

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
JANUARY 22, 2019 ANNUAL MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

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

ROLL CALL PRESENT: President Jeffrey Lunde, Vice President Lisa Jacobson and Treasurer Wynfred Russell, Commissioners Mark Mata, Terry Parks, Susan Pha and Tonja West-Hafner, Executive Director Kim Berggren and Secretary Theresa Freund.

ABSENT/EXCUSED: None.

2. PUBLIC COMMENT AND RESPONSE:

2. A Response to Prior Public Comment: None.

2. B Public Comment: None.

3. APPROVAL OF AGENDA

MOTION WEST-HAFNER, SECOND JACOBSON APPROVING THE AGENDA AS AMENDED REMOVING ITEM 6.2 AND MOVING ITEM 7.4 BEFORE ITEM 6.1. MOTION PASSED UNANIMOUSLY.

II. STATUTORY BUSINESS:

4. CONSENT:

4.1 Consider Designating US Bank as the Official EDA Depository

MOTION PARKS, SECOND JACOBSON DESIGNATING US BANK AS THE OFFICIAL EDA DEPOSITORY FOR 2019. MOTION PASSED UNANIMOUSLY.

5. PUBLIC HEARINGS:

5.1 None.

6. GENERAL ACTION ITEMS:

6.1 Consider Election of Officers

MOTION WEST-HAFNER, SECOND PARKS TO ELECT LUNDE AS PRESIDENT OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY. MOTION PASSED UNANIMOUSLY.

MOTION PARKS, SECOND WEST-HAFNER TO ELECT JACOBSON AS VICE PRESIDENT OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY. MOTION PASSED UNANIMOUSLY.

MOTION LUNDE, SECOND PARKS TO ELECT RUSSELL AS TREASURER OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY. MOTION PASSED UNANIMOUSLY

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

- 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.

This item was removed from the agenda.

- 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.

MOTION LUNDE, SECOND PHA 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. MOTION PASSED (6 TO 1). COMMISSIONER MATA VOTED NO.

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

MOTION JACOBSON, SECOND PARKS TO WAIVE THE READING AND ADOPT RESOLUTION #2019-1 AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT FOR EDINBURGH CLUBHOUSE CONSTRUCTION MANAGEMENT SERVICES WITH TDB BUILDERS, LLC. MOTION PASSED UNANIMOUSLY.

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

MOTION PARKS, SECOND JACOBSON TO WAIVE THE READING AND ADOPT RESOLUTION #2019-2 AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AGREEMENTS WITH PRIME CONTRACTORS FOR EDINBURGH CLUBHOUSE RENOVATIONS. MOTION PASSED UNANIMOUSLY.

III. DISCUSSION:

7. DISCUSSION ITEMS

- 7.1 Status Update – Kim Berggren highlighted the following items:
- The Real Estate Forum is being held on Valentine’s Day. If you are attending as a real estate agent, you can sign up online and pay. Otherwise let staff know that you are coming. We are hosting the forum at the Clubhouse despite construction being underway. D’Amico will be working around the construction and Brad Tullberg is managing the construction process.
 - The Community Development Block Grant is coming up soon. The county recently hosted a meeting around the social services side of the community development block grant funds that are available. The county is now running that side of the program. We do have other funds available and staff will be bringing forward allocation recommendations to the City Council.
 - The Business Forward Advisory board welcomed three new members: Evotronics, Daily Dose and Takeda Pharmaceuticals. This is a good mix of businesses to serve and it is exciting to get new representation on the board. The board continues to be very engaged in the business community.
 - The EDA budgets for lobbying and has funds available. We are entering into an agreement with the lobbying firm, Lockridge, Grindal and Nauen. We were under contract with them last year in partnership with the Connect Blue Line Now! Coalition. Golden Valley and Robbinsdale will be sharing the costs with Brooklyn Park. The coalition is thinking about a trip out to D.C. in March.
 - We did ask the Clubhouse architect to provide additional information to the EDA about what the plans are for renovation. You will see there are renderings and construction plans over by the council chambers’ door available for your viewing. Brad Tullberg is here and can provide information on what is happening. Staff also provided you with the press release for a preview of what is coming with the Brooklyn Restaurant.

President Jeff Lunde stated earlier today Brooklyn Park hosted Congressman Dean Phillips at North Hennepin Community College, Olympus Surgical Technologies and Takeda Pharmaceuticals. The underlining theme was light rail and to introduce Congressman Phillips to businesses and institutions in our city. Olympus and Takeda talked about how much the city and state do to bring businesses in and they talked about their plans for potential development and expansion. It was good to have Congressman Phillips hear why businesses move to Brooklyn Park and the role that light rail played in their decision.

- 7.2 Housing Update – Erika Byrd reported that staff decided to separate the housing materials from the regular status update. This was done because we heard a great deal of interest among the EDA commissioners and city commissions; like the CLIC and Human Rights Commission as well as housing groups in the community. We see this as a tool where we can share information more easily with all the various stakeholders. You will likely be seeing this monthly from the EDA staff in your agenda packet.

Erika Byrd highlighted the following:

- A Fair Housing Policy is something that staff will be bringing to the EDA commissioners. Staff met with the Human Rights Commission in January, to introduce the topic to the group and see if they were interested in drafting a Fair Housing Policy together. Since they were we will be proceeding with that in the next few months.
- Tenant Protection Policy based on the November work session, where we heard an interest among EDA commissioners about pursuing a possible policy. Staff will be drafting something based upon St. Louis Park's ordinance and bringing that to the EDA.
- At the February Work Session staff will be bringing to you to review the current City of Brooklyn Park / EDA Homeownership Programs, including our Rehab Loan Program
- Update of the Apartment Action Plan and reviewing what has happened in the last twelve months across the various departments that are working on that. The Apartment Action Plan will be going to the City Council late February.
- Staff is working on a close out report for the Foreclosure Recovery. This is a program we put on hiatus at the end of 2017. The last home sold in March of 2018. Staff still checks in on how foreclosures are trending in Brooklyn Park. There were sixty-nine foreclosures in 2018 compared to over a thousand at the peak in 2008.

7.3 2019 Legislative Update – Kim Berggren reported this is an introduction summary for the EDA. This update is provided yearly to ensure staff is speaking and representing the interests of the EDA as we have conversations with our professional associations as well as various decision makers in the state and beyond. A few small changes were made to the policy from last year and most of the items listed are things you have seen in previous years. She highlighted:

- We have added information about supporting clarifications on the ability to use Opportunity Zones. This is the federal legislation that is now available to Brooklyn Park. We have one census track that qualifies as an Opportunity Zone.
- There is a statement around the BLRT lobbying at the state, which is a big deal this coming session. Also on this topic it includes reaching an agreement with BNSF.
- There are additional statements that deal with workforce development and training. We recognize that there is a growing need in our community to support people that are building workforce development skills.

This document will get folded into Legislative Priorities that the City Manager will be bringing forward to the City Council next Monday.

Commissioner Wynfred Russell had questions on the wording used under two bullets in the section titled Affordable and Fair Housing. Kim Berggren responded that she would like to explain the origin of that section. The second bullet is straight out of the Fair Housing complaint that the city had several years ago with HUD. That is the language from that complaint. We haven't talked about that complaint for a while. It has been on hold in terms of actions being taken. The complaint is something that is still out there and we haven't taken a position that would be

counter to that complaint. The first bullet has been a policy direction from the board for many years about when the Met Council does the allocation of affordable housing, that is something that they do every year as an exercise. They account for affordable and existing housing in the community more and there has been progress around that in terms of Brooklyn Park's allocation. At one point, we were allocated at about 1,500 units and now we are allocated at about 500. There is a long conversation about what that means exactly. We could have that conversation now or later but I would like to have that before we discuss changes. Commissioner Russell stated he would like to have that conversation later in depth.

- 7.4 Presentation from Home Line and CURA regarding Eviction Study – Erika Byrd, Economic Development Specialist stated at the November EDA Work Session staff introduced this topic to you and commissioners encouraged staff to invite the authors and researchers to this meeting. The EDA asked HOME Line to prepare this report that examines the prevalence, trends and underlining themes of evictions in Brooklyn Park.

Samuel Spaid, HOME Line Staff Attorney and Research Director – HOME Line is a non-profit organization that serves residential tenants throughout the state of Minnesota, including the City of Brooklyn Park. We have served the residential tenants in Brooklyn Park for more than twenty-five years. He began the presentation going over the context and purpose:

- Evictions have a major impact on people. They affect housing stability, physical and mental health, how children do in school and more. Evictions are more likely to affect women and minorities.
- The purpose of this report was to examine trends related to residential evictions in Brooklyn Park.
- HOME Line was asked to prepare several items as part of this report including: a mapped geographic distribution of evictions addresses; a physical review and analysis of Brooklyn Park eviction cases; an analysis of evictions cases from a statewide data extract; and additional supplement which analyzed several of the eviction filers in Brooklyn Park.

Methodology - there were two main sources of data for this report. The first was the state data extract, which is an extract provided by the State of Minnesota's Courts Administrator. It is essentially a very large Excel spreadsheet with tens of thousands of rows that contains information about evictions filed in the State of Minnesota. We also did a manual review of the eviction cases. Rebecca Hare, CURA Graduate Research Assistant went to the courthouse in Hennepin County and pulled electronic files and reviewed them there.

Key Findings – the number of evictions filed in Brooklyn Park has remained steady even though the number of evictions filed statewide has decreased. Nonpayment cases account for 97% of the evictions filed in Brooklyn Park, noticeably higher than in other areas where this study has been done i.e. Minneapolis, St. Paul and Greater Minnesota. Over half of all eviction filings ultimately resulted in a tenant displacement. Sixty-one percent of eviction cases were filed by four complexes, even though they represent only 28% of rental units in Brooklyn Park. Several charts and

maps were shown to commissioners based on the key findings. Samuel Spaid answered questions from commissioners on these.

Breanne Rothstein, Economic Development & Housing Director stated we have had some initial discussions with one of the frequent filers. Staff wants to continue those conversations to raise awareness of the situation. Moving forward we are proposing to bring back some research, the stories behind these evictions. We are planning to engage with Dr. Lewis at the Center for Urban and Regional Affairs in continuing this work. Tonight, the quantitative research was presented and we would like to understand the individual stories to augment that work. Moving forward we will be meeting with community groups, that represent tenants, as well as property owners and managers. Staff is proposing to enlist a facilitator to facilitate those discussions. At the end of that work we will propose the next steps in addressing evictions.

Eric Hauge, HOME Line Executive Director, informed commissioners that they have helped the City of Minneapolis, City of St. Paul and Greater Minnesota do similar research. The City of Minneapolis has taken a number of steps. They have a multi-tier strategy in terms of how to get assistance to folks at the courthouse as quickly as possible and mediation type of services to resolve these disputes prior to filing. Several City Council Members in Minneapolis have expressed an interest over the past year to bring forward a renter first approach policy that would involve several city ordinance changes and some changes to the way their inspection services work. This year HOME Line is seeking some changes to state law around the timeline for an eviction. Minnesota is one of only a quarter of the states in the US that doesn't have any form of required advance eviction notice to be filed. Advance notice would allow renters the ability to seek legal services from HOME Line or Legal Aid, mediation services or access to emergency assistance. Following their report, the City of Minneapolis felt that potentially there were some impacts from their Conduct on Premises ordinance and how that might be impacting renters housing stability.

Kim Berggren informed commissioners that it is staff's intention to have a facilitated conversation with the multi-family housing association. Staff will invite commissioners to that meeting once it is set up. There have been direct conversations with several apartment complexes. Dominion, which owns Huntington Place and is the largest complex in the city with 900 units, is conducting an internal audit. They were not aware that their numbers were as high as they were. Staff is looking forward to meeting with them after they have completed their internal audit.

Commissioners asked questions, provided feedback and asked for further information i.e. tenant criteria, policies, practices, payment methods, separating single family data, education, etc.

IV. WORK SESSION: Commissioners recessed at 9:04 pm from the Council Chambers and reconvened at 9:12 pm in the Steve Lampi Conference Room. This portion of the meeting was not televised nor videotaped but was open to the public.

8. WORK SESSION ITEMS

- 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 – Daniela Lorenz, Business Development Coordinator, gave a brief presentation:

Background:

- 2013 Grand Rios Hotel was demolished.
- 2016 CarMax built new facility on the site.
- Site has 104 excess credits.
- City appealed to Metropolitan Council to take 100 of the excess credits citywide, 4 are left on the site for current and future use.

Sewer Availability Charge (SAC):

- Sewer Availability Charge is a one-time fee charged by the Met Council when a residence or business connect to the regional wastewater/sewer system for the first time. Businesses that expand may also be charged.
- The Met Council charges SAC to local governments who pass on the fee onto the property or business owners.
- One SAC = \$2,485.

Current SAC and WAC Programs:

- SAC Deferral Program – 2015
- WAC Deferral Program – 2015
- Water Access Charge Policy – 2007

Water Availability Charges (WAC):

- Started charging in 1994.
- 28 available paid WAC credits.
- 1 WAC for every 1 SAC.
- Policy adopted in 2007. City allowed to allocate paid WAC credits from demolished buildings to other projects.
- If program is adopted for SAC, it will work to complement the existing WAC policy.

Discussion/Options:

1. Pool credits for:
 - a) SAC for ED program i.e. restaurant recruitment, redevelopment and infill; business development and expansion; and other.
 - b) SAC cash for other use.
2. Leave credits with property except when demolished for public infrastructure projects.

Commissioners discussed the options presented and gave staff direction to look at pooling excess credits, maybe as a recruitment tool and leaving credits with the property.

V. ADJOURNMENT

Meeting adjourned at 9:45 p.m.

Respectfully Submitted
EDA Secretary Theresa Freund