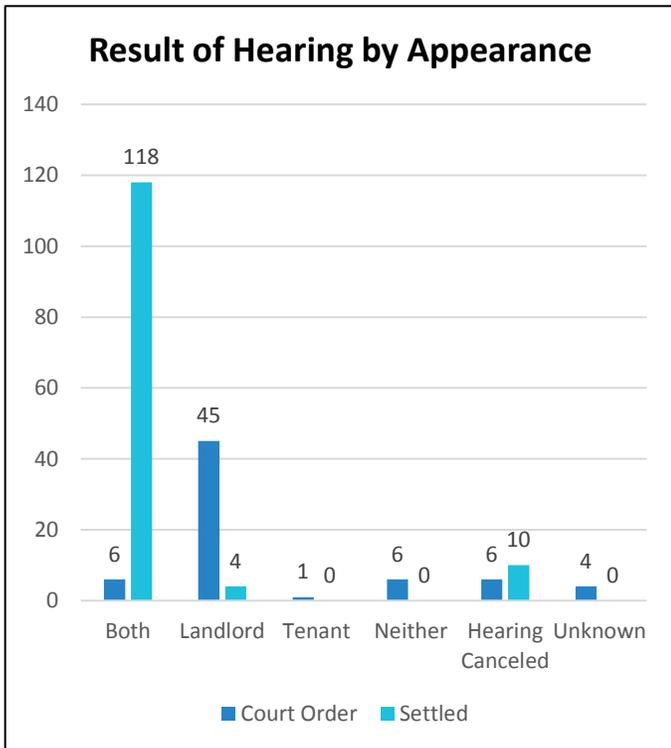


Who showed up?	#	%
Both Tenant and Landlord	124	62%
Landlord Only	49	24.5%
Neither	6	3%
Tenant	1	0.5%
Hearing Canceled	16	8%
Unknown	4	2%
Grand Total	200	

Both the tenant and the landlord were present at the hearing in about 62% of cases. In more than 24% of cases, only the landlord was present. In a few cases, the matter was resolved prior to the hearing, or neither party was present.

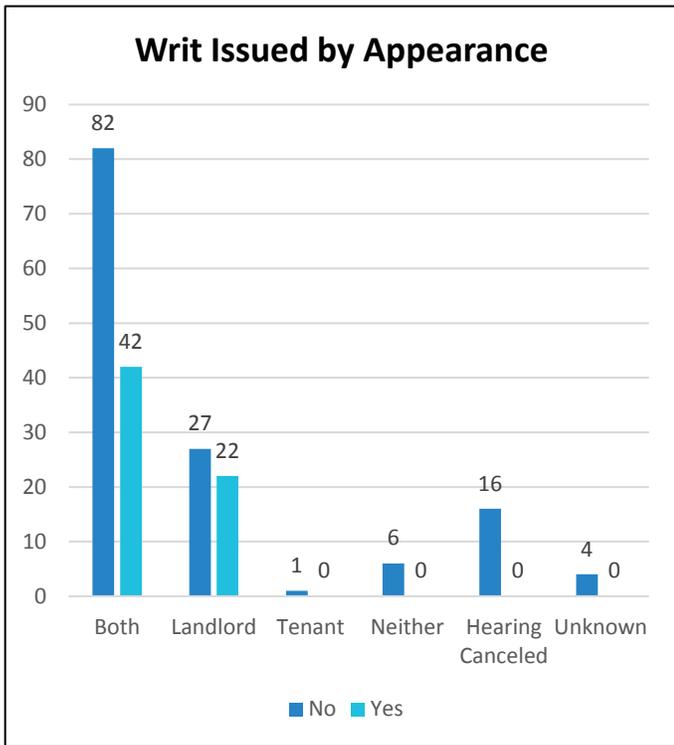
When both the landlord and tenant were present, **more than 95% of cases settled**. When only the landlord was present, more than 9 out of 10 resulted in a court order.

Fig 5. Result of the Hearing, by Appearance



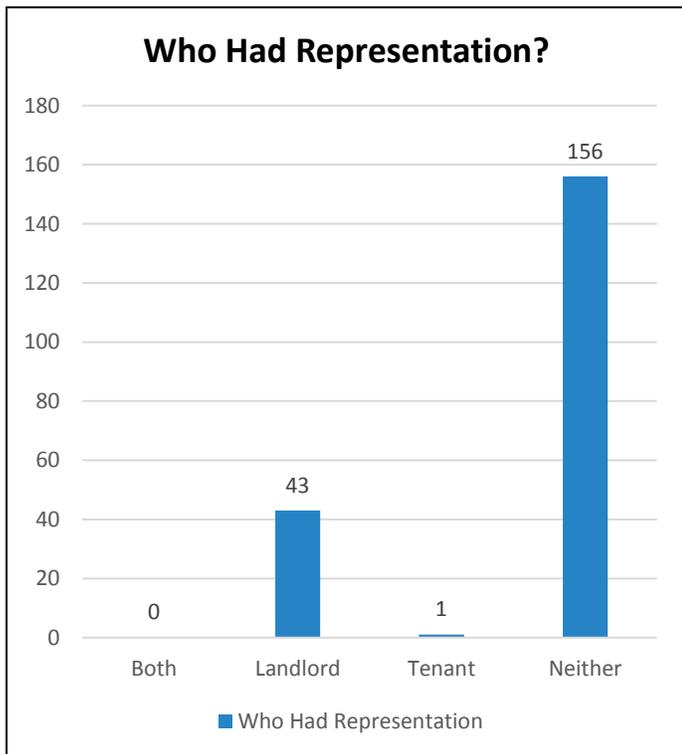
Result of the Hearing	#	%
When both Tenant and Landlord were there	124	
Court Order	6	5%
Settled	118	95%
When only the Landlord was there	49	
Court Order	45	92%
Settled	4	8%
Tenant	1	
Court Order	1	100%
Settled	0	0%
When no one was there	6	
Court Order	6	100%
Settled	0	0%
Hearing Canceled	16	
Court Order	6	31%
Settled	10	69%
Unknown	4	
Court Order	4	100%
Settled	0	0%
Grand Total	200	

Fig 6. Writ Issuance, by Appearance



Was a writ issued?	#	%
When both Tenant and Landlord were there	124	
No	82	66%
Yes	42	34%
When only the Landlord was there	49	
No	27	55%
Yes	22	45%
Tenant	1	
No	1	100%
Yes	0	0%
When no one was there	6	
No	6	100%
Yes	0	0%
Hearing Canceled	16	
No	16	100%
Yes	0	0%
Unknown	4	
No	4	100%
Yes	0	0%
Grand Total	200	

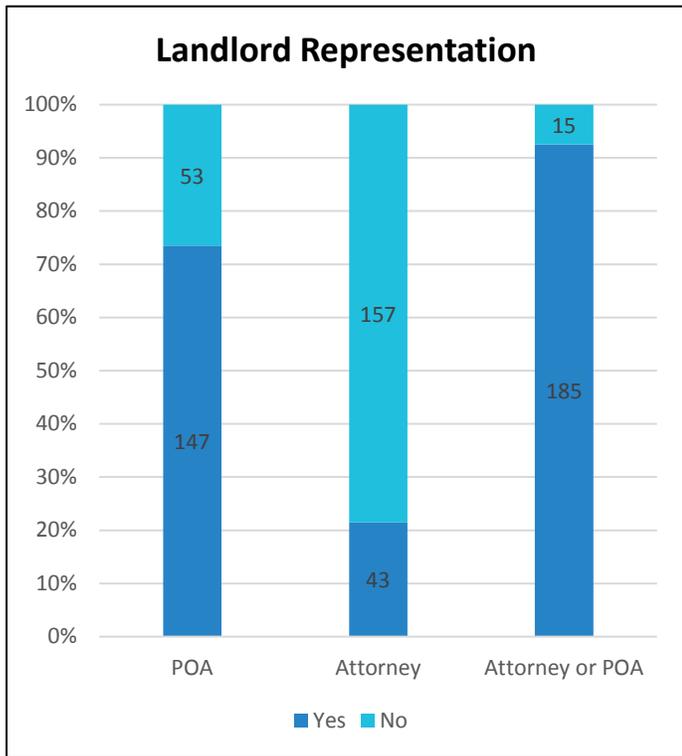
Fig 7. Representation



Who had Representation?	#	%
Both	0	0%
Landlord	43	21.5%
Tenant	1	0.5%
Neither	156	78%
Grand Total	200	

In over 78% of cases, neither the landlord nor the tenant were represented by an attorney. In the remaining cases, the landlord was far more likely to have representation than the tenant.

Fig 8. Power of Attorney

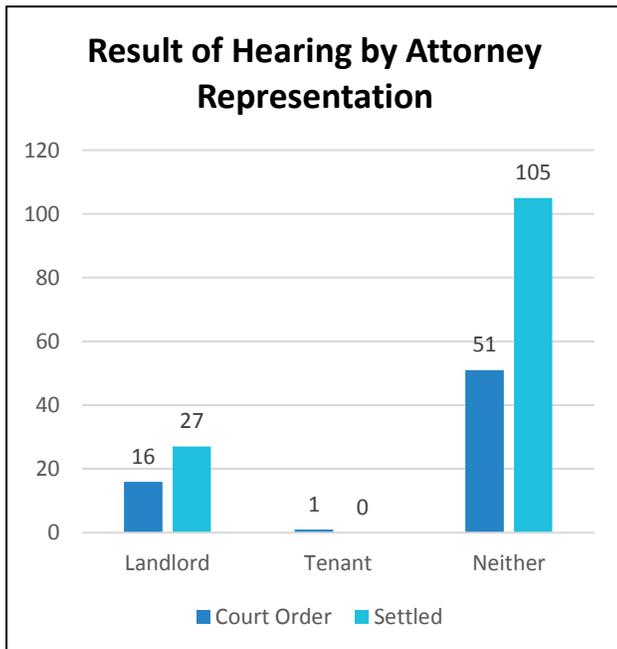


Power of Authority	#	%
Yes	147	73.5%
No	53	26.5%
Grand Total	200	

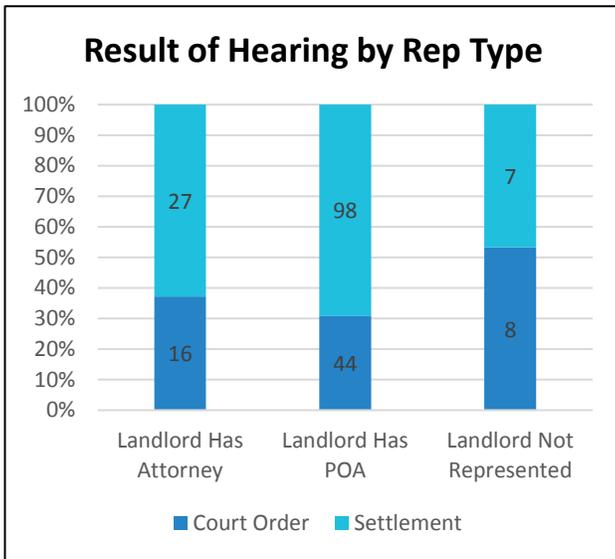
Attorney or Power of Authority	#	%
Yes	185	92.5%
No	15	7.5%
Grand Total	200	

Landlords were represented by either an attorney or someone with power of authority in 93% of cases. Conversely, tenants were represented in just 0.5% of cases.

Figs 9-10. Results, by Representation Status

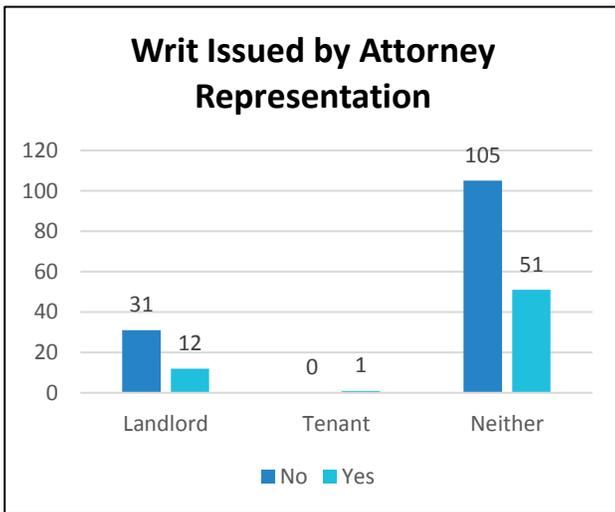


Result of Hearing by Attorney Representation	#	%
Landlord Represented	43	
<i>Court Order</i>	16	37%
<i>Settled</i>	27	63%
Tenant Represented	1	
<i>Court Order</i>	1	100%
<i>Settled</i>	0	0%
No one Represented	156	
<i>Court Order</i>	51	33%
<i>Settled</i>	105	67%
Grand Total	200	

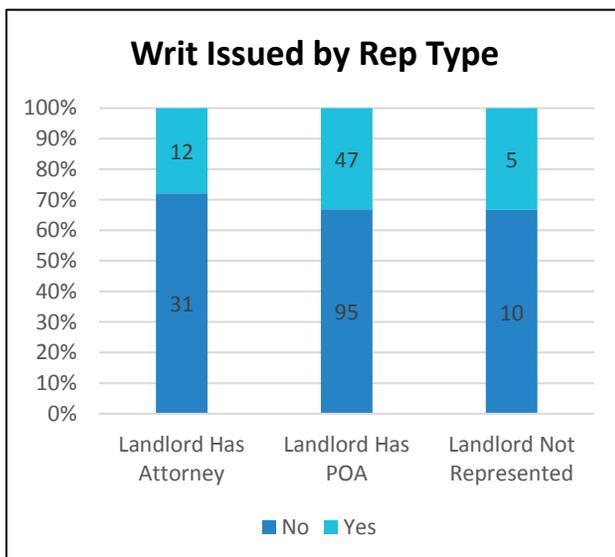


Settlement or Court Order by Representation Type	#	%
Landlord has Attorney	43	
<i>Court Order</i>	16	37%
<i>Settled</i>	27	63%
Landlord has POA	142	
<i>Court Order</i>	44	31%
<i>Settled</i>	98	69%
Landlord has neither	15	
<i>Court Order</i>	8	53%
<i>Settled</i>	7	47%
Grand Total	200	

Figs 11-12. Writs Issued, by Representation Status



Writ Issued by Attorney Representation	#	%
Landlord Represented	43	
<i>No</i>	31	72%
<i>Yes</i>	12	28%
Tenant Represented	1	
<i>No</i>	0	0%
<i>Yes</i>	1	100%
No one Represented	156	
<i>No</i>	105	67%
<i>Yes</i>	51	33%
Grand Total	200	



Writ Issued by Representation Type	#	%
Landlord has Attorney	43	
<i>No</i>	31	72%
<i>Yes</i>	12	28%
Landlord has POA	142	
<i>No</i>	95	67%
<i>Yes</i>	47	33%
Landlord has neither	15	
<i>No</i>	10	67%
<i>Yes</i>	5	33%
Grand Total	200	

State Data Extract Analysis: Brooklyn Park

Methodology

Researchers filtered the data extract from the state court to include only evictions with a defendant address in Hennepin County to conduct additional analysis of Hennepin County and Brooklyn Park specific cases. Commercial evictions and bank foreclosures were removed to the best ability of the researchers from this data set. Additional data supplied by Brooklyn Park was used to determine the Frequent Filers as documented in the Methodological notes for the frequent filers.

Key Findings

- For owners who filed at least ten eviction cases in 2017, the average rate, measured as the number of filings compared to the number of rental units owned, was 18% or about 18 eviction cases per 100 units. Owners with fewer than ten evictions were excluded from this calculation.
- Of the eviction cases filed in 2017 in Brooklyn Park, 75% were filed by ten owner groups, compared to 27% of evictions filed by the top ten owner groups in Minneapolis.
 - Most of the owners on the ‘frequent filers’ list are also the owners with the greatest number of rental units. However, many of these landlords file a disproportionate amount of the evictions in Brooklyn Park. Four ownership groups in particular accounted for 61% of all evictions in Brooklyn Park, despite owning only 28% of rental units in Brooklyn Park.
 - Despite the above, the frequent filers list is not just a list of owners with the most units, however. There are several owners/companies with large portfolios who have low numbers of filings as well as owner/companies who filed many cases who have very modest portfolios.
- Evictions are seasonal with filings at their highest in the summer months and January across all years. Brooklyn Park’s eviction filing timings were similar to Hennepin County.
- Eviction cases are resolved quickly, most within **14 days**.
- While the number of evictions significantly decreased in Hennepin County since 2009, **eviction filings in Brooklyn Park stayed relatively the same**.

Tables and Figures

Methodological notes: Frequent Filers

One key item for analysis was a determination of who the plaintiffs in eviction cases are, attempting to understand if there is a disproportionate use of court processes by a few individuals or companies. Analysts used a reference data set provided by the City of Brooklyn Park containing ownership information for apartment complexes located in the city. This represents the best-available data at a particular point in time (limited to calendar year 2017) and should be considered an informed estimate. In order to calculate an eviction rate for each owner, the number of unique case ID #s for filings were compared to the number of rental units owned, using city rental licensing data. This rate is not necessarily a one-to-one comparison to the number of cases with the number of units and/or tenants. For example, if multiple tenants were evicted from one unit (within the same case), this counts as one instance. If however, the same tenant was filed against for eviction in two separate cases over the course of the year, this would count as two instances.

Fig 13. Owners or management groups with 10 or more eviction cases, and rate of eviction, 2017

Owner or Management Group	# of Eviction Cases Filed	% of Total Eviction Cases Filed	Eviction Rate: Cases filed / # of rental units	# of Rental Units Owned	% of Rental Units Owned
Brooklyn Park - 73rd Leased Housing Associates LP (Huntington Place Apartments)	147	24.42%	17.63%	834	10.00%
Mark Gasparre / Gasparre Family Trust (Willowbrook LLC / Gasparre Willow Park LLC)	110	18.27%	15.19%	724	8.68%
MIMG XXXII Eden Park LLC / Monarch Investment and Management Group	61	10.13%	18.83%	324	3.89%
681 Properties LLP (Moonraker Apartments / Point of America)	48	7.97%	10.11%	475	5.70%
Autumn Ridge Apartments LP / Sherman Associates / Chris Nimmer	22	3.65%	6.01%	366	4.39%
Weidner Apartment Homes / W Dean Weidner (The Fairways at Edinburgh)	19	3.16%	9.60%	198	2.37%
Villa del Coronado	12	1.99%	6.25%	192	2.30%
AIG Investments LLC (West Broadway Apartments)	12	1.99%	20.34%	59	0.71%
Invitation Homes (IH3 Property Minnesota / 2015-2 IH2 Borrower LP / 2015-3 IH2 Borrower LP)	10	1.66%	58.82%	17	0.20%

Fig 14. Eviction Filers with 10 or more eviction cases, and rate of eviction, 2017

Owner or Management Group	# of Eviction Cases Filed	% of Total Eviction Cases Filed	Eviction Rate: Cases filed / # of rental units	# of Rental Units Owned	% of Rental Units Owned
Brooklyn Park - 73rd Leased Housing Associates LP	147	24.42%	17.63%	834	10.00%
Willowbrook LLC	63	10.47%	15.29%	412	4.94%
MIMG XXXII Eden Park LLC	61	10.13%	18.83%	324	3.89%
Gasparre Willow Park LLC	47	7.81%	15.06%	312	3.74%
681 Properties LLP dba Moonraker	25	4.15%	12.20%	205	2.46%
681 Properties LLP dba Point of America	23	3.82%	8.52%	270	3.24%
Autumn Ridge Apartments Limited Partnership	22	3.65%	6.01%	366	4.39%
Weidner Apartment Homes	19	3.16%	9.60%	198	2.37%
AIG Investments LLC	12	1.99%	20.34%	59	0.71%
Villa del Coronado	12	1.99%	6.25%	192	2.30%

Fig 15. Eviction Filing Rates for Owners with > 200 Rental Units, 2017

Owner or Management Group	# of Eviction Cases Filed	% of Total Eviction Cases Filed	Eviction Rate: Cases filed / # of rental units	# of Rental Units Owned	% of Rental Units Owned
Brooklyn Park - 73rd Leased Housing Associates LP (Huntington Place Apartments)	147	24.42%	17.63%	834	10.00%
Mark Gasparre / Gasparre Family Trust (Willowbrook LLC / Gasparre Willow Park LLC)	110	18.27%	15.19%	724	8.68%
Doran 610 Apartments LLC / Doran Companies	4	0.66%	0.83%	480	5.76%
681 Properties LLP (Moonraker Apartments / Point of America)	48	7.97%	10.11%	475	5.70%
Autumn Ridge Apartments LP / Sherman Associates / Chris Nimmer	22	3.65%	6.01%	366	4.39%
MIMG XXXII Eden Park LLC / Monarch Investment and Management Group	61	10.13%	18.83%	324	3.89%
Jim Soderberg (Granite Ridge LLC / Garden Gates Apartments / Imperial Apartments)	7	1.16%	2.76%	254	3.05%
Riverview Associates LLLP	3	0.50%	1.18%	254	3.05%

Timeline for Filing and Judgment

Fig 16. Month of Case Filing in Hennepin County Combined Cases 2009-2017

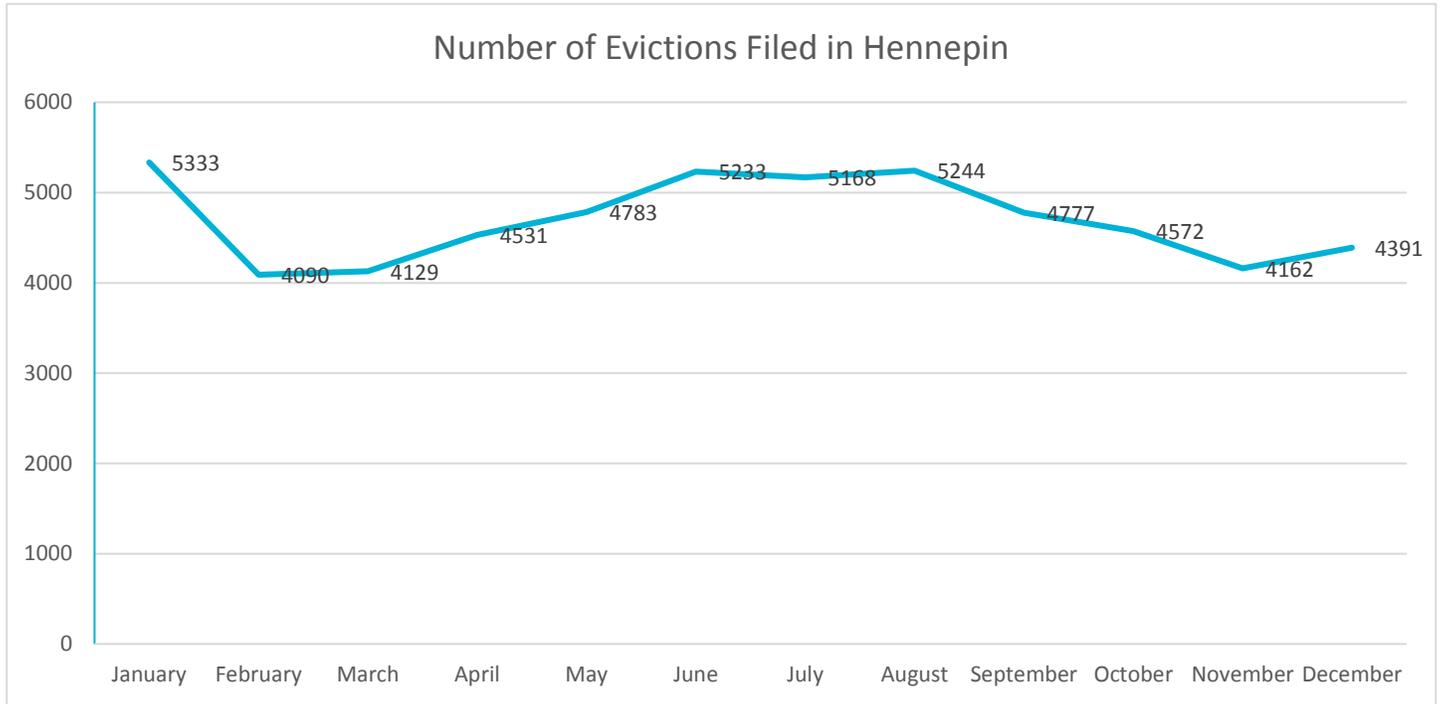


Fig 17. Month of Case Filing in Brooklyn Park Combined Cases 2009-2017

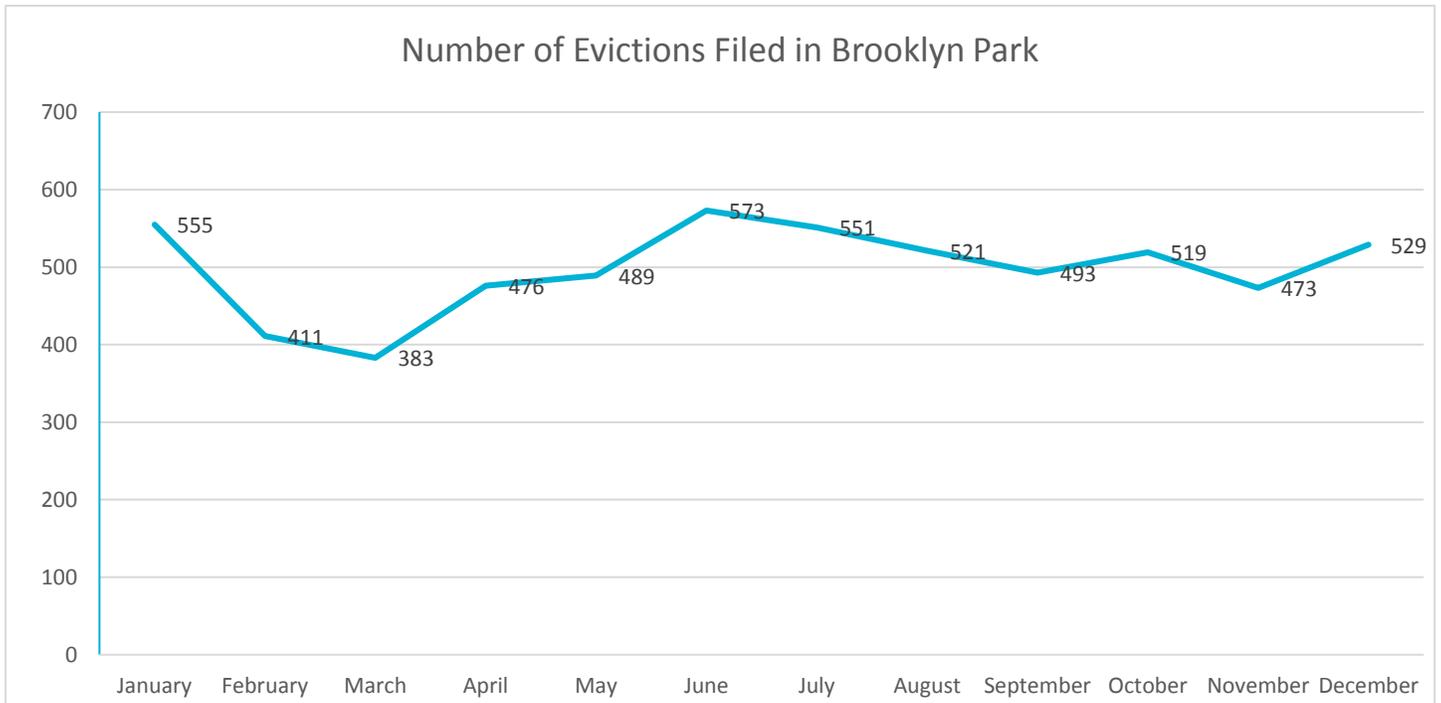


Fig 18. Days Open in Hennepin County

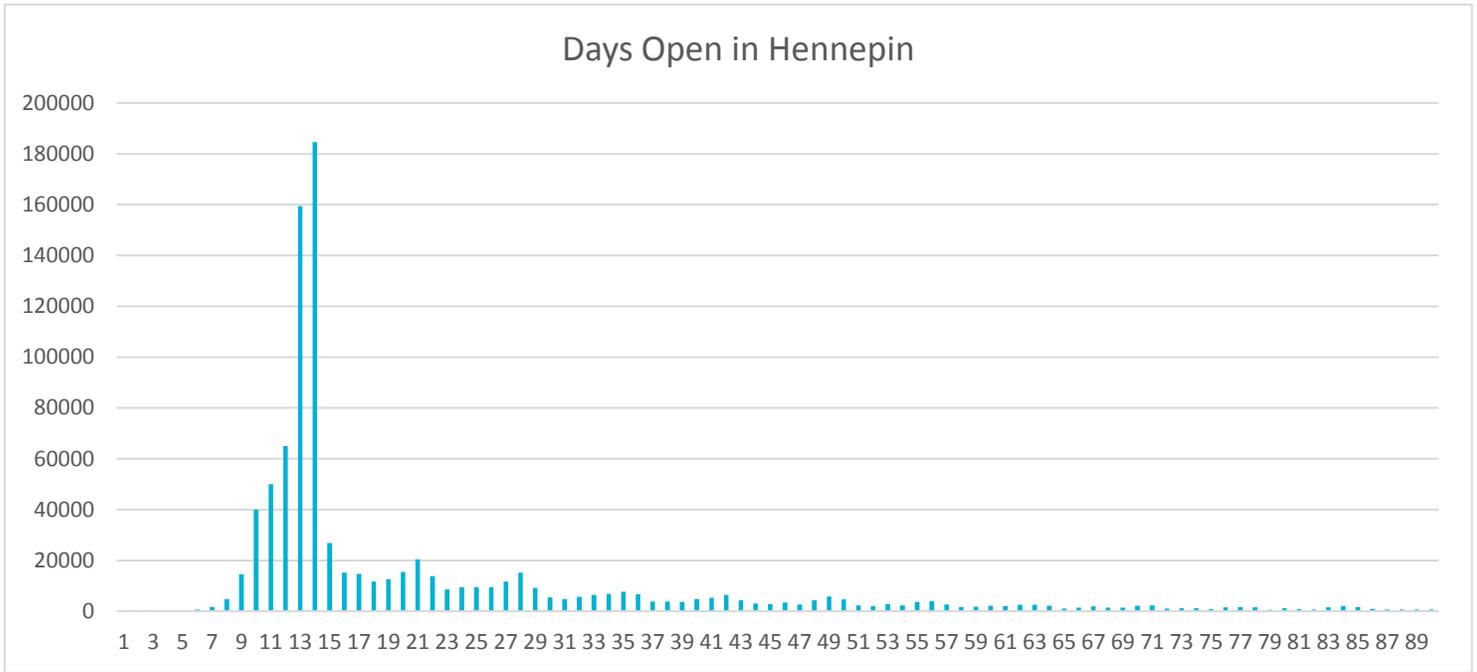


Fig 19. Days Open in Brooklyn Park

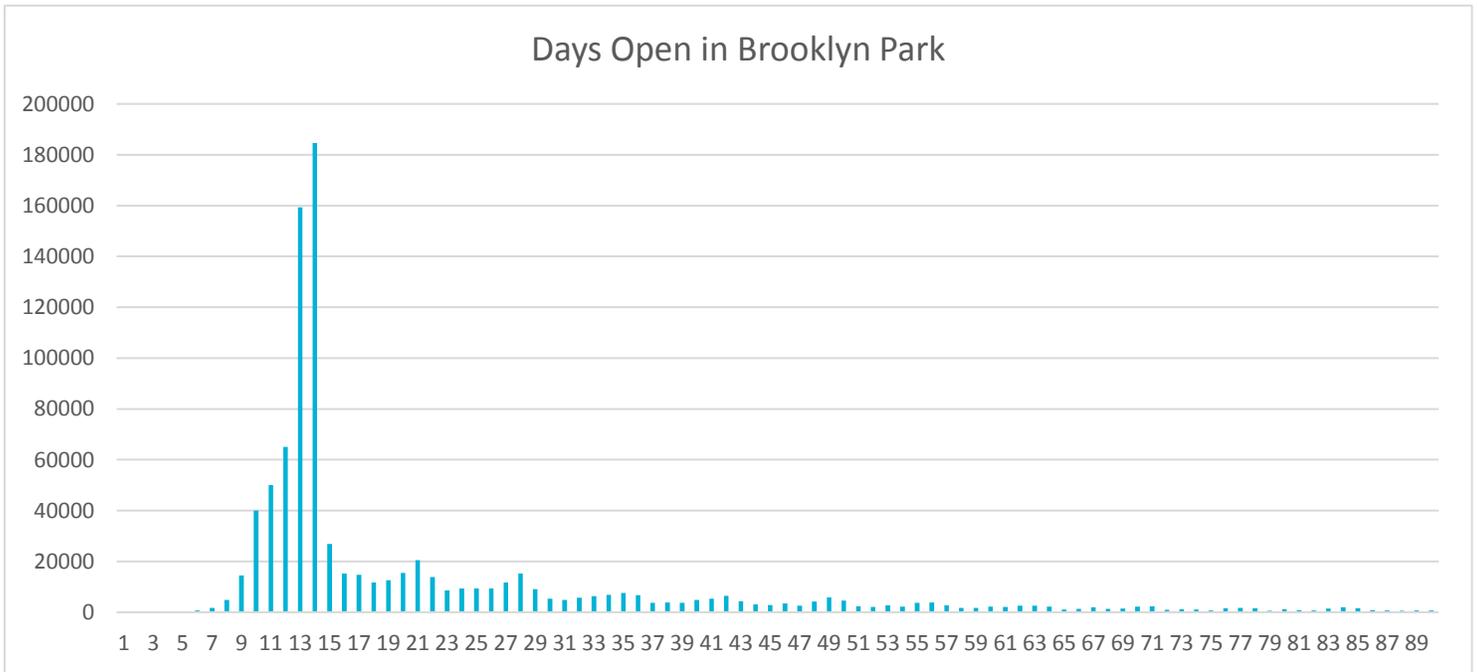
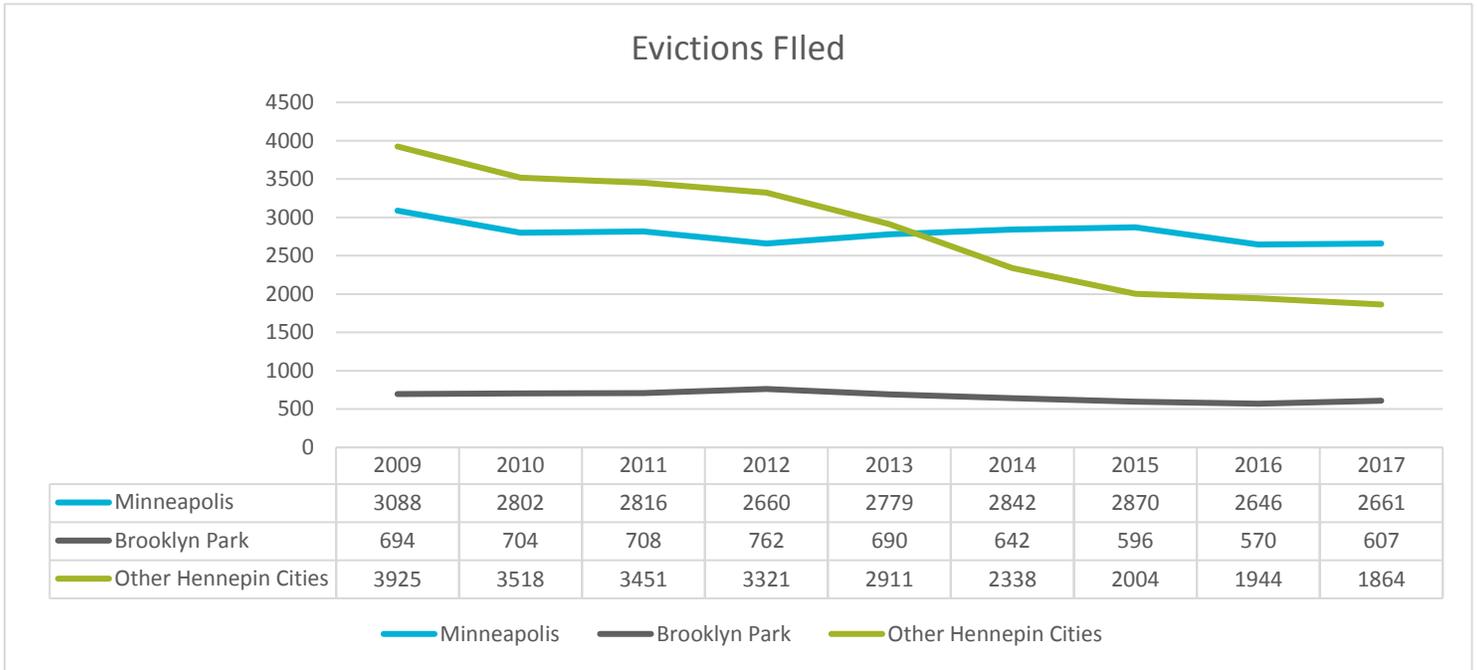


Fig 20. Eviction Cases filed, Hennepin County, Brooklyn Park, and Minneapolis, 2009-2017



FREQUENT FILERS SUPPLEMENT

(Evictions in Brooklyn Park)

HOME Line - September 2018

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Supplement Summary

Context and Purpose

HOME Line prepared the “Evictions in Brooklyn Park” (2018) report at the request of the City of Brooklyn Park. Key findings of the report included:

- Of the eviction cases filed in 2015 through 2017 in Brooklyn Park, **61% of eviction cases** were filed by the **top four frequent filer owner groups**, despite these four property owner groups owning only 28% of rental units in Brooklyn Park.¹
- The impact of these four property owners is so great that their patterns and practices for evictions filing skew the rest of the data.²

These findings are unusual and have not been observed in other cities to this point. Because of the disproportionate influence of these particular property owners’ actions on the housing stability of many Brooklyn Park residents, we felt it was important to study the impact of these property owners separately.

¹ Evictions in Brooklyn Park (2018), page 4, see also Fig 1. “Total Evictions in Brooklyn Park (2015-2017), Page 8.

² Evictions in Brooklyn Park (2018), page 3.

Case File Review of Four Top Filers

Methodology

Using a state court data extract, HOME Line determined the amount of evictions filed by each ownership entity/management company/landlord in Brooklyn Park from 2015 through 2017 and identified four top frequent filers (the “Big Four”). We then used the case file data set collected and prepared for the “Evictions in Brooklyn Park” report, which contained 129 evictions filed by the Big Four, to determine the practices of the Big Four and, in some cases, compare them to the other landlords.

Key Findings

- The Big Four are: Huntington Place Apartments, Willowbrook/Willow Park, Eden Park Apartments, and Moonraker Apartments/Point of America. **The “Big Four” filed 1,058 of the 1,747 eviction cases (or 60.5%) in Brooklyn Park from 2015 through 2017.** Evictions filed by just these four property owners comprised 65% of the cases in the study sample (129 out of 200 cases).
- **The Big Four consistently filed cases when tenants were just one month behind in rent.** Other Brooklyn Park property owners filed evictions against tenants who were two or more months behind. In 9 (7%) of Big Four cases, the tenant paid the rent prior to the hearing.
- **100% of the Big Four were represented** by either a power or authority (POA) or an attorney. The same law firm represented all of the Big Four and no other law firm represented any of the Big Four.
- **97% of the evictions filed by the Big Four were for non-payment** of rent while 89% of evictions filed by other landlords were for non-payment of rent.
- 42% of Big Four settlement payment plans failed, and **payment plans made by the Big Four were 86% more likely to fail** than those made by the remaining eviction filers in the sample.

Breakdown by Property Owner

- Huntington Place Apartments filed 381 evictions in Brooklyn Park from 2015 through 2017 (21.8% of overall cases), and had 50 cases in the study sample (25% of overall cases in the study sample). They were represented in all cases by a single POA. 49 out of 50 cases were for nonpayment of rent while 1 case was for holding over after a notice to vacate was given.
- Willowbrook/Willow Park filed 325 evictions in Brooklyn Park from 2015 through 2017 (18.6% of overall cases), and had 35 cases in the study sample (17.5% of overall cases in the study sample). They were represented in all cases by one of several different POA. All cases were for nonpayment of rent.
- Eden Park Apartments filed 217 evictions in Brooklyn Park from 2015 through 2017 (12.4% of overall cases), and had 26 cases in the study sample (13% of overall cases in the study sample). They were represented in all cases by one of several different POA or an attorney. All cases were for nonpayment of rent.
- Moonraker Apartments/Point of America filed 135 evictions in Brooklyn Park from 2015 through 2017 (7.7% of overall cases), and had 18 cases in the study sample (9.5% of overall cases in the study sample). They were represented in all cases by one of several different POA or an attorney. 15 of 18 cases were for nonpayment of rent while one case was for holding over and two cases were for breach of lease and illegal drug use.

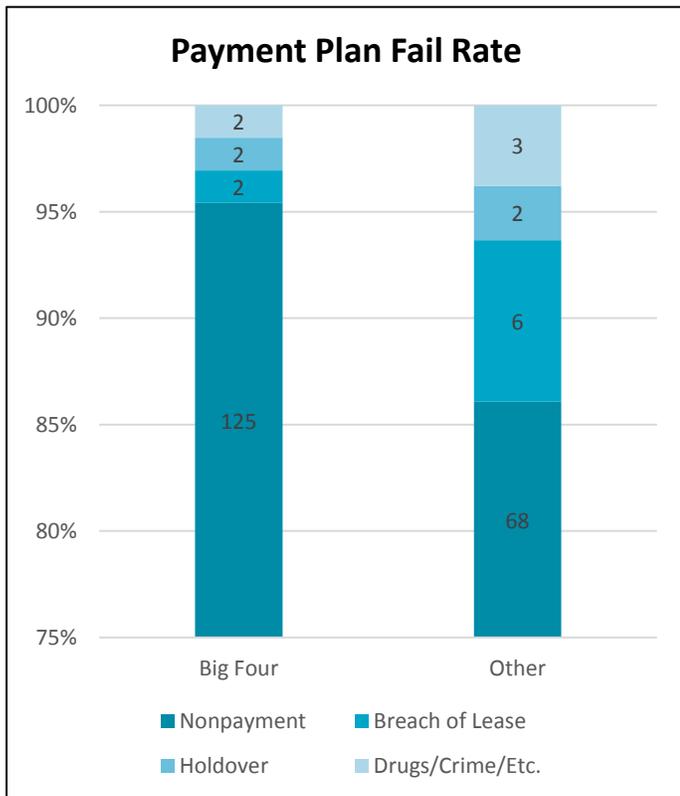
Tables and Figures

Fig 1. Percentage of Evictions in Brooklyn Park Filed by Big Four

Percent of Evictions Filed (Combined)	%
Big Four	60.5%
Other	39.5%

Percent of Evictions Filed (Subdivided)	%
Huntington Place	21.8%
Willowbrook/Willow Park	18.6%
Eden Park Apartments	12.4%
Moonraker Apartments/Point of America	7.7%
Other	39.4%

Fig 2. Reasons for Filing Big Four Comparison



Big Four Occurrence of Eviction Category	#
Nonpayment of Rent	125
Breach of Lease	2
Holding Over/Failure to Vacate	2
Drugs/Crime/Etc.	2

Non-Big Four Occurrence of Eviction Category	#
Nonpayment of Rent	68
Breach of Lease	6
Holding Over/Failure to Vacate	2
Drugs/Crime/Etc.	3

Landlords may cite more than one reason for filing an eviction case. Just over 95% of Big Four issues were nonpayment compared to just over 85% of non-Big Four cases.

Fig 3.-4. Nonpayment Big Four Comparison

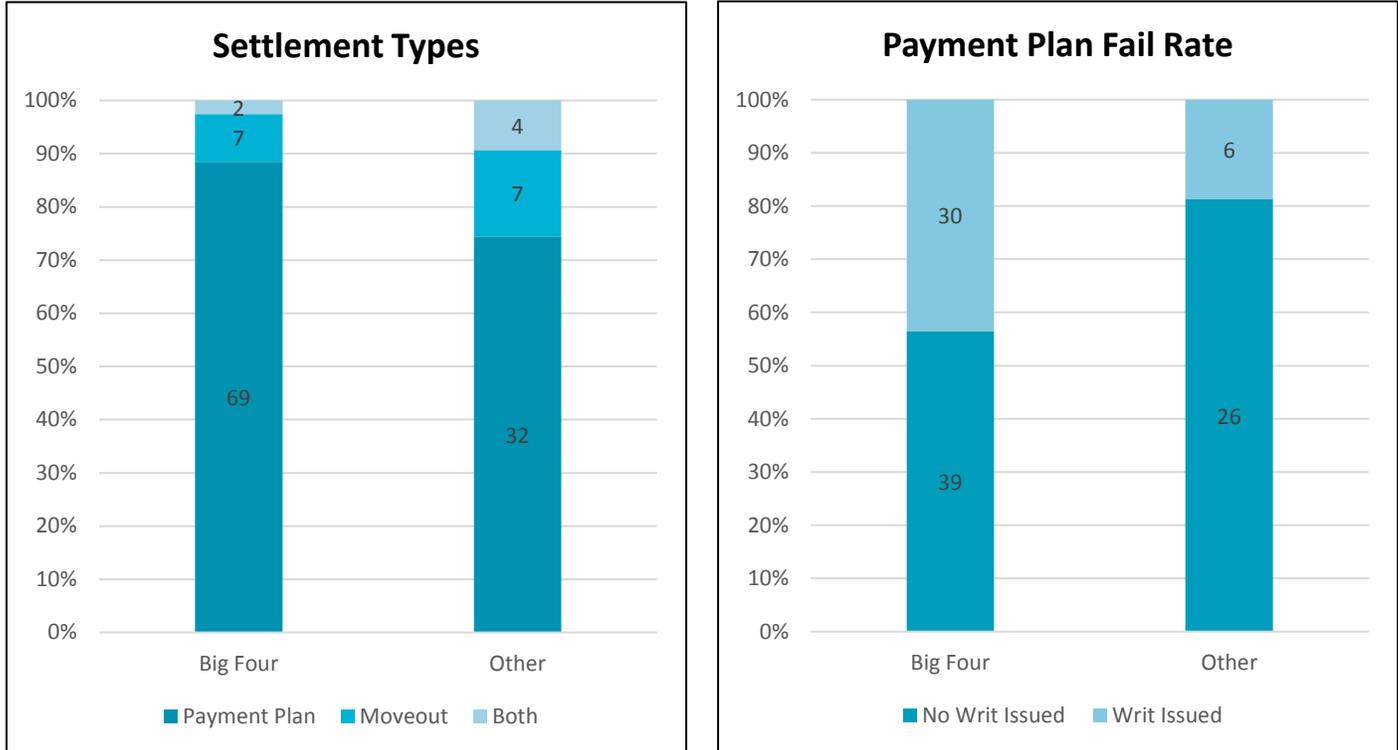
IMPORTANT NOTE: The calculation for months behind often includes court fees as they could not be reliably excluded. Removing average court fees (around \$300-\$400) would drop many cases one category lower. For example, most cases marked as 1.5 months behind would become 1 month behind.

Months Behind on Rent	Number of Big Four Cases	Number of Non-Big Four Cases
0.5	1	1
1	25	4
1.5	77	25
2	19	14
2.5	3	6
3	0	5
3.5	0	5
4	0	1
4.5	0	1
5	0	1
5.5	0	1

Two outliers were excluded from these charts. An eviction for \$13,100 (over 6 months of unpaid rent) and an eviction for \$79,940 (landlord alleged nearly six years of unpaid rent). Both of these cases were non-Big Four landlords.

Average Days Waited Before Filing a Nonpayment Eviction	Mean	Median
Big Four	20	16
Non Big Four	43	28

Fig 5.-6. Big Four Settlement Analysis and Failure Rate



Notes about the Data

- The data sources for this report are the same sources as those used in the Evictions in Brooklyn Park report. All notes about the data for the Evictions in Brooklyn Park (2018) report apply in this supplement as well.

Researchers

Contributing Researchers

- Eric Hauge, HOME Line, Executive Director
- Samuel Spaid, HOME Line, Staff Attorney and Research Director
- Rebecca Hare, CURA, Graduate Research Assistant

Report prepared by

- Samuel Spaid, HOME Line, Staff Attorney and Research Director
- Rebecca Hare, CURA, Graduate Research Assistant

City of Brooklyn Park Request for EDA Action

Agenda Item No:	8.1	Meeting Date:	January 22, 2019
Agenda Section:	Work Session	Prepared By:	Daniela Lorenz, Business Development Coordinator
Resolution:	N/A	Presented By:	Daniela Lorenz, Business Development Coordinator
No. of Attachments:	2		
Item:	Discuss the Usage of Paid Sewer Availability Charge (SAC) Credits and Direct Staff to Bring Back a Policy Regarding the Reuse of Excess Credits in the Future.		

Overview:

In 2013, Grand Rios Water Park, located at 6900 Lakeland Ave N was demolished. The site has since been occupied by CarMax. The demolition of the water park resulted in 104 excess paid Sewer Availability Charge (SAC) credits on the site. Four (4) paid credits were left on the site for CarMax or another future use to utilize. Staff appealed to the Met Council to take the remaining 100 paid credits citywide. The Met Council accepted the appeal which means the City now has 100 paid credits, worth \$241,065, accumulated. Staff anticipated more paid credits will come available as further redevelopment occurs in the city.

Staff is seeking direction from the board on how to use the 100 paid credits currently accumulated from the Grand Rios site. Additionally, staff is seeking direction about the establishment of a policy for the collection and reuse of any excess paid credits in the future.

Background:

As a part of the 7-county area represented by the Metropolitan Council, Brooklyn Park businesses and residences connected to the regional sewer system are required to pay for access. The charge associated with that connection is called a Sewer Availability Charge (SAC) and is initially charged to the City. It is standard practice for the City to pass along the charge to the property owners and/or occupants.

Properties are assessed SAC fees based on the use on the property. If a building permit is issued for a new business or expansion of a business, the property's SAC fees are re-assessed. If the assessment results in a reduction in SAC fees, then the property is issued paid SAC credit(s). Demolition of property typically results in excess paid SAC credits. Both the City and the Met Council keep a record of the amount of SAC assessed and paid credits. At the City level, the amount of SAC a property is assessed is indicated on a building permit. If the City chooses not to take the paid SAC credits city-wide, the credits remain on the property.

In 2018, the Economic Development Authority approved a Sewer Availability Charge (SAC) Reduction Program that uses excess paid SAC that have been taken city-wide to attract restaurants to Brooklyn Park. The purpose of the program is to reduce the cost associated with connecting to the regional sewer water system for new and expanding restaurants. The current SAC Reduction Program was started with 33 paid SAC credits from properties off 63rd Ave that were demolished and mostly converted to storm-water usage as a result of the Highway 81 expansion. The remaining 5 acres are developable but have no immediate plans for redevelopment. Those parcels are currently owned by Hennepin County.

Since the SAC Reduction program was created, one credit has been used by Skaalvenn Distillery for the expansion of its distillery and taproom located at 8601 73rd Ave N Suite #14. Staff is currently working on a comprehensive marketing strategy that will include better marketing of this program and future programs to interested businesses.

The accumulation of the excess credits from the Grand Rios site is an opportunity to expand the existing SAC Reduction Program or create an additional business attraction, retention and expansion tool. Staff consulted the Business Forward Advisory Board in October about potential uses for the excess credits. Board members were excited about the possibility of creating a program that could reduce start up or expansion costs for businesses.

Primary Issues/Alternatives to Consider:

- **What is the monetary value of the current credits?**

The current Metropolitan Council SAC charges are \$2,485 per unit. The City appealed to the Met Council for 100 paid SAC credits, which is valued at \$241,065, and is now available for city-wide use.

In addition, 32 paid SAC credits are available for use by restaurants through the City's SAC Reduction Program. And, the City can anticipate six additional credits from the recent demolition of the 6-plex for a traffic signal at West Broadway and Maplebrook Parkway.

- **How can the credit be used?**

There are a few options for the EDA to consider as it related to property demolition:

- 1 **Pooling of credits:** The City can pool the excess paid credits from building demolition on private property and keep them banked in an account.

Options for use of pooled credits:

A) SAC related economic development purposes (recommended)

- a. Increase available paid credits to the SAC Reduction program for restaurant recruitment
- b. Support redevelopment and infill development
- c. Support business development and expansion
- d. Other?

B) Cash for other expenses at the discretion of City Council or EDA (not recommended)

- 2 **Leave credits with properties:** The City can continue leaving the paid credits with the individual properties from where they were originally collected. These paid credits will then remain with the property and can be used as the property is expanded on or a new use begins operations and SAC fees are charged. This is the current operating policy (outside of the SAC reduction program for restaurants) and the most common method other cities use.

Note: This rule would not apply to credits accumulated as the result of a public infrastructure project, such as the credits accumulated after buildings were demolished for the expansion of County Highway 81 and recently demolished 6-plex for traffic signal at Maplebrook Parkway.

What about WAC?

In 1994, the City began charging a Water Access Charge (WAC) to properties in the City to connect to the local water system. Today one WAC is worth \$2,125 which is set annually through the fee schedule and is subject to change at the discretion of the public utility superintendent. Since 2003, WAC determinations mirrored SAC determinations, meaning for every one SAC assessed to a property, one WAC is assessed. Creating the WAC as a mirror charge to SAC is helpful in assessing and tracking the amount of WAC owed on each property built after 1994.

In 2007, the City Council adopted a WAC policy (attached) allowing the City to allocate any paid WAC credits from a building that was demolished for economic development purposes. Because the city only began charging WAC in 1994, the WAC policy only applies to buildings built after 1994. Grand Rios was built after 1994, therefore there are also 28 paid WAC credits that can be taken city-wide per the 2007 policy. The purpose of the 2007 policy was to ease the burden on businesses, especially those assessed multiple SAC and WAC charges.

If the EDA chooses to pool SAC credits, the policy related to allocation of SAC will be mirrored by the allocation of WAC. This means if a business and/or property receives a paid SAC credit it will also receive a paid WAC credit, assuming WAC credits are available in the pool. Currently WAC fees go to the water utility fund, projected revenues for the fund may need to be adjusted based on the policy direction from council.

Related Programs

Since 2015, the City has also participated in a SAC deferral program and a WAC deferral program. This program allows eligible businesses to defer the cost of their SAC and/or WAC fees over the course of 5 years at a 3% interest rate. The SAC program was created by the Metropolitan Council and is administered by the City through a master deferral agreement. The WAC program has the same terms but was created by and administered through the City. Currently, eligible businesses are allowed to participate in both the SAC Reduction Program and the deferral programs if they so choose.

Since 2015, six businesses have participated in the program. Currently, there are two active businesses in the program, Blue Wolf Brewery and Discovery Kids Academy. The other four businesses, Fat Chance, Fiesta Cancun, M&R Auto, and Savour Tea Lounge have either moved out of the city or closed. In the event that a business leaves the city or closes, deferral payment requests stop. The City is not required to pay off the SAC credits, instead the next property owner pays for the SAC and WAC on the property based on the new use.

Budgetary/Fiscal Considerations:

The 100 SAC credits taken city-wide are worth \$241,065. That amount of money has been set aside in a designated account until Council gives staff direction about how to use the paid SAC credits. The same situation is true for the 28 excess WAC credits, valued at \$59,500.

The Met Council does not specify how the paid SAC credits should be used once they are taken city-wide, and staff has outlined options above.

Next Steps:

Based on direction given by the EDA, staff will draft a SAC/WAC credit usage policy and bring it back for formal adoption through the City Council and/or EDA.

Attachments:

- 8.1A ACCEPTANCE LETTER FROM MET COUNCIL
- 8.1B WATER ACCESS CHARGE (WAC) POLICY (2007)

Kyle Klatke
Plans Examiner
City of Brooklyn Park
5200 85th Avenue N
Brooklyn Park, MN 55443

Dear Mr. Klatke:

I received your email dated February 8, 2018 requesting an appeal of the net credit issue for CarMax Auto Superstore, letter reference 131122A7, located at 6900 Lakeland Avenue N. within the City.

After review of this situation, I am approving your appeal. MCES will allow the City to take 100 net credits city-wide after permit issuance at the 2013 SAC rate of \$2,435 per SAC unit based on the following:

1. The City stated they had limited knowledge of SAC policies and procedures when the building permit was issued for the CarMax project;
2. Since that time City staff has gained a better understanding of SAC by participating on SAC Task Force and other SAC training;
3. It is unlikely that the property would be able to use all of the net credits left site-specific; and
4. There is no direct monetary value to the property owner as they were not the ones to originally pay for the previous SAC for Grand Rios.

The 100 net credit should have been taken on the April 2013 SAC Activity Report. If these were taken correctly at that time, the amount of credit would have been \$2,435 – 1% discount retained = \$2,410.65 per unit x 100 SAC units = \$241,065. This is the amount to enter on your next SAC Activity Report on the adjustment line as a negative number. Please include a copy of this letter for your adjustment documentation.

As you may know, the SAC fee system was implemented metro-wide in 1973 and mitigates the development risk for cities in our building of reserve capacity into the metropolitan sewer system. The collected metropolitan SAC fees, by law, are used to fund a portion of the debt service in the metropolitan wastewater system. This is an award winning system worth billions of dollars. We appreciate the City's partnership with us in SAC matters.

Please feel free to call Jessie Nye at 651-602-1378 if you have reporting questions or would like SAC training. Please feel free to call me at 651-602-1196 if you have further questions on this decision.

Sincerely,



Ned Smith
MCES Director of Finance & Revenue

cc: Jessie Nye, Supervisor, ES Revenue (SAC)

WATER ACCESS CHARGE CREDIT ALLOCATION PROGRAM

The Brooklyn Park Economic Development Authority Board of Commissioners and the Brooklyn Park City Council hereby jointly adopt the following policy:

The current § 100.63 of the Brooklyn Park Code of Ordinances states that “in all areas and for all uses where city water service is available, at the time an application is filed with the city for a new or enlarged water service, or fire suppression system water service, a water access charge (WAC) must be paid to the city.”

WAC initially began to be collected by the City on June 1, 1994. At that time, one unit was charged regardless of the type or size of user being issued the permit. Effective January 1, 2003, the Water Access Charge total is calculated utilizing the same unit charge multiplier as per the Metropolitan Council Environmental Services (MCES) Sewer Availability Charge (SAC) Procedure Manual. The current WAC unit rate is \$1,575 and SAC unit rate is \$1,675. These charges have a substantial impact to businesses, specifically to those whose use is such that they are charged multiple units.

In cooperation with Brooklyn Park Engineering and Building Inspections Department and the Public Utilities Division, the Economic Development Authority will tabulate any Water Access Charge credits that result from the demolition of a building that had previously paid WAC upon the original issuance of a building permit. The credits may be allocated to projects located in targeted sectors or redevelopment areas, as defined in the EDA’s Redevelopment and Greenfield Commercial/Industrial Policies. Following staff evaluation and recommendation, the Brooklyn Park Economic Development Authority (EDA) will consider and approve requests.