

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
MARCH 18, 2019 REGULAR MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: Vice President Lisa Jacobson at 7:00 p.m.

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

ABSENT/EXCUSED: President Jeff Lunde & Commissioner Susan Pha.

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 RUSSELL APPROVING THE AGENDA AS PRESENTED. MOTION PASSED UNANIMOUSLY.

II. STATUTORY BUSINESS:

4. CONSENT:

- 4.1 Consider Approving EDA Meeting Minutes

MOTION WEST-HAFNER, SECOND RUSSELL TO APPROVE THE JANUARY 22, 2019 AND FEBRUARY 19, 2019 MEETING MINUTES. MOTION PASSED UNANIMOUSLY.

5. PUBLIC HEARINGS:

- 5.1 None.

6. GENERAL ACTION ITEMS:

- 6.1 Consider Approving a Term Sheet Between the EDA and Dignicare Properties of Brooklyn Park LLC for Soil Correction and Construction of a 32-Unit Senior Care Development at 8500 Regent Avenue.

MOTION MATA, SECOND WEST-HAFNER APPROVING A TERM SHEET BETWEEN THE EDA AND DIGNICARE PROPERTIES OF BROOKLYN PARK LLC, FOR SOIL CORRECTION AND CONSTRUCTION OF A 32-UNIT SENIOR CARE FACILITY AT 8500 REGENT AVENUE. MOTION PASSED UNANIMOUSLY.

- 6.2 Consider Approving a Loan to D'Amico Catering, LLC and Authorizing Execution of Loan Documents.

MOTION PARKS, SECOND MATA TO WAIVE THE READING AND ADOPT RESOLUTION #2019-4 APPROVING A LOAN WITH A 5% INTEREST RATE TO D'AMICO CATERING, LLC AND AUTHORIZING EXECUTION OF LOAN DOCUMENTS. MOTION PASSED UNANIMOUSLY.

III. DISCUSSION:

7. DISCUSSION ITEMS

- 7.1 2018 Year End Activity – Kim Berggren stated this document is produced annually to celebrate the work of the EDA. Particularly because the EDA does more of its work in a proactive nature and strategically. It is important to recognize the strategic investments that the EDA is making in the community. She highlighted:
- Blue Wolf was the first brewery to open in Brooklyn Park. We also have a distillery.
 - One of our oldest businesses, Liberty Diversified Industries, celebrated 100 years of business.
 - Job growth is something the EDA looks at. The city is approaching the 30,000 jobs mark in 2019. We have set goals to achieve 40,000 jobs over the next 10-20 years. The EDA has stated it would like to get to 50,000 jobs. This means we will need to continue to pursue job density as we consider how to invest in future businesses.
 - The top ten employers are listed in the document. Nilfisk is now one of our largest employers and is a relatively new business in our community. HyVee is a new business.
 - The EDA for a small investment, supports the Open to Business Program. This program is through MCDD and the EDA pays \$10,000 a year. The program is open to any Brooklyn Park resident or business owner who is looking for support establishing a business or improving a business. Open to Business meets with clients monthly at city hall, takes phone calls and meets by appointment. The program served 52 Brooklyn Park clients in 2018. A lot of the clients are people of color and women owned businesses. The program leveraged \$3 million in funds.
 - Brooklyn Park was identified as having an Opportunity Zone this past year. This is a federal program that allows for tax incentives to invest in this zone. The zone encompasses most of the Village Redevelopment Area. In the near future, we will be looking at this geography at ways that we may be able to encourage investment.
 - We are also a big user of Minnesota Employment and Economic Development's, DEED, programs for job creation. NAPCO was the group that was able to take advantage of the Job Creation Fund in 2018. We also have also taken advantage of the Minnesota Investment Fund.

- We have twelve board members of the Business Forward Advisory Board. The Board comes together monthly to talk about making sure that Brooklyn Park has a great business climate. Thank you to the EDA liaison for serving on the Board. We have three new members joining this year. It is great to see continued interest in serving on this board. The board weighs in and provides direction on how we are operating programs and projects here in the city.
- 2018 was the first year that the EDA was responsible for the BrookLynk Program. The outcomes were great with over 100 internships connected, 263 youth trained with essential job skills and that leveraged \$250,000 in wages paid to the interns. We will be seeing similar numbers and improved numbers in 2019.
- 2018 was a big year for talking about housing in Brooklyn Park. Significant reinvestment occurred at Park Haven and Autumn Ridge. Brooks Landing and Brooks Garden are gearing up to make large investments in 2019, i.e. \$400,000 in EDA loan and \$15 million in housing revenue bonds. This project has been deferred for many years and it is good to have that reinvestment going into those 170 units.
- Also listed are all the homeownership loans that have been offered. We had 147 home visits that were funded by the EDA, that has matching funding, which allowed those homeowners to take advantage of the opportunity to have an audit done at their house. Hopefully they will make additional investments to improve the energy efficiency of their homes.
- We have spent a lot of time during the last two years gearing up for and making investments in the Transitional Housing 4-plex, that the EDA owns. Those are just wrapping up now and we will be celebrating those investments this coming spring. All four units are now completed and there are only a few site improvements left this spring. This was primarily funded by Community Development Block Grant money, which comes from the federal government.
- The EDA built a youth shelter in 2015. It is nice to see how the shelter is working for our community. In 2018 there were 138 youth served and 52% were able to rejoin their family after spending time in the facility.
- The Center of Innovation and the Arts project, a partnership project with North Hennepin Community College, Metro State, Osseo Area Schools and Hennepin County. The project is all scoped out. The EDA was willing to fund some of the initial planning investments. Going forward the work to be done is fundraising. We are in line to see if we can get state bonding funds. We will be starting up to get capital fundraising campaigns in partnership with the groups in 2019 and 2020.
- The Brooklyn Boulevard Trail project before and after photo was shown. The EDA used TOD and Hennepin County grant funds for Phase One of the project. Phase Two will be underway in 2019 and will be funded by the EDA. This trail has been identified as a priority project during the trail planning in our community. Getting this project to advance

and completed is really a great achievement on the EDA's part.

- A rendering of the clubhouse restaurant was shown. We will be seeing the renovation completing soon.
- The George North Group did secure a \$832,000 LCDA grant for their project they would like to do on the EDA's land on Welcome Avenue. We will continue to talk about that project as well as other projects that have grant funding coming in.
- We are continuing to talk about LRT. The city approved zoning changes to prepare for higher level of density around the corridor. We have also done a series of events last summer. Staff participated in a planning process with North Hennepin on their land, where they would like to build affordable housing.

Vice President Jacobson thanked staff for their work. There was a lot accomplished in 2018 and the activity report is impressive.

7.2 Status Update – Kim Berggren highlighted the following:

- Thank you, Commissioners Lisa Jacobson and Tonja West-Hafner for attending the 27th Annual Real Estate Forum. It was a great event with good attendance and was hosted by D'Amico at the Clubhouse.
- Second Harvest is having its ground-breaking tomorrow at 3:00 pm. Commissioners are invited to attend.
- The Center for Innovation and the Arts, CITA two weeks ago held an outreach meeting with Maple Grove stakeholders. We are making sure to include conversations with our neighboring communities as an important element of that project.
- The temporary plaza at 85th Avenue North is being planned. We will start to see some activity happen this spring in terms of grading the site for usage. The work is being funded by Hennepin County and the EDA.
- We are continuing to work on LRT. The Connect Blue Line Now Coalition is send a cohort out to Washington DC next week. A few businesses will also be going.
 - There may be a sense that things are not progressing but we are continuing to do the planning work so that we are ready for the project when it does advance. One of the things we are working on is a branding effort along the Bottineau Corridor and a wayfinding project. These are projects that are being coordinated by Hennepin County across all the cities and federally funded.
- The update shows several pictures of the construction at the Clubhouse and a list of the vendors that have been paid through the project. This was something staff had committed to providing to the EDA.

Commissioner West-Hafner asked if there was any movement and talks happening on the BLRT with BNSF. Kim Berggren responded that the Met Council has been actively engaged in having conversations and has been able to make some progress with BNSF. I am not sure to what level those conversations are being shared broadly but BNSF is talking to the Met Council and we are optimistic that they will be able to reach an agreement. We know that the relationship with FT are going well as well. Hopefully the DC trip will solidify that.

Commissioner Mata asked if we can be informed of the full details of what is happening at these meetings? This is costing Brooklyn Park residents money every day that we keep going and we don't see anything happening on the other end. If those talks are really stalemate talks, we should know about it so that we can decide to hold our expenses. Brooklyn Park is a large stakeholder and deserves to know what is going on during those conversations.

Kim Berggren stated I agree and understand what you are saying. I think we have been kept informed. What I will say to clarify my previous statement, what we were hearing for a while was that BNSF had given notice that they were not going to negotiate. That has changed and they are now at the table talking. The City of Brooklyn Park does not participate in those negotiations, but we do hear about the status and have been informed they are having those conversations now.

Vice President Jacobson stated that she was happy to see on the list for D'Amico, Ramsey Companies, a Brooklyn Park Company who moved here a couple of years ago from Minneapolis as a provider of services.

7.3 Housing Update – Erika Byrd highlighted the following:

- On March 28, the city and Minnesota Multi Housing Association will be holding a facilitated discussion with Brooklyn Park based landlords and rental property owners. Staff invited up to three council members to attend. This will be a focused group meeting and not a public meeting. Council Members Parks, Jacobson and Pha will be attending and Commissioner West-Hafner will be an alternate, in case someone can't make it. Our consultant, Bennett Community Consulting will be putting together a memo of the outcomes of that to keep everyone in the loop.
- Devin George of the George North Group began the process of community engagement around the project being called the Village Creek Apartments on the EDA's land on Welcome Avenue and Brooklyn Boulevard. On March 14, he held the first of a series of engagement events and Commissioner West-Hafner attended.

Commissioner Mark Mata stated I have a question on the March 28 meeting. Do you have firm commitments from many apartment owners? Erika Byrd responded we have heard from three property companies and five people that they will be attending and we will be doing more outreach in the next couple of weeks to get that number up.

Commissioner Mark Mata stated we talked about the big four during the presentation that was given to us about evictions and how they were following through with plans, if someone was fifteen days behind, they were immediately evicting them. There were some statistics that were given to us within that report did we ever get some of that information clarified? Erika Byrd responded that the numbers came from a sample that HomeLine did so part of the process we are wanting to do by engaging the owners is to check what their practices are. A large component of the facilitated discussion will be asking what their practices are and what is the reasoning behind it. From a neutrality of trying to learn the lay of the land on evictions.

Commissioner Mark Mata stated it is a very disturbing statistic, if that is the fact. That doesn't make good business sense. Kim Berggren responded staff did one on one meetings with three of the four frequent filers either the owner or the manager. They confirmed that their practice is to initiate evictions that quickly. From our perspective that practice when they are initiating eviction was validated. They defended that practice as the one they prefer because they can initiate an eviction right away and they can have that unit rented out again more quickly. If they wait past the ten to fifteen-day window to initiate the eviction, then they are not able to vacate the unit and rent it out immediately. What they also told us is they would like to evaluate their practice. Your question about whether that makes good business sense, at least one of the complexes was going to do some initial follow-up on that and get back to us. Though we haven't heard back from them yet.

Commissioner Mark Mata responded that if that is their practice, it must be costing them money. Also, if that is the case it is impacting our residents whether they have ability to pay or something happens. There are a lot of factors that can come into play on how something doesn't get paid by a certain date. It happens. I have never been in favor of putting something in place to kick a business owner because I think they should be allowed to succeed and fail on their own. If that is the case, it is not only impacting the business owner it is impacting our residents, I would be in favor of putting something in place at some point. Maybe when they are coming to us asking for remodeling funds we will say well you should change this procedure now if you want our money to rebuild your building and make investments. We do have some type of strong arm to put something back upon them because I think that is a poor practice.

Commissioner Tonja West-Hafner asked can you give an update on the Brooks Garden and Brooks Landing finance closing? It looks like there will be some resident engagement and communication. Is there an actual closing date set? Erika Byrd responded it will be

sometime this summer. Staff will be meeting internally to go over the plans they submitted to the state and next week we will be having a meeting around collaboration. I will have specific dates for commissioners at the next EDA meeting.

Commissioner Tonja West-Hafner stated that those properties do need that investment. The sooner they get going the better the weather to work in.

IV. WORK SESSION: Commissioners recessed at 7:45 pm from the Council Chambers and reconvened at 7:49 pm in the Brooklyn Township 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 Strategic Priorities for the EDA – Kim Berggren stated there has been a lot of new discussion regarding programs, policy and development as well as discussion on how to support small business. Staff wants to make sure its work is in line with the priorities of this new body sitting as EDA. In an effort to focus staff's work and be able to take a proactive approach, rather than reactive towards making priorities a reality, staff is seeking direction on the ordering of priorities.

Current work of the EDA: Housing programs and policies; partnership projects; apartment engagement; development financial support; business expansion and retention; business attraction; BrookLynk; infrastructure investments; ongoing programs, events and grants.

Seeking direction on order of priority. We can accomplish all this work, but we would like direction on the most pressing, most important work to focus on the rest of the year. This direction is very valuable when having discussions with interested developers on both publicly owned sites and privately-owned sites. Ideas for New Initiatives: 1) Redevelopment initiatives (Village Creek plan and sites, opportunity zone, 85th Avenue); 2) Affordable housing development/preservation (NOAH, new affordable housing development, equitable development scorecard); 3) Mixed income development (new market rate/mixed income development, new senior, owner-occupied); and 4) Small business initiatives (active restaurant marketing, business incubator, small business entrepreneur support).

Additionally, there has been interest from many landowners and developers for apartments. Staff is seeking direction on the geographic areas of focus for apartment development. 1) EDA owned land (Village Creek, sites west of Oxbow Lake and former park and ride site at Noble & TH610); 2) 85th Avenue; and 3) BLRT station areas.

Following discussion commissioners provided feedback to staff. Staff will translate feedback into a draft work plan for the EDA to review.

V. ADJOURNMENT

Meeting adjourned at 9:09 p.m.

Respectfully Submitted
EDA Secretary Theresa Freund