



Monday, May 20, 2019
7:00 pm

City Hall – Council Chambers
5200 - 85th Ave North

**THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
REGULAR MEETING – AGENDA #6**

**President Jeffrey Lunde, Vice President Lisa Jacobson & Treasurer Wynfred Russell
Commissioners Mark Mata, Terry Parks, Susan Pha & 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 None.

The following items relate to the EDA's long-range policy-making responsibilities and are handled individually for appropriate debate and deliberation. (Those persons wishing to speak to any of the items listed in this section should fill out a speaker's form and give it to the Secretary. Staff will present each item, following in which audience input is invited. Discussion will then be closed to the public and directed to the EDA table for action.)

5. Public Hearings

5.1 None.

6. General Action Items

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

6.1A Resolution

6.1B Second Loan Modification Agreement

6.2 Consider Authorizing Acceptance of a Grant and Execution of Agreement with Hennepin County for Transit-Oriented Development Program Grant Funding

6.2A Resolution

6.2B Draft Preferred Concept Plan

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 BrookLynk Update

7.2 Status Update

7.2A Brooklyn Press Release

7.2B MGK Press Release

7.2C Edinburgh Clubhouse Update

7.3 Housing Update

7.3A Brooklyn Park Rental Property Owner Eviction Discussion Summary

7.4 2019 Restaurant Initiative Update

IV. WORK SESSION - This portion of the meeting will not be televised nor videotaped and will be held in the Steve Lampi Conference Room.

8. Work Session

8.1 None.

V. ADJOURNMENT

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

City of Brooklyn Park Request for EDA Action

Agenda Item:	6.1	Meeting Date:	May 20, 2019
Agenda Section:	General Action items	Prepared By:	John Kinara, Housing and Redevelopment Specialist
Resolution:	1	Presented By:	Breanne Rothstein, Economic Development & Housing Director
Ordinance:	0		
Attachments:	2		
Item:	Consider Approving Restructuring of a \$1,200,000 Multi-Family Housing Rehabilitation Loan for Sherman Associates, Inc. for the Autumn Ridge Apartments Project.		

Executive Director's Proposed Action:

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

Overview:

Sherman Associates Inc. is requesting an extension of the term for its \$1,200,000 debt service reserve loan from the Brooklyn Park Economic Development Authority (EDA). The EDA authorized the loan in 2016 to assist in the rehabilitation of Autumn Ridge Apartments located at 8516 63rd Avenue North. The loan was intended to fund a Department of Housing and Urban Development (HUD) required debt service reserve contingency fund. The original loan term was 24 months following the loan closing on August 1, 2018, and the Sherman Associates requested an extension of repayment until January 31, 2019. Due to additional reinvestments made to the property exceeding the original scope of the project, Sherman Associates is requesting another extension until February 1, 2022 to enable the management to complete other rehabilitation needs to stabilize the property in the long term.

Primary Issues to Consider:

- **What are the current loan terms?**

The current \$1,200,000 loan had a 4% interest rate and a 24-month term, which was extended by 6 months. The Borrower made interest payments semi-annually during the term and all outstanding principal and interest was due at the end of the term. The loan used available TIF Housing Set-Aside funds, which can only be used to support affordable housing. The Borrower was to use the funds as a contingency account.

- **What are the proposed terms of the re-structuring?**

This action will extend the repayment term of the EDA's loan in the amount of \$1,200,000 from February 1, 2019 to February 1, 2022. According to the proposed revised loan terms, the loan principal will be fully repaid together with interest on a semi-annual basis (twice yearly payments) by February 1, 2022.

The Borrower has approximately \$600,500 in improvements remaining in the rehabilitation project that began in September 2016. These improvements include completing key fob entry system, installing security cameras, new exterior lighting and the landscaping improvements in collaboration with Metro Blooms. The Borrower has paid the required semi-annual interest payments and if the EDA approves the requested extension it will repay the interest and principal on a semiannual basis for the next 3 years until the loan is fully paid by the end of the term on February 1, 2022.

Staff is also requesting the submittal and approval of a lighting plan that meets city code and continued participation and cooperation with the police department and the Blue Blocks program.

Table 1

Amended Loan Terms	
Loan Amount	\$1,200,000 (same as original)
Interest Rate	4% (same as original)
Term	36 months (3 years)
Payments	Principal and interest payments are due twice annually
Estimated Annual Interest	\$27,000
Estimated Annual Principal	\$400,000
Proposed Effective Term Date	February 1, 2019
Proposed New Term End Date	February 1, 2022
Collateral	Personal Guarantee from George Sherman, Principal of Sherman Associates, Inc.
Eligible Use of Funds	Contingency funds or renovations
Additional requirements	Submittal and staff approval of a lighting and surveillance camera plans; continued participation and cooperation with Brooklyn Park Police Department Blue Blocks programs.

- **What work has been completed so far?**

Over the last two years the Autumn Ridge Rehabilitation Project has made significant capital reinvestments in the amount of \$3.6 million as of December 31, 2018. An additional \$600,500 worth of improvements will be completed by December 31, 2019 which will bring the total development cost to approximately \$4.7 million. The interior and exterior repairs made so far include; roofing, parking lot overlay and striping, landscaping, playground equipments, new entry doors, air conditioning sleeves, new appliances, bath tubs, toilets, kitchen upgrades, flooring, painting, energy efficiency lighting, water softeners, electrical panel upgrades and electrical wiring for the key fob system, tuckpointing, water softeners installation, sewer line repairs, unit repairs, hallway flooring and storefront glass repairs. The original rehabilitation budget only included buildings 1 and 3 with a total of 176 units. Sherman Management elected to rehabilitate the other additional 190 units in buildings 2 and 4. This scope increase is the primary reason for the large increase in the overall costs. These additional improvements also include the installation of 48 security cameras, improved lighting, and enhanced door security (through the addition of electronic FOBs on the doors). The owner believes these investments position the property well for the next 20 years by improving the overall security, safety and livability.

Sherman worked with residents at the start of the rehabilitation to address community concerns about living conditions at Autumn Ridge. Sherman and City staff met with residents starting in September 2016 to outline operational and policy improvements around communication, screening, maintenance, parking, and towing practices. These meetings led to the creation of an informal tenant council, changes in property management staffing, parking regulations, and overall property security. Physical improvements to the grounds also included storm water management and landscaping through a partnership with Metro Blooms.

Budgetary/Fiscal Issues:

The EDA originally used TIF Housing Set-Aside funds in the amount of \$1,200,000 to provide the loan. The extension allows Sherman to complete the rehabilitation, receive HUD approval to release the contingency funds, and repay the loan by February 1, 2022. TIF Housing Set-Aside funds are available to be used to maintain and preserve the existing housing stock as well as provide housing opportunities to low- and moderate-income households. These housing set-aside funds are restricted and may only be used for qualified housing purposes. This project meets the definition of qualified housing and adequate funds are available for this term extension. The repayment of these funds (principal and interest) will ensure that financial resources are available for other future housing investments in the community.

Recommendation:

The Executive Director of the Economic Development Authority recommends approval of this action.

Attachments:

- 6.1A RESOLUTION
- 6.1B SECOND LOAN MODIFICATION AGREEMENT

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

RESOLUTION #2019-

APPROVING A RESTRUCTURING OF A \$1,200,000 MULTI-FAMILY HOUSING
REHABILITATION LOAN FOR SHERMAN ASSOCIATES, INC. FOR THE
AUTUMN RIDGE APARTMENTS PROJECT

WHEREAS, the Brooklyn Park Economic Development Authority, a public body corporate and politic (the "Authority") has reviewed a proposal by Sherman Associates, Inc. (the "Developer") to refinance and rehabilitate an existing apartment complex facility located at 8516 63rd Ave. N. in Brooklyn Park (the "Development Property");

WHEREAS, the Authority was created pursuant to the Economic Development Authorities Act, Minnesota Statutes, Sections 469.090 to 469.108 (the "EDA Act") and is authorized to transact business and exercise its powers by a resolution of the City Council of the City of Brooklyn Park (the "City") adopted on October 24, 1988;

WHEREAS, the Authority possesses all the powers of an economic development authority pursuant to the EDA Act and a housing and redevelopment authority pursuant to Minnesota Statutes, Sections 469.001 to 469.047;

WHEREAS, one of the statutory purposes of the Authority is to assist in the rehabilitation of blighted and underutilized properties;

WHEREAS, the 366-unit Autumn Ridge Apartments, constructed in the 1970s, is located at 8516 63rd Avenue North ("Autumn Ridge") and consists of 2 studios, 188-one-bedroom, 172-two-bedroom and 4-three-bedroom units serving people with low income with 90% of the units supported by low income tax credit;

WHEREAS, the owner of Autumn Ridge is requesting a restructuring of the \$1,200,000 housing rehabilitation loan from the Authority (the "Loan") to address additional critical rehabilitation needs at Autumn Ridge Apartments.

WHEREAS, parties executed a loan agreement between the Authority and the owner of Autumn Ridge (the "Contract") on August 1, 2016 to fund the Reserve Contingency pursuant to the EDA approved terms including a repayment term not-to-exceed 24 months; and

WHEREAS, the owner of the Autumn Ridge ("Owners") requested an extension for repayment until January 31, 2019 to complete the critical rehabilitation needs and the extension allows the Owners to complete those repairs and additional investments on the Autumn Ridge property;

WHEREAS, the owner of the Autumn Ridge ("Owners") has requested a re-structuring of the loan repayment until February 1, 2022 in order to complete other additional repairs and investments on the Autumn Ridge property:

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

RESOLUTION #2019- APPROVING A RESTRUCTURING A \$1,200,000 MULTI-FAMILY HOUSING REHABILITATION LOAN FOR SHERMAN ASSOCIATES, INC. FOR THE AUTUMN RIDGE APARTMENTS PROJECT

Page 2

1. The Board of Commissioners hereby approves an amendment to the terms of the Loan as presented in the staff report, subject to the conditions stated therein, (the "Terms") and entering into an amendment of the Contract and the execution thereof, together with any related documents necessary in connection therewith, including without limitation all documents or certifications referenced in or attached to the Contract (collectively, the "Documents") and the President and/or Executive Director are hereby authorized and directed to execute the Documents on behalf of the EDA and to carry out, on behalf of the EDA, the EDA's obligations thereunder;
2. The approval hereby given to the Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the EDA as, in the opinion of the City Attorney, may act in their behalf;
3. The authority to approve, execute and deliver future amendments to the Documents is hereby delegated to the Executive Director, subject to the following conditions: (a) such amendments or consents to not materially adversely affect the interests of the EDA; (b) such amendments or consents do not contravene or violate any policy of the EDA or applicable provision of law, and (c) such amendments or consents are acceptable in form and substance to the counsel retained by the EDA to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Executive Director shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Executive Director any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the EDA authorized to act in his or her place and stead.

SECOND LOAN MODIFICATION AGREEMENT

THIS SECOND LOAN MODIFICATION AGREEMENT, is made and entered into as of the 1st day of February, 2019, between the **BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic under the laws of the State of Minnesota (the “EDA”), and **SHERMAN ASSOCIATES, INC.**, a Minnesota corporation (the “Borrower”).

RECITALS

WHEREAS, on August 11, 2016, the EDA and the Borrower entered into Loan Agreement (as previously amended, the “Original Loan Agreement”) and the Borrower executed and delivered to the EDA a Promissory Note dated August 11, 2016 (as previously amended, the “Note”), along with a Guaranty Agreement dated August 11, 2016 (the “Guaranty”) executed by the sole owner of the Borrower, George E. Sherman (the “Guarantor”);

WHEREAS, capitalized terms used in this Second Loan Modification Agreement and not otherwise defined herein have the meanings given to them in the Original Loan Agreement; and

WHEREAS, the EDA and the Borrower desire to (i) modify the Original Loan Agreement and Note to provide for semiannual principal payments and to extend the Final Payment Date for the entire unpaid balance of principal and accrued interest to February 1, 2022 (the “Final Payment Date”) and (ii) modify the Original Loan Agreement to provide for completion of additional improvements to the Project.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

1. Section 2(b) of the Original Loan Agreement shall be deleted in its entirety and replaced with the following:

2. Repayment of Loan.

(b) Accrued interest shall be paid on February 1 and August 1 of each year, commencing on February 1, 2017 (the “Initial Payment Date”) and continue semiannually thereafter until paid in full. Principal shall be paid in semiannual installments of \$200,000 each on February 1 and August 1 of each year, commencing August 1, 2019 and continue semiannually thereafter until paid in full. The final payment of the entire unpaid balance of principal and accrued interest will be due February 1, 2022 (the “Final Payment Date”).

2. A new Section 4(i) shall be added to the Original Loan Agreement as follows:

4. Representations, Warranties and Covenants.

(i) The Borrower represents, warrants and covenants that it will cause the Property Owner to (i) shall submit to City staff for review and approval a lighting plan that conforms

to City code and shall thereafter adopt and utilize the lighting plan in the form approved by the City, and (ii) continue its participation in the BLUE (Blocks Learning to Unite and Engage) Blocks program and cooperation with the City police department.

3. Section 2 of the Note shall be deleted in its entirety and replaced with the following:

2. Accrued interest on this Note shall be repaid in semiannual installments, commencing on February 1, 2017, and shall continue semiannually thereafter, in semiannual installments of \$200,000 each on February 1 and August 1 of each year until paid in full. Principal shall be paid on February 1 and August 1 of each year, commencing August 1, 2019 and continue semiannually thereafter until paid in full. The final payment of the entire unpaid balance of principal and all accrued interest shall be due February 1, 2022.

4. Section D of Recitals of the Loan Agreement shall be deleted in its entirety and replaced with the following:

D. The EDA agrees to loan to the Borrower the maximum amount of \$1,200,000 in order to finance the funding of a contingency reserve fund in the event of project cost overruns or unexpected cash flow deficits (the "Contingency Reserve") required by the Department of Housing and Urban Development in connection with a mortgage loan obtained by the Property Owner (the "HUD Loan") to refinance and rehabilitate an existing Facility and to finance additional renovations thereto (collectively, the "Project").

5. This Second Loan Modification Agreement shall be effective as of the date hereof. Except as hereby amended, all other terms and conditions of the Original Loan Agreement and Note shall remain in full force and effect.

IN WITNESS WHEREOF, the EDA and the Borrower have caused this Second Loan Modification Agreement to be duly executed in their names and on their behalf, all on or as of the date first above written.

**BROOKLYN PARK ECONOMIC
DEVELOPMENT AUTHORITY**

By _____
Executive Director

SHERMAN ASSOCIATES, INC.

By _____

Its _____

Second Loan Modification Agreement

GEORGE E. SHERMAN (the “Guarantor”) acknowledges and consents to the foregoing Second Loan Modification Agreement and agrees that the Guaranty Agreement, dated August 11, 2016 and delivered to and for the benefit of the EDA, remains in effect until full payment of all principal of and interest on the Note as modified by the foregoing Second Loan Modification Agreement.

GEORGE E. SHERMAN, as Guarantor

Consent to Second Loan Modification Agreement

City of Brooklyn Park Request for EDA Action

Agenda Item No:	6.2	Meeting Date:	May 20, 2019
Agenda Section:	General Action Items	Prepared By:	Jennifer Jordan, Senior Project Manager
Resolution:	X	Presented By:	Jennifer Jordan, Senior Project Manager
No. of Attachments:	3		
Item:	Consider Authorizing Acceptance of a Grant and Execution of Agreement with Hennepin County for Transit-Oriented Development Program Grant Funding		

Executive Director's Proposed Action

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION #2019-__ AUTHORIZING RECEIPT OF A HENNEPIN COUNTY TRANSIT-ORIENTED DEVELOPMENT (TOD) GRANT AND EXECUTION OF AGREEMENT TO DEVELOP A TEMPORARY PLAZA PARK ON THE NORTHEAST CORNER OF 85TH AVENUE AND WEST BROADWAY.

Overview:

The Brooklyn Park Economic Development Authority's (EDA) staff submitted a grant application to the Hennepin County Transit-Oriented Development (TOD) program requesting funding for materials necessary for installation of a temporary plaza park on the northeast corner of 85th Avenue and West Broadway. Hennepin County awarded \$55,000 to the project. Upon accepting the grant funds, a grant agreement will be executed and signed with Hennepin County.

The community identified a plaza park as a priority at this location through METRO Blue Line Light Rail Transit (LRT) station area planning and through North Hennepin Community College (NHCC) planning for the Center for Innovation & The Arts (CITA). The land is owned by NHCC and the project is a partnership between NHCC, the City of Brooklyn Park, and the Hennepin County Brooklyn Park Library. The temporary plaza park is envisioned to be a multi-year project beginning summer 2019 and concluding when the CITA project begins construction.

Hennepin County funds will be used to put in the critical baseline infrastructure for 2019. The City of Brooklyn Park will construct the base-level design of the plaza using City staff and equipment and will install a nature-based play area directly south of the Library. Brooklyn Park has a call out to artists through the Cultivate arts program to construct elements for the plaza such as seating, shade structures, a movable stage, and enclosures for portable toilets and hand-washing stations. Funding for these elements is through the McKnight Foundation. Brooklyn Park anticipates adding new, temporary elements to the plaza park for 2020 and 2021 as resources allow to keep it new and exciting and meet evolving programming needs.

Primary Issues/Alternatives to Consider:

- **What is the timeline for the grant award?**
 - May 20, 2019 – Authorize grant receipt and execute grant agreement
 - June 2019 – Prepare the site and install base design elements
 - December 2021 – Grant period ends

- **How was the plaza park concept developed?**

The temporary plaza concept was developed in a multi-step process and is intended to be built out over time (Attachment 6.3A). It was informed by the City's Station Area Plans, Park System Plans, and resident input gathered through other community engagement efforts. An interactive workshop was hosted to develop and test multiple concepts for the temporary space. With input from NHCC, Library, and City staff from Community Development, Recreation and Parks, and Operations and Maintenance, SRF refined the concept into the multi-year implementation plan. This plan will be implemented as resources are available.

Budget/Fiscal Issues:

The Hennepin County grant funds the base-level design materials: crushed granite for ADA-accessible paths, crushed aggregate for the food truck area, trees for site perimeter and trees/landscaping throughout the site, concrete footings for shade structures and hammocks. Preparation of the site and installation of the base level design elements will be done by Operations & Maintenance staff. No local cash match for the grant is required.

Recommendation:

The Executive Director of the Economic Development Authority recommends approval.

Attachments:

6.2A RESOLUTION

6.2B DRAFT PREFERRED CONCEPT PLAN

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION #2019-__

AUTHORIZING ACCEPTANCE OF A GRANT AND EXECUTION OF AGREEMENT WITH HENNEPIN COUNTY FOR TRANSIT-ORIENTED DEVELOPMENT PROGRAM GRANT FUNDING

WHEREAS, Hennepin County provides transit-oriented development funding for development that promotes a mixture of uses such as housing, retail, services, jobs and open space within walking distance of transit; and

WHEREAS, the Brooklyn Park Economic Development Authority desires to complete infrastructure improvements that create attractive public gathering spaces; and

WHEREAS, the Brooklyn Park Economic Development Authority commits to accepting and utilizing grant funds to develop a temporary plaza park on the northeast corner of 85th Avenue and West Broadway;

NOW, THEREFORE, BE IT RESOLVED that the Economic Development Authority of the City of Brooklyn Park accepts a \$55,000 grant from Hennepin County Community Works on May 20, 2019 and that:

1. The Brooklyn Park Economic Development Authority authorizes the Executive Director to execute the necessary agreements with the County; and
2. Funding will be used for site improvements for the Temporary Plaza Park project.



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Draft Preferred Concept

Temporary Park Plaza
Brooklyn Park

Figure 1
April 18, 2019
Project 12491





Nature Play

Temporary Park Plaza
Brooklyn Park

Figure 2

April 18, 2019
Project 12491



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UK



Unknown Location



Ontario, Canada



Knoxville, Tennessee



Toronto, Canada



Greenley, Colorado

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Nature Play

Temporary Park Plaza
Brooklyn Park

Figure 3

April 18, 2019
Project 12491





Stage and Seating

Temporary Park Plaza
Brooklyn Park

Figure 4

April 18, 2019
Project 12491



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Minneapolis, Minnesota



Milan, Italy



Vitrolles, France



Minneapolis, Minnesota



Brooklyn, New York



Gdansk, Poland

Stage and Kiosk

Temporary Park Plaza
Brooklyn Park

Figure 5
April 18, 2019
Project 12491



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Lawn

Temporary Park Plaza
Brooklyn Park

Figure 6
April 18, 2019
Project 12491





Sydney, Australia



Melbourne, Australia



Tucson, Arizona



Gdansk, Poland



Gdansk, Poland



Unknown Location

Flexible Seating

Temporary Park Plaza
Brooklyn Park

Figure 8
April 18, 2019
Project 12491



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Vitrolles, France



Tokyo, Japan



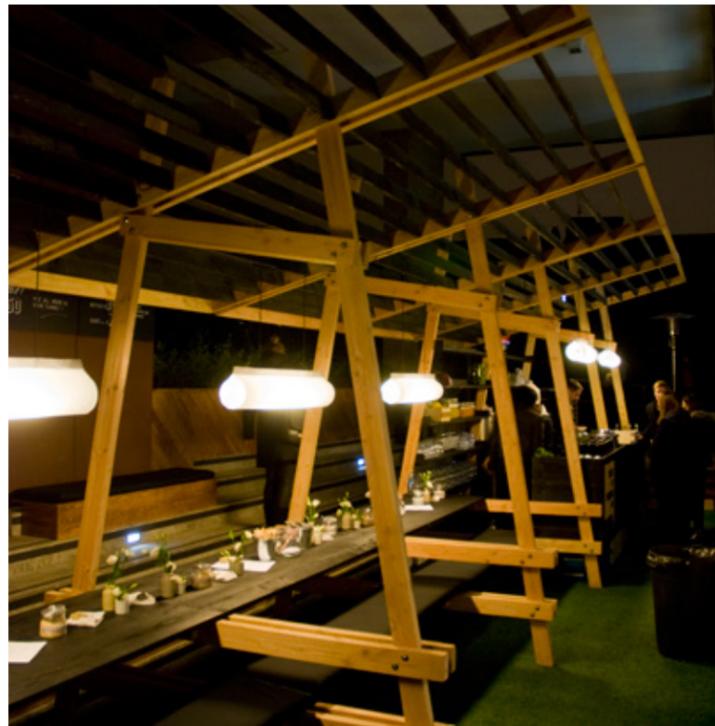
UK (Traveling)



Geneva, Switzerland



Amsterdam, Netherlands



UK (Traveling)



Vitrolles, France

Community Table

Temporary Park Plaza
Brooklyn Park

Figure 9
April 18, 2019
Project 12491



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Fosnavåg, Norway



Unknown Location



Geneva, Switzerland



Fosnavåg, Norway



Detroit, Michigan



Unknown Location

Temporary Plantings

Temporary Park Plaza
Brooklyn Park

Figure 10
April 18, 2019
Project 12491



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Seating Pockets

Temporary Park Plaza
Brooklyn Park

Figure 12

April 18, 2019
Project 12491





New York, New York



Copenhagen, Denmark



Copenhagen, Denmark



Malmö, Sweden



Milan, Italy



New York, New York

Hammock Seating

Temporary Park Plaza
Brooklyn Park

Figure 13
April 18, 2019
Project 12491



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MEMORANDUM

DATE: May 16, 2019

TO: EDA Commissioners

FROM: Breanne Rothstein, Economic Development and Housing Director
Luis Salado-Herrera, BrookLynk Program Coordinator

CC: Kimberly Berggren, EDA Executive Director

SUBJECT: BrookLynk Update

The program wrapped up three major events this past month including two work readiness trainings, Get Ready! and the Regional Youth Job Fair. More than 200 young people attended Get Ready! hosted at Hennepin Technical College. The trainings co-instructed by professional trainers and BrookLynk alumni are designed to hone and harness youth employability with skills like planning for success, collaboration, networking, and more.



The Regional Youth Job Fair, Saturday, April 13 at North Hennepin Community College engaged nearly 100 youth and 20-plus employers and community partners including the City of Brooklyn Center, City of Brooklyn Park, Target, Hyder Investments – McDonald's, Allina Health Emergency Medical Services, and more. Additional opportunities for fair goers included complimentary professional headshots and work readiness workshops including Successful Interviewing by Next Steps 2 Success and Resume-Building by BestPrep!

A presentation will be provided at the meeting.

MEMORANDUM

DATE: May 16, 2019
TO: EDA Commissioners
FROM: Kim Berggren, Executive Director
SUBJECT: Status Update

BUSINESS AND WORKFORCE DEVELOPMENT**Minneapolis Real Estate Journal Retail and Restaurant Summit**

Breanne Rothstein and Daniela Lorenz both attended the Minneapolis Real Estate Journal's Retail and Restaurant Summit on April 30. The event brought together industry leaders to talk about the trends effecting the retail and restaurant industries. This was a good opportunity for EDA staff to learn more about the realities of opening and operating a restaurant in today's market and how Brooklyn Park can best position itself to be a desirable location for retail and restaurants in the future.

Huntington Place Workforce Resources Conversation

On Friday April 26, Claudia Diggs, Neighborhood Relations Specialist and Daniela Lorenz, Business Development Coordinator, hosted the first workforce resource conversation at Huntington Place Apartments. The idea to have this conversation came after Claudia did a brief survey of residents at Huntington during an event sponsored by the Brooklyn Park police department. On the survey residents indicated an event that included employment resources and options was of interest. The City invited Osseo Area Schools Adult Basic Education (ABE), North Hennepin Community College (NHCC), and workforce development non-profit Avivo to participate in a focused conversation with attendees about their workforce and employment related goals and how the different organizations can best meet residents' workforce related needs. The group of attendants suggested writing classes, budget and financial management classes, and mentorship programs could be helpful and interesting. The staff plans on coordinating another conversation in the future so they can speak with more residents.

Blank's USA BPDC Loan Satisfaction

Blank's USA, a paper distributor located at 7700 68th Ave N recently satisfied its outstanding loan requirements for funds it received through the Brooklyn Park Development Corporation (BPDC). Blank's original loan was approved by the BPDC board in October 2012 for \$200,000 to be paid back at 5.2% interest for the 20 year life of the loan. Blank's accessed the money available through the BPDC's revolving loan fund to assist in its move from 8625 Xylon Court to its current location and to finance the renovation of its new facility.

McLaughlin Gormley King (MGK) Co. is Moving to Brooklyn Park

Insecticide manufacturer, McLaughlin Gormley King (MGK) is moving from its current location in Golden Valley to its new, 145,000 square foot facility at 7325 Aspen Ln (formerly Cima labs). The total project cost is \$13.9 million with \$425,000 in State of Minnesota Department of Employment and Economic Development (DEED) Job Creation Funds (JCF). JCF provides monies to qualified employers that are moving to or expanding in Minnesota once they meet certain job creation goals. The City Council approved the submittal of the JCF grant to DEED at its January 14

meeting. MGK is moving about 85 existing employees and hopes to create an additional 37 jobs paying an average wage of \$33.91 over the next three years. A press release is attached.

Protolabs Grand Opening

Protolabs held a grand opening for their Brooklyn Park location on Thursday, May 16th. Attendees of the event heard from Protolabs CEO and President Vicki Holt and got a tour of its new facility that opened in Brooklyn Park earlier this year. Protolabs began as an injection molding company that today specializes in the creation of prototypes through 3-D printing, metal fabrication, and CNC machining. Most recently, the company even had a hand in the creation of clothing items worn at the 2019 Met Gala in New York City. Protolabs was awarded a \$850,000 Job Creation Fund (JCF) grant in 2018 from the State of Minnesota Department of Employment and Economic Development. The company is bringing 225 jobs to its Brooklyn Park facility and plans on adding about 120 over the next three years.

The Brooklyn Officially Opens

The Brooklyn is officially open to the public at Edinburgh USA! City staff, family and friends of restaurant staff, and community members were invited to the restaurant's test run on April 18 and 19 in order to give restaurant personnel feedback before officially opening to the public. The newly renovated space is barely recognizable with an entirely new interior featuring an updated and modern bar and golf course views for every seat in the house. A press release about the opening is attached.

Business Forward Advisory Board May Meeting

On Tuesday May 14, BFAB held its final meeting of the 2018-2019 board year. At the meeting members discussed some of the work they did during the year including; giving staff feedback on the new SAC/WAC Fee Reduction Program, discussion about food truck rules in the city, learning about age-friendly communities, and better understand how to implement an organics recycling program to their businesses. The board will come back together in September and they have indicated they want to focus on workforce development issues and solutions, continue reviewing proposed policy changes, and hear more about city development projects.

OTHER

Nexus Worker Ownership Event

On Friday, April 19, Kim Berggren and Daniela Lorenz attended an event hosted by Nexus highlighting the opportunities for businesses to explore work ownership models as a succession plan. The event included speakers like Nexus's President Repa Mekha, St. Paul Mayor Melvin Carter, and Brooklyn Park's own Kim Berggren. Attendees heard speakers talk about the possibilities to help businesses explore and understand work ownership models, learned about partnership opportunities, and heard how worker ownership is already being explored in cities around the Twin Cities metro.



Inclusion Summit – Center for Economic Inclusion

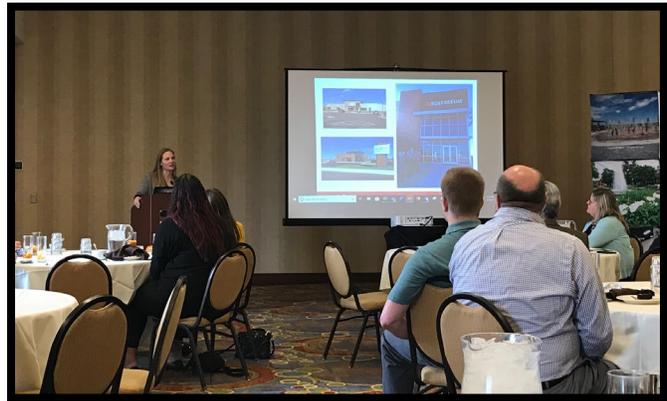
Kim Berggren and Luis Salado-Herrera attended the Powering Inclusion Summit hosted by the Center for Economic Inclusion. Leaders of every sector were represented to discuss strategies for moving economic inclusion work forward. The Center released its Indicators of an Inclusive Regional Economic, which are available at <https://www.centerforeconomicinclusion.org/msp-economic-inclusion-indicators>. The online platform provides a multi-dimensional illustration of economic inclusion in our region by disaggregating key measures by race, place and income. This work will inform the City's efforts to use data for better decision-making.

Food Truck Meeting

As part of ongoing efforts to make Brooklyn Park more food truck friendly, City Hall hosted a Food Truck Networking Event on Tuesday, April 30th. Food truck operators received updates on City regulations, discussed the opportunities and challenges of operating in Brooklyn Park, and gave City staff recommendations to support their success. Both operators and staff emerged from the meeting with long and short term options to improve and expand food truck operations in the City.

Northwest Minneapolis Tourism Luncheon

On Friday, May 3 Northwest Minneapolis Tourism (NW Minneapolis) held a luncheon at the Marriot Northwest in Brooklyn Park. The luncheon featured an update on the work the board is doing particularly around business development and bringing new events to the northwest suburbs and speakers from the communities served by NW Minneapolis. Attendees heard from the general manager of the Shoppes at Arbor Lakes about some of the upcoming work happening at the shops including the reconstruction of the outdoor mall's "main street" to include more parking but still remain pedestrian friendly. Brooklyn Park's Economic Development and Housing Director, Breanne Rothstein also spoke at the event. Breanne highlighted some of the new and exciting projects happening in Brooklyn Park including the highway 252 conversion to a freeway, restaurant development in the city and the continued growth of jobs and overall population of the City.



Brooklyn Park's 1st Annual State of the Community



On May 13, Mayor Lunde kicked off the first every State of the Community week with a keynote event at Edinburgh USA's clubhouse. Attendees included non-profits, community organizations, residents, school board members, and business owners from across the City who were all interested in learning more about the city's work in the past year and looked forward to the future. Along with Mayor Lunde, Nichole Hayes, Osseo Area School Board member spoke about the importance of strong schools to create a strong community. Almost 100 people attended the first ever major city event hosted at the clubhouse since its remodel. Over the course of the week Mayor Lunde met

with over 30 community organizations to deliver presentations and have discussion about the City's work.

METRO Blue Line Extension (Bottineau LRT) Update

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

<http://www.startribune.com/blue-line-expansion-advocates-lobby-minnesota-congressional-delegation/508083582/>

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

LRT in the News

<http://www.startribune.com/status-of-bottineau-blue-line-light-rail-from-minneapolis-to-brooklyn-park-uncertain/509558172/>

Attachment:

- 7.2A BROOKLYN PRESS RELEASE
- 7.2B MGK PRESS RELEASE
- 7.2C EDINBURGH CLUBHOUSE UPDATE



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

D'Amico & Partners Swings into Brooklyn Park's Eclectic Food Scene

Extensive renovations and new restaurant, The Brooklyn, transform the clubhouse at Edinburgh USA golf course into a dining destination, open to the public, not just club members

MINNEAPOLIS (April 22, 2019) - D'Amico & Partners, one of the most influential restaurant and catering operators in the Twin Cities, today announced the opening of its newest restaurant, [The Brooklyn](#) at [Edinburgh USA](#) golf course in Brooklyn Park, Minnesota. Boasting all-new food and beverage menus along with D'Amico's signature penchant for impeccable décor, ambiance and service, the highly anticipated restaurant in the Northwest metro is open to Saint Andrew's Club members and the public.

Renovation highlights:

- Stylish décor in a comfortable, clubby American bistro-style setting that includes outdoor dining, lounge seating with fire pits, and magnificent golf course views.
- Classic, comforting cuisine elevated with fresh, contemporary touches and locally-sourced ingredients.
- Beverage program unlike any other in the area, with a sommelier-curated selection of wine, beer and craft cocktails.

"Our entire team is thrilled about the opportunity to bring exciting new dining and beverage experiences to the Northwest metro community," said Richard D'Amico, D'Amico & Partners co-founder and design principal. "Guests at The Brooklyn will step into a comfortable clubhouse where they can have a tastefully crafted meal during a night out, gather with friends over lunch, or stop in for a round of drinks straight off the course."

"Brooklyn Park welcomes authentic delectable food experiences," said Mayor Jeff Lunde. "We are proud to add a top-notch restaurant and event venue to a world class golf venue that we believe residents and visitors will love."

Five years ago, Brooklyn Park city council voted to invest \$2 million in the Edinburgh USA golf course. This year, the city council voted to invest \$1.5 million in updating the clubhouse including a new restaurant, banquet facilities and event venue. It's the most significant facility upgrade since 1991. The previous restaurant at Edinburgh USA's clubhouse, Girvan Grille, closed Jan. 1, 2019.

About D'Amico & Partners

Founded in 1982, D'Amico & Partners owns and operates iconic restaurants and catering operations in Minnesota and Naples, Florida. Minnesota operations include Café & Bar Lurcat in Minneapolis; Campiello in Eden Prairie; six D'Amico & Sons restaurants; and D'Amico Catering, the exclusive catering operator for 10 prestigious venues and a preferred vendor for many more; two museum restaurants, bushel & Peck at Mill City Museum and Market House at the Minnesota History Center; all dining and event services at the Edinburgh USA golf club in Brooklyn Park, including the club's new restaurant, The Brooklyn. Florida operations include Campiello, The Continental and D'Amico & Sons. D'Amico & Partners is a multiple time James

Beard Award nominee and its restaurants and catering operations have won countless regional, national and industry awards and accolades. For more information, visit www.damico.com.

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News Release

May 6, 2019

Contact: Camille Hepola
City of Brooklyn Park
Communications Manager
Phone: 763-238-5216
Email: camille.hepola@brooklynpark.org

FOR IMMEDIATE RELEASE

Brooklyn Park welcomes McLaughlin Gormley King (MGK), illustrating recent trend of business boom in the city

MGK received funding from Minnesota Department of Employment and Economic Development award-winning Job Creation Funding program

Brooklyn Park, MN (May 6, 2019) – Brooklyn Park is proud to welcome McLaughlin Gormley King (MGK) as the city's newest business to relocate to Brooklyn Park. MGK develops and manufactures high-quality insecticides control products for household, commercial and crop protection markets.

This is the latest development in an exciting trend of businesses choosing to start, stay and grow in Brooklyn Park. Protolabs, Mill City Credit Union, NAPCO and Second Harvest Heartland have also recently decided to relocate or expand in the city. Brooklyn Park attracts businesses because of proximity to highways and public transit options, easy access to Downtown Minneapolis, a growing labor market, as well as an affordable and high quality of life for employees and residents.

MGK's relocation consists of acquiring an approximately 145,000-square foot facility to accommodate the company's office, lab, and specific manufacturing functions, located at 7325 Aspen Ln N. The total project cost is \$13,950,000. MGK received a \$425,000 grant from the Minnesota Department of Employment and Economic Development (DEED) in the form of job creation funds (JCF) monies. MGK currently has about 120 employees and expects to create 37 jobs with an average wage of \$33.91 an hour over the next three years.

"It is always exciting to find out a business is interested in locating in Brooklyn Park and MGK's relocation to Brooklyn Park is no exception. MGK is a great addition to our already strong high-tech manufacturing business base in the City. It is also great when we can work

with our partners at the state level to keep a company that provides good jobs to the region,” says Daniela Lorenz, Business Development Coordinator for the city of Brooklyn Park.

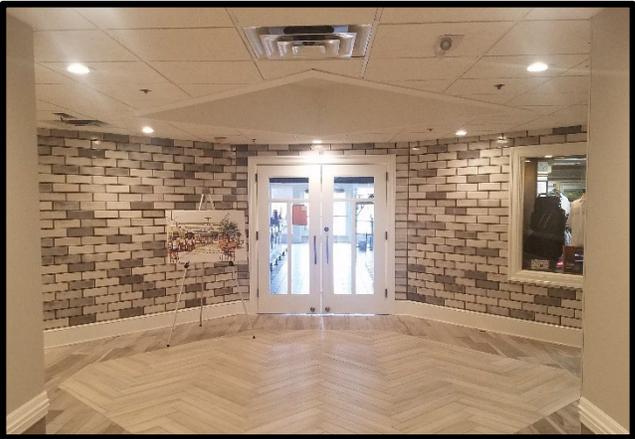
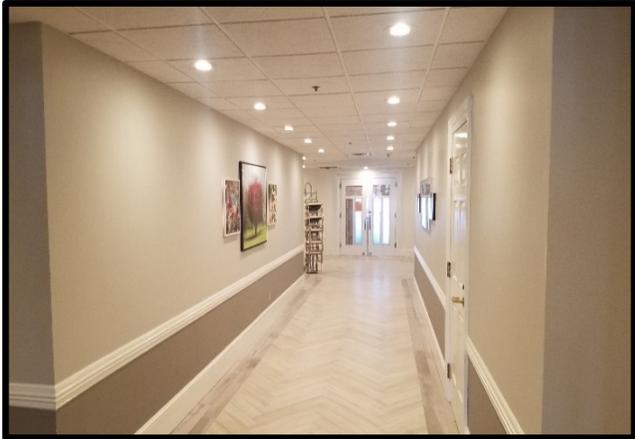
MGK is among a growing list of Brooklyn Park businesses that have taken advantage of the DEED Job Creation Fund monies. The Job Creation Fund provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets. You can learn more about the requirements [here](#). Additional Brooklyn Park companies that have received this funding are Takeda, Star, Olympus, Design Ready Controls and Biomerics.

This award-winning program has been recognized for its innovation by the Economic Development Association of Minnesota.

Edinburgh Clubhouse Update

First Floor Renovations:

The first-floor renovations at Edinburgh USA are complete. Visitors to The Brooklyn Restaurant and events in the banquet rooms have been thrilled with the fresh look of the clubhouse. D'Amico has reported that bookings of the newly renovated first-floor ballroom have been on the rise. The Brooklyn Restaurant has been relatively busy in the first few weeks, but poor weather for golf has reduced the number of golfers visiting the restaurant/ bar.



Second-Floor Renovations:

The second-floor renovations are underway at Edinburgh. The upper ballroom walls and trim have been painted a similar color to the first floor. The doors to the ballroom from the kitchen have been relocated to the ends of the kitchen so serving staff enter from the sides of the room instead of the middle of the room to minimize disruptions to events taking place in the room. The Gleneagles room is being converted to a Bridal Suite and a Groom's Room. This will allow wedding parties to do hair, makeup and change clothes in the same area as their wedding and reception. The Turnberry and Tartan rooms will also be painted. The bathrooms will receive new tile flooring, countertops, sinks, mirrors, partitions and toilets. The walls will also be painted to match the color scheme of the rest of the facility.

Outdoor Event Area:

The outdoor event area work will begin as soon as conditions dry up enough for landscaping work to begin. The bushes surrounding the patio will be removed to allow better access and some hard surface for event use. Arborvitae and other small trees and shrubs will be planted to create a buffer between the golf course and the event area, but also allow for the views of the golf course sunsets.

Along with this work, the portion of paver patio north of the restaurant will be removed and replaced with a stamped concrete. This will resolve a drainage issue currently undermining the pavers and create a safe access in and out of The Brooklyn. A matching stamped concrete entrance will also be poured in front of the clubhouse to match the back. This will eliminate the uneven pavers currently used at the front entrance.

Edinburgh Renovation Contracts:

At the January meeting of the Economic Development Authority, a motion was approved authorizing the Executive Director to enter directly into contracts with vendors for the work being done at Edinburgh USA Clubhouse. The following contracts have been approved for the Edinburgh Clubhouse Renovation:

Engineering/Design

Anderson Engineering	1 st Floor	\$83,910.00
Anderson Engineering	1 st Floor Additions	\$9,650.00
Anderson Engineering	2 nd Floor & Outdoor Areas	\$23,190.00

Construction Management

TDB Builders	Construction Management	\$87,500.00
Builders Risk Insurance		\$10,407.04
Building Permits		\$5,429.48

Construction Contracts

Acme Awnin	Awning installation	\$3,950.00
Acoustic Associates	Ceiling Tile Replacement	\$10,170.00
B & D Plumbing	Restaurant/ Bar	\$18,341.00
Bengston Contracting	Ballroom, Hallway, Lobby, Restaurant/Bar	\$121,750.00
Bengston Contracting	Wallpaper, Walk-in Cooler, SAC	\$19,500.00
Boe Ornamental Iron	Restaurant/ Bar Structural	\$5,942.00
Burnsville Electric	Restaurant/Bar	\$45,900.00
Connect Electric	Ballroom	\$25,840.00
Connect Electric	Hallways, Office, Kitchen	\$32,830.00

G.B. Masonry	Restaurant/Bar	\$4,000.00
Hamernicks	Ballroom carpet	\$47,498.00
ICG	Ballroom Woodwork	\$3,245.00
ICG Solid Surface	Restaurant/Bar countertops	\$24,576.00
ICG	Restaurant/ Bar/ Hallway Woodwork	\$61,687.00
Independent Testing Technologies	Testing for structural steel	\$360.00
Independent Testing Technologies	Testing for Restaurant/Bar	\$430.00
J&A Glass & Mirror	Restaurant/ Bar Shelving	\$5,455.00
Logan Knutson Wall Systems	Ballroom, Hallways	\$11,450.00
Logan Knutson Wall Systems	Bar FRP	\$2,150.00
Quaale Enterprises	Restaurant/Bar Demolition	\$6,975.00
Ramsey Companies	First Floor Demolition	\$25,953.00
Rockway Surfaces	Flooring demolition and grinding	\$9,606.73
Sunrise - Millwork Contract	Ballroom woodwork	\$1,280.00
Westlake Tile	First-Floor tile flooring	\$78,800.00
Wheeler Hardware	First Floor doors and hardware	\$1,556.00
Equipment		
Boelter.premier kitchen	Kitchen Equipment	\$47,468.53
Boelter.premier furniture	Restaurant Furniture	\$35,700.53
Boelter.premier Bar	Bar Equipment	\$37,398.77
AudioQuip		\$3,770.01
AV Events	Cables, speaker stands	\$722.27
AV Events -	screens, projectors, etc	\$5,387.80
TOTAL CONTRACTS		\$919,389.16

MEMORANDUM

DATE: May 16, 2019

TO: EDA Commissioners

FROM: Erika Byrd, Development Project Coordinator

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

SUBJECT: Housing Update

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

HOUSING POLICY UPDATES**Eviction**

The City of Brooklyn Park and Minnesota Multi Housing Association hosted a facilitated discussion with Brooklyn Park rental property owners around the topic of eviction on March 28th. A summary of the discussion is attached as item 7.2A. As a next step, staff is convening a conversation among housing organizations in early June and developing a plan for qualitative research into the tenant experience of eviction in Brooklyn Park. Staff is evaluating a proposal for the Center for Urban and Regional Affairs (CURA) regarding this research and is awaiting the results of similar work in Minneapolis before moving forward.

Fair Housing Policy

The City of Brooklyn Park passed a Fair Housing Policy at the May 13 City Council meeting with the condition that the policy be brought back to City Council within three months. Staff will work to create communications content, line up training, address Council feedback on the policy, and return to the Council or EDA by August with an update.

Tenant Protection Policies

EDA commissioners have indicated an interest in advancing a tenant protection and notice ordinance in 2019. Staff discuss the topic with City's Human Rights Commission on April 18 and is currently working to draft such an ordinance to bring forward for Council consideration.

Strategic Plan for Affordable Apartments

At the EDA work sessions in March and April, the Commissioners discussed the EDA's strategic priorities. Two housing priorities emerged through these work sessions: 1) developing new programs to rehabilitate and preserve existing naturally occurring affordable housing to ensure long-term affordability and 2) supporting the development of new affordable housing in areas of the city outside the Zane corridor. Staff is working to put together a high-level program framework for those initiatives and will plan to bring the framework to the EDA for discussion this summer.

Estimated Timeline of Planned Housing Policy Work

May/June

- Discussion with community, housing, and social service groups around evictions
- Draft tenant protection policy brought to Human Rights Commission
- Discuss framework for proposed NOAH preservation program at June EDA meeting

July/August

- EDA approval of framework for NOAH preservation program
- Follow-up tenant protection discussion with HRC
- City Council discusses and reviews fair housing policy

Sept/October

- Tenant protection policy brought to City Council for public hearing and first reading
- Program guideline development, outreach, and request for qualification for NOAH preservation program.

BROOKLYN PARK HOMEOWNER PROGRAMS

The EDA administers several programs that provide financial resources to homeowners for capital improvement repairs. In April, the EDA approved several program changes in order to increase usage and better meet the community's needs. Changes include a new buyer assistance program, improved home rehab loan terms, and new code enforcement and senior focused programs. Staff is working to implement the program changes and roll out a new marketing plan. The updated programs will launch June 1st.

APARTMENT REHABILITATION

Brooks Landing and Brook Gardens

The Minnesota Housing Finance Agency recently awarded funding in the amount of \$5.7 million toward the rehabilitation of Brooks Landing and Brook Gardens. A \$400,000 rehabilitation loan from the EDA and \$15 million in Housing Revenue Bonds sponsored by the City of Brooklyn Park will be used in the project as well. All the apartment units are covered by Section 8 project-based Housing Assistance Payment (HAP) contracts and will remain affordable after renovation. This rehabilitation project is slated to begin later in 2019. Staff will be working with the ownership on a resident communication and engagement plan before and during the rehab process.

Autumn Ridge Apartments

Rehabilitation work continues at Autumn Ridge Apartments, with upgrades to common areas and internal units happening in the last two building. The City partnered with Sherman Associates at Autumn Ridge Apartments to assist them in the re-investment and rehabilitation of the property while maintaining long-term affordability. The EDA contributed a loan of \$1.2 million for contingency funding into the project. Sherman Associates has requested the EDA extend the loan repayment period so that additional investments can be completed. This request will be considered at the May 20 EDA meeting.

Meanwhile, planning for Phase II of the landscaping and stormwater retrofit project with Metro Blooms is underway. A kickoff event will be happening in early summer. Metro Blooms, residents, Autumn Ridge management, Council members, ACER, and other community stakeholders will be invited.

OTHER HOUSING ACTIVITY

Huntington Place

The City is working to bring workforce development resources to tenants at Huntington Place Apartments. On Friday April 26, staff from Community Engagement and Economic Development hosted the first workforce resource conversation at Huntington Place Apartments. The City invited Osseo Area Schools Adult Basic Education (ABE), North Hennepin Community College (NHCC), and workforce development non-profit Avivo to participate in a focused conversation with attendees about their workforce and employment related goals and how the different organizations can best meet residents' workforce related needs.

Attachments:

7.3A Brooklyn Park Rental Property Owner Eviction Discussion Summary

Brooklyn Park Rental Property Owner Eviction Discussion Summary of Listening Session – March 28, 2019

Overview:

On March 28th, 2019 the City of Brooklyn Park in partnership with the Minnesota Multi Housing Association hosted a meeting of Brooklyn Park rental property owners and managers to understand their perspectives and to learn about general standards of practice related to non-payment of rent and evictions. This meeting was a result of the identified need to engage stakeholders following the report “Evictions in Brooklyn Park” completed by HOME Line with research support from the Center for Urban and Regional Affairs (CURA) at the University of Minnesota.

Key findings from the Evictions in Brooklyn Park report

- There were 602 evictions in Brooklyn Park in 2017 (a rate of 7% of rental units)
- Non-payment of rent cases accounted for 97% of eviction filings
- Evictions were filed 16 days after rent was due, on average
- 53% of filings resulted in the tenant leaving (voluntarily agreement, order to move, or writ issued)
- Most eviction cases resolved within 14 days
- Since 2009, evictions in Hennepin County and the State of MN have decreased significantly, but evictions in Brooklyn Park have remained the roughly the same

The facilitated discussion with owners was an opportunity to engage rental owners/managers in identifying recommendations on strategies the city can deploy to reduce evictions, which is a mutually beneficial goal.

Participation:

Approximately 26 people were in attendance representing the following owner/management companies: Boisclair Corporation, Dominion Management, Doran Companies, Metes and Bounds Management, MGM Property Management, Pebble Creek North Apartments, Real Estate Equities, Sherman Associates, Spectrum Property Management Company, Soderberg Apartment Specialists, Steven Scott Management, T&T Property Management, and Weidner Apartment Homes. These owners/managers represented naturally affordable properties, market rate properties, and subsidized affordable complexes.

In addition, a representative from Minnesota Multi Housing Association and Community Mediation Services were in attendance along with approximately seven city representatives, including two members of the City Council/Economic Development Authority.

Summary of the Discussion:

- Property owners and managers expressed that they are in this line of work for a variety of reasons. Such reasons listed were to help people find housing, provide housing options, and creatively problem solve.
- There was consensus that evictions were not ideal or desired. Evictions are expensive (one to two lost months' rent), and there was a strong understanding and acknowledgment that an Unlawful Detainer (UD) is extremely disruptive to people's lives.
- Property owners/managers discussed the different ways people vacate their units—voluntary moving when lease is done, mutual termination of the lease prior to lease term, “skipping” (tenant leaves mid-month with no communication), and eviction/UD for “cause” or “non-payment of rent”.
- There was concern expressed over the findings from the “Evictions in Brooklyn Park” study. An owner indicated that their eviction filings are trending downward. There was a comment about how total evictions includes households who have had multiple filings and that the total number of evictions did not equate to the number of households affected.
- The owners questioned the data that reported 53% of the Brooklyn Park evictions resulted in displacement. Most of the owners at the meeting indicated that their numbers are much lower, with one owner reporting that their displacement rate is 2% or less.
- There was agreement that data which reported an average of 14 days to resolve a court case was inaccurate in their experiences and that the time was much longer. It was noted that the reason owners begin the process of an eviction early is because it can take one to two months to resolve a court case resulting in months of lost rent.
- It was suggested that the city request data from the owners directly to compare this information with the report numbers. There was a general indication that the owners would be willing to share their information and they suggested that the information collected should include the total number of skips, evictions for cause, evictions for nonpayment of rent, mutual termination cases, and total move outs.
- Some in the group indicated that they did not consider HomeLine or Legal Aid to be partners. They felt that their litigious approach is limiting landlord reference practices and reducing the efficiency of screening criteria.
- It was agreed that many of the recommendations made by the “Evictions in Brooklyn Park” report would be overly burdensome and not effective and that regulatory barriers would be counterproductive.

Standard Practices and Policies

Rent Collection:

- Rent is due on the 1st day of the month.
- Late notice provided in writing to the tenant on the 5-6th day and assessment of a late fee. Late notice may or may not include payment plan information. Several participants indicated that they provided a notice more than once before filing an eviction. Most of the owners and managers indicated that they do not provide the notices in other languages.
- If no contact is made or an agreement on a payment plan is not reached, owners will file the eviction notice on the 9th to the 12th of the month. Several participants stated that filing is the best or only way to get tenants who are late on their rent engaged with the owner/managers to discuss alternatives.
- Some, but not all, owners allow one to two payment arrangements within a 12-month period.
- Those tenants that are using a Section 8 voucher or project-based Section 8 are on a different timeline and the owners of those types of rental properties are required to allow a payment plan option.
- There was general agreement that a longer timeline could be provided to file the eviction notice but that the court system delays put pressure on the owners to file earlier so they can get a resolution prior to losing a second month of rent.
- There was a discussion around how complying with Fair Housing laws requires that owners are strict, file on exact dates, and apply the same policies to all tenants. Property managers and owners felt limited in working out customized solutions for fear of being accused of unfair/unequal treatment. Several property owners/managers noted that fear of legal action is what limits them from setting up individualized payment plans or being lenient on their established policies.
- It was expressed that property managers are acting on behalf of their owners who have multiple properties and are under pressure to meet monthly budgets. Not collecting rent payments or collecting a reduced rent for several months can be a large budget impact across 100-1,000 of units in a portfolio of properties.

Mutual Termination:

- Many of the owners pursue mutual termination as an alternative to eviction and believe that those numbers are not accurately reflected in the study. In many cases, this is a tool to avoid eviction.
- A breach of lease violation (other than non-payment of rent) is more likely to result in mutual termination than eviction.
- Mutual terminations do not typically go on a tenant record, which owners/managers felt results in troublesome tenants being passed on to the next apartment, especially since many property

managers/owners will not share such information in references (for fear of liability under Fair Housing laws). In these cases, those tenants are at a higher risk of not paying rent with ultimate eviction at some point.

Screening Criteria Modified:

- Owners shared that tenant screening has changed in the last few years due to new guidelines provided by HUD which outlines criteria for considering past crimes and the severity of the crime.
- The VAWA (Violence Against Women Act) also requires that landlords not screen potential tenants based on domestic violence situations. However, it was generally agreed that companies are not always equipped to handle the potential repercussions when an applicant's past relationship impacts their lease agreement due to violence. On the positive side, when landlords provide notice on a rejection to an applicant, they are also required to have language in the letter regarding the applicant's rights under VAWA, which can connect tenants to other social service networks and resources.

References and communication between owners/property managers:

- Many landlords have a policy not to give rental references because it opens them up to being sued at a later date. In the past, owners would provide "honest" landlord references but very few provide this information anymore, due to the risk of legal action.
- The most common information shared is rent, move in and move out date, and whether the tenant is able to reapply.
- Those in attendance desired to have more communication with each other on a regular basis. Many, but not all, are participating in the City's quarterly Property Manager's Coalition meetings.

Emergency Assistance:

- It was stated that the application process for emergency assistance is time consuming. Some sources want proof that you have exhausted County resources first with a denial letter before non-profit resources are considered. This slows down access to funds for the tenant.
- Accessing emergency funds is restrictive and takes too long.
- There is very limited emergency assistance, especially for single people or married couples with no children.

Recommendations for Reducing Evictions:

- **Tenant Education** including more detailed information to both the owner/manager and tenant regarding available rental assistance. In addition, education around the importance of paying rent, consequences of not paying rent, and financial training would be helpful. Examples include:
 - Rent Wise is a renter training course which provides a gift card to reduce the cost of their deposit. This program could be helpful in retaining residents and preventing non-payment of rent.
 - Hope 4 Youth works with homeless youth, providing a navigation program to help participants gain access to rental housing. The program provides education on being a good tenant and assigns a case manager as a resource. The case manager is alerted to situations where there is a late payment of rent and can help to intervene before an eviction is filed.

- **An Emergency Assistance Fund** that is less burdensome and timelier than what is currently available.

- **Provide Tenant Resource Information on the City's website.**

- **Advocate for a better and quicker court process.** The owners/managers would like the city to help them work together to improve the system with the goal to reduce evictions which are costly and time consuming for the landlord as well.

- **Explore the benefits of providing easy access to mediation services.** It was not clear if these resources would be helpful and more study is required to determine if it is worth the time and effort. One of the owners is piloting a mediation program which is provided as an option to their residents. Currently, two mediation processes have been completed with limited results; one was successful and one was not successful.

- **Provide samples of notices in other languages.** Owners agreed that communication between the landlord and tenant is important. Sometimes, there is no response from the tenant when a first notice is issued. This could be the result of a language barrier, fear, or avoidance of the issues. If notices were provided in alternate languages it could open up communication so that alternatives could be discussed before an eviction is filed.

MEMORANDUM

DATE: May 16, 2019

TO: EDA Commissioners

FROM: Daniela Lorenz, Business Development Coordinator
Sarah Abe, Project Facilitator

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

SUBJECT: Restaurant Initiative Update

Overview:

In March 2019, the Economic Development Authority of Brooklyn Park indicated that restaurant recruitment and retention continues to be one of its top priorities. In response, EDA staff outlined the restaurant initiative including a tentative timeline of the related events and initiatives. The outline helps guide staff's thinking around recruitment of new restaurants, marketing strategies for existing restaurants, and financial and technical assistance programs offered to new and existing restaurants. The outline also identifies different partners the City is currently working with or hopes to work with in the future to help tell Brooklyn Park's restaurant story throughout the region.

Background:

The City of Brooklyn Park has over 100 restaurants, many of which are small and independently-owned making the food scene in Brooklyn Park as diverse and unique as the residents who call the community home. Despite the number of restaurants in the community, residents still regularly express a desire for more dining options, particularly sit-down or unique destination style restaurants. In 2017, to better understand trends in the restaurant industry, EDA staff conducted a high-level restaurant analysis to help evaluate Brooklyn Park's opportunities and challenges and how they affect restaurant recruitment in the City.

Staff met with restaurant industry expert, Jonathan Maize, who indicated a number of key things to consider about how restaurants decide where to locate, when to expand, and which dining model to use. Additionally, staff attended the Minneapolis-St. Paul Business Journal's Restaurant and Retail Summit on April 30, 2019. At the summit, staff heard from restaurant owners, real estate brokers, and developers who spoke about industry trends, challenges, and opportunities.

Below is a summary of the conclusions from both events regarding the restaurant market:

- Restaurants tend to follow retail developments or large-scale housing development because of the proximity to potential customers.
- Restaurants try to be strategic about choosing locations in order to cover a region without saturating their own market which is why certain communities tend to get clusters of restaurants (ex. Edina, Maple Grove, Woodbury).

- Older chain restaurants continue to struggle to maintain strong customer bases as the industry in general shifts from primarily sit-down focused models to quick service models.
- Quick Service Restaurants like Panera, Chick-Fil-A, and Chipotle are expanding while national chain restaurants like Olive Garden, Applebee's, and Red Lobsters are beginning to shrink their market areas. This is confirmed by recent openings and closings observed in Brooklyn Park and throughout the region.
- Quick Service Restaurants are rapidly expanding in the Twin Cities market as well as restaurants that rely on pick-up and drive thru services.
- Smaller restaurant spaces in existing multi-tenant buildings with custom concepts are in demand.
- National chains are not opening multiple locations in a short time frame in contrast to past decades.
- Consumers are focused on "having an experience" when they go out to eat or shop so successful concepts, especially if they are sit-down style, with a focus on being unique and having great customer service.
- Even restaurants that primarily focus on sit-down service are starting to plan for providing quick service (take-out) and delivery options as part of their concepts and an additional marketing tool.
- Local and regional brands are expanding within their regions (ex. Portillo's is originally from Chicago and has expanded into Minnesota) but most national chains are not expanding.

Brooklyn Park's strengths include:

- **Location.** Brooklyn Park's convenient access to Interstate 694, Interstate 94, and direct access to Highways 169 and 610 are attractive to restaurants because customers can easily find and visit their locations. Restaurants like to be visible from or near the highway.
- **Workforce presence on 610 corridor and growing population.** The existing labor pool can support daytime operations ("the lunch crowd") and provide corporate catering opportunities. Brooklyn Park's rapidly growing and diverse population can support evening dining services and private catering opportunities.
- **Destination and unique restaurants.** Among Brooklyn Park's restaurants are a variety of ethnic or one-of-a-kind locations that offer desirable experiences for restaurant customers. These locations include Lemongrass, Mi-Sant, Mama T's, Royal Bistro, Thanh Vi, MT Noodles, Tacos el Paraiso, Kim Anh's, and more.
- **Space to Build.** Perhaps most unique to Brooklyn Park is the availability of both land to build a new facility on and existing spaces for a new restaurant to locate. Brooklyn Park consistently has buildings with space available for lease, including in Northwinds Plaza (Brooklyn Boulevard and West Broadway), Park Place Promenade (Zane Avenue and Oak Grove Parkway), and at Starlite Plaza (Brooklyn Boulevard and West Broadway). Along with existing facilities, Brooklyn Park also has green field and redevelopment land available for restaurants that want to build their own facilities.
- **Large scale development projects.** The METRO Blue Line Light Rail Transit (LRT) project will create interest from the restaurant industry and other development begins in and around the station areas.

Brooklyn Park's challenges identified include:

- **Proximity to Brooklyn Center, Maple Grove, and Northtown Mall.** The regional-based retail development clusters in Brooklyn Center, Maple Grove and around Northtown Mall limit market interest in Brooklyn Park since chain restaurants tend to group in those other areas. Brooklyn Park is also included in the trades areas of these regional clusters which means the community is served by these retail areas. Restaurant chains are unlikely to open multiple locations within one trade area because the restaurant would basically be competing against itself.
- **Development patterns of Brooklyn Park.** Restaurants follow rooftops meaning they like to locate near homes as that is a good indication of where their customers are located. While the developable in the City is helpful when searching for a space to locate, the lower densities and open land in the north third of the community presents a challenge for attracting restaurants because of the relatively low population density. Restaurants tend to follow residential and industrial development. As more development comes to the north part of the city, developers and restaurants are showing increased interest in the northern commercial area.
- **Community fatigue relating to drive-thru/fast food restaurants.** Although fast-food and quick casual restaurants are thriving, there seem to be mixed opinions from residents on their desirability. Residents often express the desire for new concepts that are unique to the city.

Current Initiatives:

The City of Brooklyn Park has several programs restaurants can use for both financing and technical assistance needs.

- **Open to Business:** Since 2013, the City has partnered with the Metropolitan Consortium of Community Developers (MCCD) to offer the technical assistance program Open to Business to interested businesses. The program which is jointly funded by the EDA and Hennepin County offers free technical assistance to new and existing businesses in the City. Open to Business staff are in City Hall one day a month for 4-hours but are available to consult businesses when and wherever is most convenient. Brooklyn Park residents consistently utilize the program at higher rates than other communities that also participate in Open to Business.
- **Brooklyn Park Development Corporation (BPDC) funding:** BPDC has operated since the early 1990s with the mission to help spur small business development in the City. The board operates as an independent partnership and offers two loan programs to businesses:
 - **Small Business Microloan:** This program gives up to \$50,000 to eligible businesses at 10% interest rate repayable over 3-5 years. This loan can be used for working capital, inventory, equipment and general operations and is tailored to meet the needs of new and existing small businesses in the community.
 - **Real Estate and Equipment Loan:** This program finances fixed asset purchases and offers up to \$300,000 at 5% interest rate. These funds are typically used for expansions and medium sized businesses.

- **Sewer Availability Charge (SAC) and Water Access Charge (WAC) Programs:** The City offers two programs designed to help businesses manage the cost of SAC and WAC fees.
 - **SAC and WAC deferral:** The City partners with the Met Council to provide a SAC deferral program. The City also operates its own WAC deferral program. Both programs are designed to spread out the costs of connecting to the regional wastewater system and City water system over time. Eligible businesses can defer about to 80% of SAC and WAC costs over 5 years at 3% interest.
 - **SAC/WAC Reduction Policy:** In 2019, the City Council approved an expansion of an existing SAC Reduction Program to include a policy related to the pooling and distribution of paid SAC and WAC credits to eligible businesses and development projects in the City. The program explicitly states that local and independently owned restaurants are eligible for a credit reduction.
- **Marketing:** Marketing efforts for businesses include social media campaigns, news stories run by local news organizations, and print advertising. The City/EDA does a lot of its own marketing but also works with partners to expand Brooklyn Park's message throughout the region.
 - **Yearly publications:**
 - **Restaurant Map:** One of the largest marketing efforts around restaurant has been the creation of a restaurant map in both print and online. The restaurant map is printed twice a year and updated monthly on the city's website. The maps are displayed in City Hall, the Community Activity Center, Zanewood, the Brooklyn Park library, and at businesses that have requested them.
 - **Food Scoop:** The Code Enforcement and Public Health (CEPH) division creates a yearly publication sent to food service businesses in the community called "Food Scoop". The annual mailer has a wide variety of information meant to keep food-related business up-to-date on available resources, rules changes, and other important news.
 - **Business Connect Newsletter:** The City also publishes a more general business mailer called the Business Connect Newsletter. This mailer goes out twice a year and focuses on telling businesses about work being done at the city, highlights resources, and provides businesses opportunities to engage with the City.
 - **New Connect Bag Coupon Books:** The City semi-regularly prints a coupon book with discounts for residents at local businesses. The coupon books were revamped along with the New Connect Bag program and are included in the bags that go to new residents in the community.
 - **Partnerships with Minneapolis Northwest Tourism Board:** Minneapolis Northwest is the convention and visitors' bureau for the Cities of Brooklyn Park, Brooklyn Center, and Maple Grove. They regularly print material highlighting events and destinations in the northwest suburbs. Brooklyn Park was highlighted in May's edition of Minneapolis-St. Paul magazine and a summer campaign on restaurants in the Brooklyns is also planned.

Proposed Initiatives:

As part of the re-vamped effort to attract restaurants to the City, staff has outlined several strategies and initiatives to help celebrate existing restaurants and attract new restaurants. The below efforts will be rolled out over the next year along with the on-going work identified above.

Short term/On-going work:

- **Active Recruitment**
 - Network with restaurant industry professionals
 - Meet with commercial brokers to inform them about available space
 - Attend ribbon cuttings and grand openings for new restaurants
 - Work with MEDA, ACER, and other small business support organizations
- **Marketing**
 - Updated program flyers
 - Restaurant map (online and in print)
 - Business Connect
 - Food Scoop
- **Targeted Social Media Campaigns**
 - Highlighting current restaurants
 - Reposting and boosting positive external reviews of restaurants
- **Programming**
 - Open to Business
 - BPDC programs (being evaluated)
 - SAC/WAC Deferral
 - SAC/WAC Reduction Program (updated and new)

Medium Term (by end of 2019):

- A survey to existing businesses, including restaurants, to get a sense of how they are performing and what support the city can offer
- Businesses visits to allow staff to have an “on the ground” understanding of business needs and any plans for expansion
- Work with NW Minneapolis Tourism on restaurant highlights/other ongoing communications work
- Small business success stories
- Update materials that highlight available land/spaces for restaurants
- “Restaurant of the month” social media campaign
- Food truck pilot event and support

Long term (2020):

- Food-related Events (different food truck related event and “taste of”)
- Loan program evaluation
- Video marketing campaign highlighting restaurant