



Monday, November 18, 2019  
7:00 pm

City Hall – Council Chambers  
5200 - 85<sup>th</sup> Ave North

**THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF BROOKLYN PARK  
REGULAR MEETING – AGENDA #13**

**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 Consider Approving Meeting Minutes

4.1A October 21, 2019 Meeting Minutes

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

**5. Public Hearings**

5.1 None.

**6. General Action Items**

- 6.1 Consider Approving a Proposal for Planning Services from LISC for the Corridor Development Initiative Process for Property at 4201 95<sup>th</sup> Avenue North (Former Noble Park & Ride) and Directing the Appropriate Officers to Enter into an Agreement for Services
  - 6.1A Location Map
  - 6.1B LISC Proposal
- 6.2 Consider Approving the 2020 EDA Budget
  - 6.2A Resolution
  - 6.2B EDA Budget Sheets
  - 6.2C Year End Activity Summary
- 6.3 Consider Approving the Decertification of Tax Increment Financing District No. 1-16
  - 6.3A Resolution
- 6.4 Consider Authorizing EDA Staff to Execute the Conveyance of a Public Utility Easement on the Property Located at 7516 Brooklyn Boulevard N.
  - 6.4A Resolution
  - 6.4B Easement Location Map
- 6.5 Consider Approving Revised Guidelines for the Brooklyn Park Home Improvement Loan Programs
  - 6.5A Home Improvement Loan Program Guidelines
  - 6.5B Resolution
- 6.6 Consider Approval a 3 Year Contract with Center for Energy and Environment for the Administration of Housing Loan Programs
  - 6.6A Resolution
  - 6.6B Amended and Restated Consulting Agreement
  - 6.6C Program Guidelines (Exhibit A-20)
  - 6.6D Programs Budget (Exhibit B-20)

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

**7. Discussion Items**

- 7.1 Status Update
- 7.2 Housing Update
- 7.3 2020 Legislative Policy Positions
  - 7.3A Draft Legislative Policy Positions

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

**8. Work Session**

- 8.1 Discuss and Provide Direction Regarding Financing Status and Options on Creekside Gables Loan
  - 8.1A Location Map
  - 8.1B BP Partners Letter
- 8.2 Discuss and Provide Direction Regarding Aeon's Proposal to Purchase Huntington Place
- 8.3 Discuss and Provide Direction Regarding 2020/2021 CDBG Funding Allocation

**V. ADJOURNMENT**

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

The Brooklyn Park Economic Development Authority's Agenda Packet is posted on the City's website. To access the agenda packet, go to [www.brooklynpark.org](http://www.brooklynpark.org)  
**The Next Scheduled EDA Meeting is December 16, 2019**

# City of Brooklyn Park Request for EDA Action

<b>Agenda Item No:</b>	4.1	<b>Meeting Date:</b>	November 18, 2019
<b>Agenda Section:</b>	Consent	<b>Prepared By:</b>	Theresa Freund, EDA Secretary
<b>Resolution:</b>	N/A	<b>Presented By:</b>	Theresa Freund, EDA Secretary
<b>No. of Attachments:</b>	1		
<b>Item:</b>	Consider Approving EDA Meeting Minutes		

## Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_ TO APPROVE THE OCTOBER 21, 2019 EDA MEETING MINUTES.

## Overview:

N/A

## Primary Issues/Alternatives to Consider:

N/A

## Budgetary/Fiscal Issues:

N/A

## Attachments:

4.1A OCTOBER 21, 2019 MEETING MINUTES

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF BROOKLYN PARK  
OCTOBER 21, 2019 REGULAR MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

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

ROLL CALL PRESENT: President Jeff Lunde, Vice President Lisa Jacobson, Treasurer Wynfred Russell and Commissioners Mark Mata (7:02 p.m.), Terry Parks, Susan Pha and Tonja West-Hafner, Executive Director Kim Berggren and EDA Secretary Theresa Freund

ABSENT/EXCUSED: None.

2. PUBLIC COMMENT AND RESPONSE:

2. A Response to Prior Public Comment: None.

2. B Public Comment: None.

3. APPROVAL OF AGENDA

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

II. STATUTORY BUSINESS:

4. CONSENT:

- 4.1 Consider Approving Meeting Minutes.

MOTION WEST-HAFNER, SECOND JACOBSON TO APPROVE THE JUNE 17, 2019, JULY 15, 2019 AND SEPTEMBER 23, 2019 EDA MEETING MINUTES. MOTION PASSED UNANIMOUSLY.

- 4.2 Consider Accepting 2019 Grants on Behalf of the Economic Development Authority.

MOTION WEST-HAFNER, SECOND JACOBSON TO WAIVE THE READING AND ADOPT RESOLUTION #2019-22 ACCEPTING 2019 GRANTS ON BEHALF OF THE ECONOMIC DEVELOPMENT AUTHORITY.

5. PUBLIC HEARINGS:

- 5.1 None.

6. GENERAL ACTION ITEMS:

- 6.1 Consider Authorizing the Use of Sewer Availability Charge and Water Access Charge Reduction Program Funds to Pay Outstand SAC and WAC Deferral Program Obligations for Blue Wolf Brewery and Little Learning Academy.

MOTION LUNDE, SECOND PHA TO WAIVE THE READING AND ADOPT RESOLUTION #2019-23 AUTHORIZING THE USE OF THE SEWER AVAILABILITY CHARGE (SAC) AND WATER ACCESS CHARGE (WAC) REDUCTION PROGRAM FUNDS TO PAY OUTSTANDING SAC AND WAC DEFERRAL PROGRAM OBLIGATIONS FOR BLUE WOLF BREWERY AND LITTLE LEARNING ACADEMY. MOTION CARRIES (6 TO 1). COMMISSIONER MATA VOTED NO.

- 6.2 Consider Selecting Ehlers' Associates as Municipal Finance Advisor Through the Year 2024 and Authorize EDA Officials to Enter into a Contract for Services.

MOTION JACOBSON, SECOND PARKS TO WAIVE THE READING AND ADOPT RESOLUTION #2019-24 SELECTING EHLERS ASSOCIATES AS MUNICIPAL FINANCE ADVISOR THROUGH THE YEAR 2024 AND AUTHORIZING EDA OFFICIALS TO ENTER INTO A CONTRACT FOR SERVICES. MOTION CARRIES (6 TO 1). COMMISSIONER RUSSELL VOTED NO.

- 6.3 Consider Continuing Legal Counsel with Kennedy & Graven Through Year End 2024 and Authorize EDA officials to Enter into a Contract for Services.

MOTION PARKS, SECOND WEST-HAFNER TO WAIVE THE READING AND ADOPT RESOLUTION #2019-25 CONTINUING LEGAL COUNSEL WITH KENNEDY & GRAVEN THROUGH YEAR END 2024 AND AUTHORIZE EDA OFFICIALS TO ENTER INTO A CONTRACT FOR SERVICES. MOTION PASSED UNANIMOUSLY.

- 6.4 Consider Appropriating Funds to Establish a Housing Resource to Support Tenants at Huntington Place and Direct the Executive Director to Enter into Related Agreements with Third Parties for the Administration of the Fund.

MOTION LUNDE, SECOND RUSSELL TO WAIVE THE READING AND ADOPT RESOLUTION #2019-\_\_\_ APPROPRIATING FUNDS TO ESTABLISH A HOUSING RESOURCE TO SUPPORT TENANTS AT HUNTINGTON PLACE AND DIRECT THE EXECUTIVE DIRECTOR TO ENTER INTO RELATED AGREEMENTS WITH THIRD PARTIES FOR THE ADMINISTRATION OF THE FUND.

MOTION MATA, SECOND PARKS TO TABLE THIS ITEM TO A FUTURE EDA MEETING SO WE CAN GET MORE EXACT REASONS FROM DOMINIUM ON WHY TENANTS ARE BEING EVICTED. MOTION PASSED UNANIMOUSLY.

### III. DISCUSSION:

#### 7. DISCUSSION ITEMS

- 7.1 The 2020 EDA Budget Introduction Presentation - Kim Berggren. She reported that in August the EDA set the maximum EDA and HRA levies. In October, we will bring a budget introduction to commissioners; in November, staff will bring an action for approval of the budget; and in December the budget goes to City Council for final approval.

In commissioners' packets, we have offered the 2018 Annual Report to summarize some of the work that the EDA does. I would like to highlight some of the EDA's recent accomplishments:

- Creation of signature places;
- Housing programs and policies. Tonight's conversation is a testament to the EDA's focus on the situation with apartments and renters in our community;
- Focus on transportation (the 169/101<sup>st</sup> interchange project, supplemental funding that has gone to 252 planning and the BLRT planning).
- Finally, we always focus on business development and image in our community. We have had some recent initiatives move forward in that space.

As you recall staff provided the EDA/HRA Levy chart in August when commissioners adopted the preliminary levy. This document in your report tonight does show the levy amount for the EDA/HRA Levy at \$2.3 million for 2020. I will share that it is likely that when the city budget comes forward you will see some additional reductions in that space. The budget that is in front of you tonight doesn't represent those reductions. We will have you consider those reductions as part of the City Council approval.

The EDA's budget consists of four main types of spending:

- Staff time that contributes to the EDA's work and related expenses.
- Development costs, predevelopment and planning.
- Direct development costs, which you see often funded with TIF and tax abatement and sometimes the EDA does use its general fund to fund those investments.
- There has been a lot of focus over the years on neighborhood and housing programs to improve the stability in our community.

As you will recall in April the EDA indicated that you wanted to continue to do a lot of the work that you have been doing and:

- Put some attention to pursuing projects in the Opportunity Zones.
- Restaurant recruitment and marketing.
- NOAH preservation, the preservation of naturally occurring affordable housing.
- What we can get going in the Village Creek redevelopment area.
- Business incubator.

Over the year staff has put additional time and energy towards these projects and there is some additional funding that is being requested in 2020 to support that work. A high-level introduction to the 2020 EDA budget is listing some of the main strategic spending that we are projecting and some of this work is continued:

- Capital investments in Edinburgh. As you know when we did the major reinvestment of \$1.5 million, we talked about having a more systematic continued investment in the facility. We are programming \$50,000 from the EDA for 2020.
- Business Retention and Expansion Initiative continues to be a priority of the staff under the guidance of the EDA. We are budgeting for some spending in that space.
- Predevelopment activities is a placeholder so that when small opportunities come, we can get going on them and bring them to the EDA.

- For BrookLynk we are proposing \$80,000 in the budget.
- Branding is in the budget.
- Small business technical support services, which is up by \$10,000 with a recommendation by the EDA to continue to support small business work.
- The Home Energy Assistance program that has been operating for a while is in the budget.

Some of the new initiatives in the budget are:

- Utility burial on Brooklyn Boulevard that has already been approved by the commission. That is related to the county's current project.
- The Brooklyn Boulevard trail project is projected to be another \$1,000,000. As your recall, we did phase 1 and at that time the EDA indicated to hold off on the utility burial for cost effectiveness and consider burial during phase 2. We are hoping to advance that project next year along with some funding that will be requested from Hennepin County.
- Other transportation projects specifically Highway 252 there is some planning work that needs to get done that is being proposed to be split between the EDA and the City.
- Commissioners have approved the CURA research efforts and there is funding for that.
- The Center for Innovation and Arts joint powers agreement is a major initiative of the EDA in partnership with North Hennepin Community College and Metro State. We are proposing to advance that partnership in 2020 with a \$100,000 from each of the institutions. With a \$300,000 budget, we would move forward with hiring an executive director to lead the fund-raising effort for the collaborative. That would partner up with the request to the State for the first \$7,000,000 that is going forward in May. We are asking you to include that commitment in the budget.
- Also asking for commitment for increase funding for the Homeowner Revolving Loan Fund.
- Set aside some funds with the intention to plan for the development of the EDA owned former park and ride site, off Noble Avenue North and TH610.

We can certainly talk about any of those initiatives, if you have an interest in doing so. What isn't included in the budget because we didn't know how to scope the investment are three other things we are working on as staff under your direction:

- One of them is a program that would help with the beautification of multi-family properties. So, exterior enhancements similar to what we recently participated with Autumn Ridge, Brooks Landing and Brooks Garden around doing better landscaping in the community.
- We also know that there is interest in advancing a business incubator project.
- NOAH program, preservation of existing affordable housing. We have a large-scale investment that we are anticipating and hopefully have activity in that fund coming up.
- The EDA has also directed staff to look at a small-scale rental rehab program.

Those items are not in the budget, but we wanted to preview that they are still in the work plan for next year.

Staff would like to highlight that the EDA brings in a lot of grant resources. We have had success in doing that over the years. Most of the grant money recently is coming in for the BrookLynk Program. We have been very successful to secure grants for that program in partnership with Brooklyn Center.

Tonight, is an opportunity for you review, ask questions and introduce it to you and staff will bring forward the full budget in November. Keep in mind that when you see it in November you will also have all the other schedules for each of the TIF districts that are still active as well as our revolving loan funds. We have outlined some of the key spending in those funds in your budget introduction memo.

The EDA does a lot of strategic work and just to highlight strategic work with the Avenues for Homeless Youth program. These are the numbers we reported in the annual report for 2018 of the number of youths that were served by that program. That represented a onetime strategic investment in building the facility. It is being operated by Avenues and the operating expenses are being paid by them. We do anticipate long term capital investments will need to be made by the EDA. Staff will be starting to look at those projections now that the facility has been around for a few years.

With that I am happy to answer any questions or provide any additional context.

President Jeff Lunde thanked staff for the revolving loan program for homeowners. Using the NOAH fund for small rentals I think it is a very fair point. Commissioner Wynfred Russell brought up originally that we should offer some assistance for people who are responsible owners of their rental. I think it is a good program that we could offer to be fair and not just to big businesses.

President Jeff Lunde stated I have a question on the CURA research. How clued in is CURA on conversations we have been having nonstop at the city. I haven't heard them talk about it and yet it seems like the city is going full forward on many levels trying to find information. It seems like a missed opportunity if they are not right in there with us. Kim Berggren responded we did have a meeting last week with several housing stakeholder groups and nonprofits around the current housing policies and programs that are under discussion. Huntington Place did end up being one of the most talked about topics in that meeting. Thankfully the folks from CURA could attend that meeting so they got a good opportunity to hear the current happenings. They are engaged in the conversation. Their research is action oriented, so it doesn't have to wait until the end to start being informative for the city in terms of decision making. The research structure is a formal structure so we won't be able to accelerate the research and it will be going on for the next year. They will try to provide real time recommendations as the research proceeds and stay up to date on what is happening.

President Jeff Lunde stated my concern with that is that when we talked about funding CURA it was to get to the tenants and avoid all the noise around the people that want to speak for the tenants. My hope for CURA was that they were going to talk to the people who live there with unfiltered direct access, researching, asking questions and gathering data. Not through the city filter, not through all the nonprofits but the people who live there and what they want. From talking to residents, I believe they have a viewpoint that is not being represented. Kim Berggren responded President Lunde that is exactly what is the design of the CURA research is tenant research in terms of tenant interviews. The bulk of their

time will be spent on tenant interviews. They do have a set up phase that includes engaging all the different stakeholders across the spectrum and making sure their research questions are well tuned. They are now in the early phase talking to the stakeholder groups and then they will dive into the tenant research and interviews.

President Jeff Lunde stated I do appreciate the CITA support, I support it. I think when people say they want something unique to bring people here to Brooklyn Park this is obviously one of those moments and opportunities where you get a chance to push for that. We have made it through the statewide college bonding process which is the first step before the ask. This gets us in line and allows us to make the case.

President Jeff Lunde asked when will the budget come back? Kim Berggren responded it will be brought back at the November EDA meeting. President Jeff Lunde asked if the Budget Advisory will see the budget before then? Kim Berggren responded she will check on the timing.

Commissioner Mark Mata stated the \$40,000 for a community planning process for the Noble Park & Ride that the EDA purchased, I would not support that. It should sell itself.

Commissioner Mark Mata stated regarding the \$133,500 for transportation projects including the Highway 252 design we don't own it. It's the state's road they should be putting money into design not us. Fifteen years ago, there was a lot of money spent to put that project together and it should be done. Everyone keeps pushing back the funding on that road. Other road projects go into the CIP and they get acknowledged from there. Looking at the bottom line these are two expenditures that I don't see why they are in the EDA budget or why we need them.

Commissioner Susan Pha stated she supports a lot of the budget items listed. I have a question on the \$40,000 for the community planning process for the EDA owned Park & Ride site. I would like to see what that is. This is one item I haven't heard a lot about and I would like to learn more.

Commissioner Susan Pha reported I really do like the idea of us investing the \$20,000 for small business assistance with MCCD even though that is a \$10,000 increase from what we previously spent. It is money well worth spending so that we can provide our small businesses some technical assistance in our city and for businesses that are thinking of coming to our city. One thing I would like for us to do is expand our network beyond MCCD, it is great that they are a partner organization. We should also have other organizations as well to make sure that we have a list of organizations that possible small businesses could go to. The reason I say that is because we have such a diverse community in our city. The African Development Center provides technical assistance as well for small businesses. The Hmong American Partnership for southeast Asian communities and the Latino Development Center as well. Some of these more cultural business assistance organizations can really cater to those that may not be English speakers, but they are super business savvy and they want to start a small business. They also have access to special funds and grants that help people of color and sometimes they are the only ones that have access to these grants. We should reach out to some of these resources to make sure we have a lot of resources for our small businesses here.

Commissioner Tonja West-Hafner stated I would also like to say thank you to staff for raising the budget for homeowner rehab revolving fund. I think that is important to me. I agree that I am not sure we need to spend a whole lot of time in planning the Park & Ride spot. I think that if you put that out in a RFP it would get a lot of developers bringing some ideas there.

Commissioner Tonja West-Hafner stated we have talked a lot about the Business Incubator. You said that that isn't included in the 2020 budget and I believe we may have something coming forward soon. I am looking for potentially some kind of 101 so that everyone is on the same page when we are talking about a business incubator and what does that mean to everyone.

President Jeff Lunde added I was wondering if there might be a proposal or idea about how the EDA can be better stewards of EDA owned land. We own a lot of property around the city and when I have resident calls and complaints about long grass etc. I believe them. When residents see that the city or EDA lets grass grow and doesn't follow the rules. We have a lot of small businesses that take care of lawn care in the city. Kim Berggren responded that we do contract out the EDA owned land for maintenance. We did have a snafu at the former MNDOT site. That is an acknowledge oversight on the management of that contract. We are now back up to speed. Anytime commissioners see maintenance issues or have concerns on our properties please let us know immediately. We do ask our Code Enforcement to keep an eye on those properties as well. We do want to honor that we want to be the best stewards and used as an example of how the land should be maintained.

Kim Berggren commented on the planning process for the EDA owned land. The \$40,000 would be used for an extensive community planning process to get a clear vision on what that site would like. Staff has heard competing ideas from multiple stakeholders on what they would like to see that land developed as and also the market realities. There is a process that you might be aware of that we have used in the past that is called corridor development initiative where it is a four- workshop series with the neighborhood. Staff thought it would be a good fit for this site given the fact that there are a lot of neighbors interested in what happens here and there is no clear direction from the EDA. If you would rather start with a more basic conversation of the EDA, we can do that as well. Staff could bring back a more concrete proposal for this dollar amount, if you would like to know more what that would look like.

Commissioner Lisa Jacobson stated I do believe we should engage the community. That neighborhood came forward to point out what should have been obvious to all of us on what was happening and not happening on that land. However, I do question the \$40,000 to do a four-part workshop series. I believe that is a lot of money.

Commissioner Lisa Jacobson said I would like to know more about Open to Business. What are we getting as a city and who are the people who are using that service? If we are going to increase the budget by \$10,000 what is the reason behind that. Is it because it is so well utilized? I went there one day and I was the only person. I would like to know more about it before I would approve an increase in that line item. Kim Berggren responded that there is data for 2018 on page five of the annual report. That will give you a sense of who they are serving. We know that Brooklyn Park residents take advantage of that program. We can bring back additional information because it sounds like there are some additional ideas about how we might want to think about that service.

## 7.2 Status Update – Kim Berggren highlighted the following:

- There was a grand opening at Urbana Place Senior Living and there will be a groundbreaking this Wednesday, October 23<sup>rd</sup> at noon for the apartment phase, Urbana Court Apartments.
- Second Harvest Heartland hosted a great event launching their volunteer center. Several commissioners were able to attend to celebrate the facility. Staff continues to support that work collaborating with the State on the administration of their bond funds. This does take a lot of staff time and attorney hours behind the scenes to support them.
- Rolls and Bowls is a new restaurant that opened. Please try the restaurant out. They are closed on Tuesdays.
- Another fun item to highlight is the 93<sup>rd</sup> Avenue businesses community, Northcross Business Park and 610 Business Park partnered with each other to hold their first ever Food Truck Wednesday. This event came out of the conversations that the EDA has been leading and Commissioner Lisa Jacobson had around celebrating food trucks and making space for them as part of our ecosystem here. Takeda coordinated and hosted the event for themselves and their neighbors. This was exciting way to see the community get out and enjoy a great day this summer. Staff will continue to promote those types of activities with our food trucks.
- There continues to be activity related to the BLRT Corridor. I was on a call today with Met Council and Hennepin County staff who are looking for a date in November to coordinate a tour with the Speaker of the House, Chair of the Met Council and other local leaders. So, all the elected leaders along the corridor are being invited to attend this tour so watch for those invitations, if they can identify a date in November.
- Beyond the rails work is advancing, that is the planning efforts along the corridor. There is several of them including the plaza that you see a photo of, the plaza by the library and the future performing arts center. The plaza is under construction now and we have been working with Park and Recreation and others to program it for next year.

Kim Berggren reported that Jennifer Jordan is going to give a presentation on some of the branding and marketing effort that is underway. This work is being funded by a grant we received several years ago from the federal government, the FTA and cities all contributed to the thinking on how to use these resources. This is one of the efforts that is part of that to think about how we can market the northwest corridor to attract investment and make it be more well-known and improve the image of the corridor. Jen Jordan is going to share some thoughts and ask for feedback from you on that work.

Jennifer Jordan, Senior Project Manager working on LRT on your behalf. I will do a quick highlight on where we are at with the Bottineau Corridor marketing and branding project. It has been underway all summer and Neka Creative is the consultant that was contracted from Hennepin County to do this work. They have had a lot of good input from Brooklyn Park residents and it has been very fruitful for us in terms of what we are getting out of it as a corridor city. Right before you are some of the objectives around the corridor being able to put a place to our corridor for people outside of this area and giving it a sense of you know when you are in it.

This has been the focus of it all along. While it is focused on the Bottineau LRT corridor, they are focusing on making sure that it could be versatile for the corridor no matter what and just putting it on the map.

Neka Creative has spent time engaging the community around this. They have been to several community events over the summer along the different corridor cities. They had an extensive marketing and brand workshop with the majority of folks were from Brooklyn Park. That was a positive.

Commissioners have the full packet of the steering committee which shows how the whole branding component was reached. I am going to just touch on a few pieces of it. Overall the brand character for this corridor is the fearless explorer, there is a lot of things to find and explore in this corridor. The vision is that it is grounded in today but focuses on the future and what is possible. That it is open to new ideas and experiences. We have a diverse corridor with diverse populations. It is curious with having different cultures and people are curious about exploring them.

The big reveal was six brand identifications that were identified by Neka Creative. With these six, if you look in your packet, is a lot of extensive context and background that explains how they got here. What I am looking for from commissioners today is to look at these brand directions and give me direct feedback offline about what you think speaks to you.

1. The Discovery Belt, opportunity is yours.
2. The Global Gateway, opening up to more.
3. Culture Crossing, cross over to wow.
4. The Bottineau Corridor, explore more.
5. Three components to this brand direction has been identified: Hennepin Northwest, expand your backyard. Global Northwest, expand your backyard. Northwest Gateway, expand your backyard.
6. The Prosperity Belt, a hop, skip & stop away. Or The Prosperity Gateway, a hop, skip & stop away.

I wanted to highlight this marketing and branding work to you. You can think about it but feel free to reach out directly to me to let me know what speaks to you. We are hoping to get this work wrapped up by the end of the year. We will then be able to start seeing this put into place in terms of logo, color using the preferred tagline. With that I am happy to stand for any questions you may have.

President Jeff Lunde stated I think you said that if we have feedback to provide that to you. Jennifer Jordan replied yes.

- 7.3 Housing Update – Erika Byrd stated we use this memo to share information with you, the community and stakeholders on housing issues and policies. A few items that I would like to highlight:
- The CURA Study – to address a few of your points earlier, President Lunde I think both staff and CURA do realize that there is an urgency to this work. There is a certain process with institutional review board needed for the tenants interviews themselves. What the researchers are doing now over the next few weeks is meeting with a wide variety of stakeholders, i.e. people from the Police Department, Recreation and Parks, Community Development, landlords and if there are tenant leaders, they will try to loop those folks in. They will establish the groundwork, context and then form

an advisory council that can help them walk through thoughtfully the goals of the research specifically.

- The Tenant Notification Ordinance second reading will be on October 28<sup>th</sup>, a week from now at the City Council.
- Brooks Landing and Brooks Gardens construction work is underway. There is a lot of engagement work happening particularly around stormwater management and landscaping that is happening. There are a few photos in the memo. I know that there is a lot of excitement among tenants that they can be involved in some improvements there.
- Autumn Ridge stormwater retrofit project is ongoing. The project received a Met Council grant for \$74,000 to do more work there and raingardens.
- On October 24 at Zanewood the Community Engagement Division is hosting the Brooklyn Park Community Assembly. The event is focused on Brooklyn Park tenants and Community Development staff, other staff members and project partners will be there. We will be talking about community assets, tenant voice and get some feedback.

IV. WORK SESSION:

8. WORK SESSION ITEMS

8.1 None.

V. ADJOURNMENT

Meeting adjourned at 9:06 p.m.

Respectfully Submitted  
EDA Secretary Theresa Freund

# City of Brooklyn Park Request for EDA Action

<b>Agenda Item No:</b>	6.1	<b>Meeting Date:</b>	November 18, 2019
<b>Agenda Section:</b>	General Action Items	<b>Prepared By:</b>	Cindy Sherman, Planning Director
<b>Resolution:</b>	N/A	<b>Presented By:</b>	Cindy Sherman, Planning Director
<b>No. of Attachments:</b>	2		
<b>Item:</b>	Consider Approving a Proposal for Planning Services from LISC for the Corridor Development Initiative (CDI) Process for Property at 4201 95 <sup>th</sup> Avenue North (Former Noble Park and Ride) and Directing the Appropriate Officers to Enter into an Agreement for Services		

## Executive Director's Proposed Action

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_ APPROVING A PROPOSAL FOR PLANNING SERVICES FROM LISC FOR THE CORRIDOR DEVELOPMENT INITIATIVE PROCESS FOR PROPERTY AT 4201 95<sup>TH</sup> AVENUE NORTH (FORMER NOBLE PARK AND RIDE) AND DIRECTING THE APPROPRIATE OFFICERS TO ENTER INTO AN AGREEMENT FOR SERVICES.

## Overview:

In June of 2018, the EDA purchased the former Noble Avenue Park and Ride located at 4201 95<sup>th</sup> Avenue North from the Minnesota Department of Transportation (MNDOT). Metro Transit vacated the 6.95-acre property in 2014 when it moved into the current park and ride west of the site. The property is currently zoned and guided for Institutional Use. To determine the appropriate zoning and land use for the site as well as the type of development desired and supported by the community staff is proposing to undertake a participatory study.

The proposal for planning services is from Local Initiatives Support Corporation (LISC), a national non-profit and financing organization, for the Corridor Development Initiative (CDI) process. The CDI process has been used successfully in Brooklyn Park to help determine vision and support for development scenarios on two different sites. The first was completed around the study for reuse at the EDA site at Regent and Brooklyn Boulevard. The second study was for the housing site identified by North Hennepin Community College at 85<sup>th</sup> Avenue and College Parkway which was completed in 2018.

The proposed process uses a series of meetings with broad community outreach and participation to help drive a plan that is supported by the community and is also possible based on market realities.

The proposal outlines the process and schedule with an anticipated completion in March/April of 2020. This study will help set the stage for the resale of the land for private development.

## Budgetary/Fiscal Issues:

The cost of the work is \$26,570, which is included in the proposed 2020 EDA General Activities Fund.

## Recommendation:

The Executive Director of the Economic Development Authority recommends approval.

## Attachments:

- 6.1A LOCATION MAP
- 6.1B LISC PROPOSAL



11/12/2019

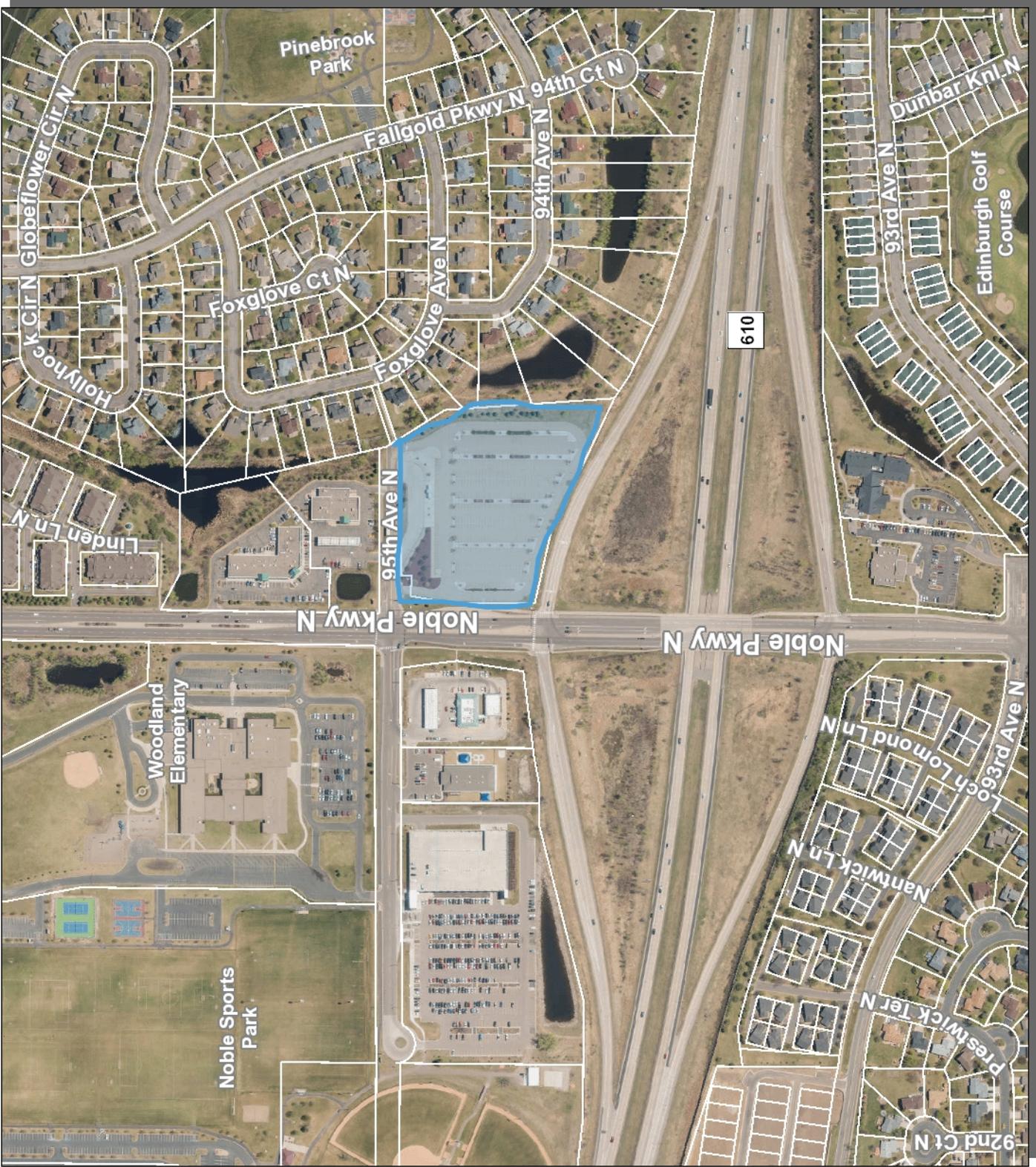
437 Feet

### City of Brooklyn Park

Former Park and Ride parcel

Map Scale = 1: 5,240

-  City Boundary
-  City Background



# **Corridor Development Initiative (CDI)**

**Proposal to the City of Brooklyn Park**

**RE: Noble Parkway/Hwy 610 site**

**November 2019**



**Submitted by:**

Gretchen Nicholls  
Twin Cities LISC

# Project Proposal

## Objective:

LISC's Corridor Development Initiative (CDI) process offers a proactive and interactive way for communities to guide development on key opportunity sites along or near transit corridors.

This hands-on experience allows participants to:

- Better understand the factors (financial, land use, design, etc.) that inform development,
- Learn how to leverage community goals and values through redevelopment and infrastructure investments, and
- Build community consensus to guide future development for selected sites.

The result? Win-win-win. Development opportunities move more efficiently through the public review system. Neighborhoods have the chance to guide proposed projects to reflect their community vision, and developers reduce the amount of time between making a proposal and breaking ground.

## Deliverables:

- Development Guideline recommendations for a designated project area or selected site(s), which are presented to the City Council, Planning Commission, and EDA or HRA for their consideration.
- A summary report of the CDI process, including an evaluation, information acquired through the process, and additional background material.
- Four CDI workshops, open to the general public.
- Outreach materials to notify and recruit community participation in the CDI workshops.
- Supports to increase community participation, such as child care and translation services as needed.

## Methodology:

The CDI process is designed as a four-part workshop series to engage communities around 1 – 3 redevelopment sites in a designated project area (such as an LRT station area or commercial corridor).

### Corridor Development Initiative Process:



**A Project Advisory Group will be established consisting of city staff and elected officials, community and business leaders, and other key partners to oversee the design and content of the CDI process.** The Project Advisory Group is responsible for:

- Designing and guiding the series of CDI workshops
- Developing an outreach and communication strategy to recruit participation, and
- Reviewing the materials and recommendations provided through the CDI process.

Promotional materials to recruit participation will include:

- A “Save the Date” postcard notification about the four CDI workshops to be mailed to all households in the vicinity three weeks in advance.
- Fliers that will be delivered door-to-door to households in the surrounding area, and posted at local businesses and other gathering places.
- Information provided on the city web-site.
- An electronic invite to be distributed through an email list-serve and social media.

### **The four part CDI workshop series will consist of:**

#### **Workshop I: Gather Information**

Introduction to the purpose and goals of the process, and the sites that will be the focus of the workshop series. City staff provide an overview of the regulatory requirements, and additional information as requested (e.g. housing study, demographics, city goals, etc.). Additional information may be provided such as best practices for transit oriented development, economic opportunities, creative place-making, sustainable development, or mixed-use development. Participants will work in small groups to discuss their concerns and hopes for redevelopment, which will frame the values that the remaining workshops will aspire to.

#### **Workshop II: Block Exercise**

Review the values articulated in Workshop I, and invite participants to create their own development scenarios for the designated sites. Tables will be set up with blocks to be used for identifying a range of development scenarios. Each scenario will be assessed by a financial tool to determine its financial viability. The results of each scenario are reported back to the table, which informs their next development scenarios. The block exercise provides an opportunity for people to explore options and alternatives within a framework of city goals, community values, and market feasibility.

#### **Workshop III: Developer Panel**

The development scenarios from the block exercise are summarized for review by a panel of developers that reflect the types of development that are proposed for the site (e.g. senior housing, green / sustainable development, mixed use, etc.). The panel discussion allows participants to benefit from the developers’ expertise, to hear their insights about what they look for in a site, and what it would take to get the type of development that the community would support.

#### **Workshop IV: Create Final Recommendations**

Based on the input gathered in the previous workshops, a draft document is reviewed and revised by the participants. The final product will be the result of a consensus process to identify Development Objective recommendations, which will be presented to the City Council and other advisory boards for their consideration.

## CDI Technical Team

A technical team of facilitators and design and development experts provides a neutral setting in the CDI workshops because we're not invested in any specific outcome. The result is a learning moment where community members discover the connection between design, use, and market realities.

The CDI technical team includes (bios attached):

- ❑ Gretchen Nicholls, Twin Cities Local Initiatives Support Corporation (LISC) – Project Coordinator (oversees process logistics, materials, consultants, final report and presentation)
- ❑ Barbara Raye, Center for Policy Planning and Performance – facilitation, process design, and evaluation
- ❑ Miranda Walker, Aeon – financial analysis and development expertise
- ❑ Katie Thering, consultant – Block Exercise support (includes table facilitators and sketchers), photography and report layout
- ❑ Tom Leighton, Tangible Consulting – planning and development expertise.

*Additional supports provided to encourage community participation include child care and translation services*

## Outreach for CDI workshop participation

The Project Advisory Group will identify an outreach strategy and action plan, which will be implemented by the CDI team and city staff. Efforts will be made to prioritize outreach to underrepresented stakeholders, so that a variety of perspectives will inform the workshop conversations and final recommendations.

Past experience through CDI has proven that the most effective outreach is face-to-face. People are more likely to attend if they have been personally invited, and/or they believe that the process will influence key decisions. Working with key community resources and networks (such as churches, community centers, schools, etc.) often prove the greatest results.

Electronic and physical notifications will be available to distribute, promoting the full series of CDI workshops.

## Option to enlist community organizations for outreach

To activate more intentional and effective outreach, we invite the opportunity to work directly with community-based organizations to benefit from their organizing capacity and community relationships. As resources are available, LISC will contract with community organizations identified by the city to provide outreach and recruit community members to participate. In previous CDI project areas, small grants (est. \$2,500 per organization) have been awarded to community partners as funding allows.

### Activities and Proposed Budget

*Deliverable costs are determined by collective rates of assigned  
CDI technical team members.*

Task	CDI Team Members	Fees
<input type="checkbox"/> Facilitate four community workshops that will be open to the general public, to include: <ul style="list-style-type: none"> <li>• Design and implement an interactive exercise and mobile kits for community input</li> <li>• Administer an evaluation/feedback survey at each workshop</li> <li>• Offer child care and translation services as requested</li> </ul>	Barbara Raye Gretchen Nicholls Katie Thering Tom Leighton Miranda Walker	<b>\$12,770</b>
<input type="checkbox"/> Production of outreach materials to recruit community participation, meeting materials, and report summaries <ul style="list-style-type: none"> <li>• Outreach materials to include postcard, flyer, poster, and electronic notice</li> <li>• Summary report will include all materials gathered through the workshop process (final recommendations, workshop discussion notes, attendance records, evaluation summary, and publicity materials)</li> </ul>	Gretchen Nicholls Katie Thering	<b>\$1,870</b>
<input type="checkbox"/> Project Coordination and administration (includes write up of draft recommendations and summary report)	Gretchen Nicholls	<b>\$8,940</b>
<input type="checkbox"/> Refreshments for the community workshops (\$125 per workshop)	Gretchen Nicholls	<b>\$500</b>
<b>TOTAL EXPENSES</b>		<b>\$24,080</b>
<b>TOTAL EXPENSES (incl. small grant for community partner outreach - \$2,500)</b>		<b>\$26,570</b>

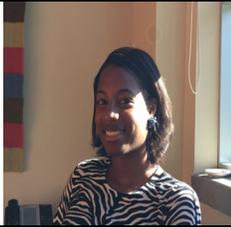
## Proposed Workplan / Content of Community Workshops

Tuesday, Jan 21, 2020	<p><b>1<sup>st</sup> Community Workshop – Gather Information</b></p> <ul style="list-style-type: none"> <li>◆ Overview of current land use policies, comprehensive plan revisions</li> <li>◆ Demographic changes, housing gaps, commercial space trends, other issues as identified by the Advisory Group</li> <li>◆ Presentation by CDI on livability, housing types, mixed use, density, site planning, and principles of sustainable development</li> <li>◆ Small Group discussions: What do you want to achieve from development? What are your concerns?</li> <li>◆ Report back to Large Group</li> </ul>	<p><b>Tasks</b></p> <p>City staff – work from current comp plan materials / demographic information.</p> <p>Consultants prepare short presentation on design, development types, site planning, and connections to adjacent parks and amenities.</p>
Tuesday, Feb 4, 2020	<p><b>2<sup>nd</sup> Community Workshop – Block Exercise</b></p> <ul style="list-style-type: none"> <li>◆ Overview of community input from Wksp 1</li> <li>◆ Set up block exercise (three tables) <ul style="list-style-type: none"> <li>□ Noble Parkway/Hwy 610 site</li> </ul> </li> <li>◆ Report out from each table on favorite scenarios and what was learned.</li> </ul>	<p><b>Tasks</b></p> <p>Prep work and staffing for block exercise</p> <p>Provides financial analysis scenarios</p>
Tuesday, Feb 18, 2020	<p><b>3<sup>rd</sup> Community Workshop – Developer Panel</b></p> <ul style="list-style-type: none"> <li>◆ Overview of Block Exercise summary sheets</li> <li>◆ Developer Panel: Discuss development opportunities and challenges</li> <li>◆ Provide example of development guidelines that reflect what the final product will be – Large Group Discussion</li> </ul>	<p><b>Panel members:</b> Advisory Group identifies 3 – 4 developer panelists (responding to the types of development products that would be desirable for the site).</p>
Tuesday, March 3	<p><b>4<sup>th</sup> Community Workshop – Framing the Recommendations for Development Guidelines</b></p> <ul style="list-style-type: none"> <li>◆ Facilitated discussion to reach agreement on final recommendations</li> <li>◆ Next Steps – present to City Council, EDA, and Planning Commission</li> </ul>	<p><b>Tasks</b></p> <p>Draft development objectives for discussion based on information gathered through the process.</p>

**Outreach / Communications work plan:**

<b>Tasks</b>	<b>Who</b>	<b>Date</b>
A. Mailing of "Save the Date" postcards that announces community workshop dates (city wide) B. Email lists / city newsletter / social media to inform residents about the process.	<ul style="list-style-type: none"> <li>◆ LISC / KThering / City staff create postcard</li> <li>◆ City Staff coordinates mailing</li> </ul>	Dec 2019
C. Fliers distributed throughout area (e.g. door to door, local businesses, parks, churches, etc.)	◆ LISC / City Staff	Jan 2020
D. Put info on cable network – accompany CDI DVD	◆ LISC / City staff	Jan 2020
E. Additional community outreach: <ul style="list-style-type: none"> <li>◆ Community organizations (i.e. League of Women Voters, Lions Club, Rotary Club, etc.)</li> <li>◆ Chamber of Commerce</li> <li>◆ Churches / Religious institutions (flyers)</li> <li>◆ Other?</li> </ul>	◆ LISC / City staff,	Jan 2020
F. Post all materials on web sites (create email for questions?)	◆ (IT) will coordinate content on City of Brooklyn Park web site	Ongoing
G. Translation services (provided by request) H. Child care (provided by request during community meetings) I. Refreshments	<ul style="list-style-type: none"> <li>◆ City/LISC</li> <li>◆ LISC</li> <li>◆ LISC</li> </ul>	
J. Final Report – written and ppt presentation	◆ LISC /City staff provides oversight	March/April 2020

## Corridor Development Initiative Technical Team

<p><b>Gretchen Nicholls</b>  <b>Program Officer, Twin Cities LISC</b>  Gretchen coordinates the Corridor Development Initiative (CDI) and assists regional strategies around equitable transit-oriented development. Working with communities she bridges on-the-ground community development efforts with regional systems conversations, connecting private investment with public purpose.</p>	
<p><b>Barbara Raye</b>  <b>Executive Director and Founder, Center for Policy Planning and Performance</b>  Consultant, Trainer, Mediator, Researcher, Policy Analyst  Barbara has dedicated her career to improving the effectiveness of community-based nonprofit organizations and government agencies in their work for social justice and the ethical use of power. She has worked to this end also in universities and operating foundations. In all these sectors she brings an expertise in systems and culture change, collaboration, and program development and evaluation.</p>	
<p><b>Miranda Walker</b>  <b>Aeon, Housing Project Manager</b>  Miranda joined Aeon in September 2010 bringing with her a range of professional experiences that include work with Hands On Twin Cities, Habitat for Humanity, Project for Pride in Living (PPL), and Minnesota Housing Finance Agency (MHFA).</p>	
<p><b>Katie Thering</b>  <b>Katie Thering Photography</b>  With a background in landscape architecture and urban design, Katie coordinates the block exercise portion of the CDI process. Her work with CDI combines her interest in design, neighborhoods, and community outreach. Prior to becoming a consultant for LISC, Katie worked for the Metropolitan Design Center at the University of Minnesota. In addition to her work with LISC, Katie is a photographer and the Coordinator for the Dinkytown Business Alliance.</p>	
<p><b>Tom Leighton</b>  <b>Tangible Consulting</b>  Working to foster real world positive change through advancing high quality development and building vibrant places, Tom provides planning and development expertise to create bustling, attractive and economically vibrant community assets that improve cities and neighborhoods. He puts an intentional priority on laying the groundwork for implementation.</p>	

# City of Brooklyn Park Request for EDA Action

<b>Agenda Item No:</b>	6.2	<b>Meeting Date:</b>	November 18, 2019
<b>Agenda Section:</b>	General Action items	<b>Prepared By:</b>	Kim Berggren, Director of Community Development and Breanne Rothstein, Economic Development and Housing Director
<b>Resolution:</b>	X	<b>Presented By:</b>	Kim Berggren, Director of Community Development
<b>No. of Attachments:</b>	3		
<b>Item:</b>	Consider Approving the 2020 Economic Development Authority Budget		

## Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_ TO WAIVE THE READING AND ADOPT RESOLUTION #2019-\_\_ APPROVING THE 2020 ECONOMIC DEVELOPMENT AUTHORITY BUDGET.

## Overview:

This memo introduces the 2020 operating budget and major planned expenses for the Brooklyn Park Economic Development Authority (EDA). The EDA budget funds five primary uses:

1. EDA **staff** and related expenses including equipment, training and supplies.
2. **Development related costs** including financial and legal services.
3. **Neighborhood and housing preservation** (rehabilitation loans, etc.).
4. Direct **development costs**, such as infrastructure.
5. **Reserves** to cover unanticipated projects costs, or take advantage of development opportunities.

In the spring of 2019, the EDA articulated five strategic priorities for the current Board as follows:

1. Explore projects located in the Opportunity Zone;
2. Enhanced restaurant recruitment and marketing efforts;
3. The development of a fund for the preservation of Naturally Occurring Affordable Housing;
4. Plan for and promote investment in the Village Creek neighborhood, including developing EDA-owned land;
5. Advance the discussion and planning for a business incubator.

The proposed budget attempts to prioritize these new initiatives while continuing to support the other important strategic work of the EDA.

The Brooklyn Park Economic Development Authority (EDA) annually prepares and submits a budget to the City Council. The attached 2020 proposed EDA budget contains schedules for the capital project fund, specific EDA initiatives, Tax-Increment Financing (TIF) districts and related bond funds. The proposed EDA budget maintains the current level of services provided by the EDA, with limited adjustments.

## Primary Issues/Alternatives to Consider:

- **What costs are supported by the EDA budget?**

**Staff Support:** Staff recommends that the EDA maintain the current staffing structure in 2020. In addition to permanent full-time staff, the proposed budget includes three interns, two half-year undergraduate or graduate student interns to assist with programs and projects as well as one BrookLynk intern. The practice of hiring interns achieves three important outcomes:

1. Adds capacity for priority strategic projects;
2. Offers an entry point into local government for a diverse future workforce; and
3. Keeps staff costs low relative to the outcomes achieved.

**Special EDA projects.** The following is a list of projects anticipated in 2020 where there is no separate budget allocation, but involve significant staff support.

- Implementation of the updated Apartment Action Plan in collaboration with other City staff and housing policy work.
- Coordination of the expenditures of the state bonding award for Second Harvest Heartland West, located at 7101 Winnetka Ave N.
- Closing out the EDA's loan to Autumn Ridge Apartments, which supported major reinvestment in the buildings, and administering the EDA's loan and associated re-habilitation work with Brooks Landing and Brook Gardens.
- CDBG funded activities.
- Administration of the recently approved new housing policies, including the Naturally Occurring Affordable Housing (NOAH) program.
- Involvement in the CURA Research study on housing stability.

**BLRT Involvement and Support:** In addition to staff to support the ongoing and strategic work of the EDA, important "Beyond the Rails" planning work will continue in 2020 in coordination with the other BLRT Corridor Cities and Hennepin County and the EDA provides staff support to these initiatives. Work includes:

1. BLRT marketing and branding Initiative.
2. BLRT wayfinding plan.
3. Planning, implementation, and programming of a temporary plaza park on 85<sup>th</sup> Avenue and West Broadway next to the Brooklyn Park Library.
4. Cultivate: Culture, Community, and Commerce, coordinated by Springboard for the Arts.
5. Business outreach and technical support services work.
6. Innovative financing strategies report, using two sites in Brooklyn Park as case studies.
7. The development of an online, interactive mapping tool to track development, investment opportunities to the corridor.

This work is a collaborative effort among many stakeholders including other cities (Crystal, Robbinsdale, Golden Valley, and Minneapolis), Hennepin County, Met Council, North Hennepin Community College, Brooklyn Park Library, local businesses, local artists, and community organizations (African Career Education Resource Inc., Springboard for the Arts, Northside Funders Collaborative, Neighborhood Development Center, Springboard for the Arts and Blue Line Coalition).

**Development Costs:** The EDA's capital project fund is the source for unanticipated special projects that arise, such as environmental cleanup costs when grant funds are not available. These expenses are sometimes unanticipated but necessary costs, while in other cases these funds may allow the EDA to take advantage of new opportunities.

**Housing Initiatives:** The EDA implements several housing initiatives that provide additional tools to assist with city-wide efforts that promote neighborhood livability and sustainability. These tools include: a re-vamped home improvement program, a program to preserve and enhance up to 500 units of naturally occurring affordable housing, housing policy work, and other special projects.

**Reserve:** The EDA maintains reserves in anticipation of funding major development projects and/or new initiatives. The reserve provides a strategic advantage because it gives Brooklyn Park the ability to seize new opportunities as they arise. Developers and business interests know Brooklyn Park can partner and help to make projects work, which puts the city on the short list when new projects come around.

- **What funds are available to directly support development and redevelopment?**

**EDA/HRA Levies:** The EDA and HRA levies represent the most consistent and flexible source of funding for development. Adopting the EDA and HRA levies provides a consistent revenue source to continue operating the EDA and undertaking development/redevelopment activities. In August, the EDA approved the preliminary EDA levy and HRA levy for 2020. Table 1 shows the HRA and EDA levy amounts since 2016 and the proposed amount for 2020. The EDA general fund budget schedule reflects the proposed 2020 levy amount (attachment 7.1A). Based on recent discussions on the City's budget, staff will likely recommend a reduction to the proposed levy to the City Council.

Table 1: Levy History and Proposed EDA/HRA Levy for 2020 (in dollars)

	2016 Council Adopted	2017 Council Adopted	2018 Council Adopted	2019 Council Adopted	2020 Max Amount	2020 Proposed
<b>EDA</b>	985,861	1,062,918	1,035,542	1,253,949	1,326,649	1,326,649
<b>HRA</b>	1,005,981	724,610	958,717	781,593	1,353,723	1,000,000
<b>Total</b>	1,991,842	1,787,528	2,294,259	2,035,542	2,680,372	2,326,649
<b>Levy Reduction (from max)</b>	-	360,000	300,000	497,947	-	353,723

**Tax Increment Financing (TIF) and Tax Abatement:** The EDA uses TIF and works with the City to use Tax Abatement as financial tools to assist projects when consistent with the EDA's strategic initiatives. State regulations and development agreements limit how much money can be collected for administrative costs or pooled in TIF districts to assist with other projects. Some of the city's TIF districts contain funding that can continue to be used for development and redevelopment consistent with their approved plans. The City utilizes Tax Abatement on a limited basis in accordance with state regulations. In 2011, the percent of city tax capacity in TIF districts was 12 percent. Today, it is 1.2 percent. It is anticipated that three more TIF Districts will be de-certified in the next year, including TIF 16 under separate cover tonight. The City currently has two active tax abatement projects, 610 West Phase I and II, and Target North Campus.

**Grants:** EDA staff continue to seek outside revenue sources to support a portion of the EDA's activities. Since 2009, grant funding that supported the EDA's work exceeds \$13 million. In the past year, the EDA has secured over \$1.5 million in grants. Funded activities include items such as continued growth of BrookLynk and housing research in partnership with the Center for Urban and Regional Affairs (CURA). The EDA also worked closely with Second Harvest Heartland to deploy \$18 million in State bonding dollars for its new distribution and headquarters facility. The BrookLynk program's design brings revenues and contributions from other sources that far exceed the EDA's contribution. The EDA's 2020 contribution of \$80,000 in operating funds will leverage over \$250,000 in other operating funds and an additional \$300,000 in in-kind contributions to the program. The EDA also gets reimbursed by the program for some of the costs of providing management oversight to the program.

**Land:** The EDA currently owns over 75 acres of land within the City that can be leveraged to advance development goals. This includes the potential for land write downs, land sales, or land swaps. In 2020, it is anticipated that the EDA will receive \$200,000 from the sale of land along Brooklyn Boulevard to Christina's Childcare Center.

**Reimbursements:** EDA staff continues to receive reimbursement for some staff time spent on Community Development Block Grant projects and programs to offset some of the associated costs. Staff also establishes development escrows in some situations so that costs can be reimbursed by development partners.

**Other funds:** The attached budget sheets include budgets for the EDA's other established funds along with notes on the use of each fund (7.1A).

- **What new projects are budgeted for 2020?**

- \$125,000 for overhead utility burial on Brooklyn Boulevard from Hwy 81 east to connect to LRT project area (to be completed with Hennepin County's 2019 Highway 81 reconstruction project) (Tax Increment Financing (TIF) #3).
- \$1,000,000 for the Brooklyn Boulevard trail project, including overhead utility burial (TIF #3).
- \$133,500 for transportation projects including the Highway 252 Design. The EDA will likely need to contribute additional funds toward construction of this project in future years (EDA General Fund).
- \$50,000 for 2020 CURA research (EDA General Fund and TIF#3).
- \$100,000 for the anticipated new Joint Powers Agreement and fund for the Center for Innovation and the Arts (CITA) project, which is a collaboration with North Hennepin Community College, Metro State, and other local arts stakeholders. (EDA General Fund).
- An \$150,000 increase in the budget allocation for the Homeowner Revolving Loan Program, for a total of \$500,000 to all homeowner programs (Revolving Loan Fund, with a transfer of \$200,000 from Foreclosure Recovery Fund).
- \$26,570 for a community planning process at the EDA-owned former Park and Ride site on Noble Avenue and Highway 610.

- **What new projects are anticipated in 2020 but not currently budgeted?**

- A multi-family beautification program for larger scale apartment buildings for landscaping and/or stormwater landscapes along the streetscape.
- Business incubator financial and site planning analysis, including pre-development funds for financial analysis, market studies, or planning for small, rentable spaces for office or retail/restaurant use.
- Small scale rental re-habilitation program (for one to 12 units).

To maintain flexibility to take advantage of opportunities as they arise, staff will continue to bring items to the EDA for budget authority as new projects develop. Dollars for strategic projects come from the EDA general development fund or TIF accounts, depending on funding restrictions. When these actions occur, staff provides a written report on the fund used and remaining balance of the fund.

- **What are prior year strategic initiatives that are continuing in 2020?**

- \$50,000 for Edinburgh USA Clubhouse capital investments in collaboration with D'Amico Catering (Transfer out).
- \$23,000 Business Forward Business Tool-kit Retention and Expansion initiative (EDA General Fund).
- \$15,000 for predevelopment activity funds to prepare possible redevelopment sites (TIF#3).
- \$80,000 for the BrookLynk program, which is jointly managed by Brooklyn Park EDA and the City of Brooklyn Center. This amount was \$80,000 in 2019 and is projected to remain \$80,000 in future years assuming continued success with securing other grants to support the program. (EDA General Fund).
- \$45,000 for branding initiatives, including \$15,000 to be used to contribute to the budget for the temporary plaza at 85<sup>th</sup> Avenue and West Broadway (EDA General Fund).

- \$20,000 for small business assistance, which includes \$10,000 for Open to Business, which is a service delivered by a partner organization, Metropolitan Consortium of Community Developers (MCCD). (increase of \$10,000 to support additional culturally diverse service providers) (EDA General Fund).
- \$25,000 to continue the Home Energy Assistance Program with Center for Energy and the Environment, which has assisted over 400 homeowners since the start of the program, to identify energy-efficiency improvements. (EDA General Fund).

**Recommendation:**

The Executive Director recommends approval of the EDA budget for 2020. The EDA's recommendation will be sent to the City Council, and the City Council may approve, reject or modify the budget submitted by the EDA.

**Attachments**

- 6.2A RESOLUTION
- 6.2B 2020 EDA BUDGET SHEETS AND 5 YEAR PROJECTIONS
- 6.2C 2018 YEAR END ACTIVITY SUMMARY

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

RESOLUTION #2019-

APPROVING THE 2020 ECONOMIC DEVELOPMENT AUTHORITY  
BUDGET

WHEREAS, the Brooklyn Park Economic Development Authority (the "EDA") was created by the City Council of the City of Brooklyn Park (the "City Council") by its adoption of an "Enabling Resolution" No. 1988-273, dated October 24, 1988 pursuant to *Minnesota Statutes*, Sections 469.090 to 469.1081 (the "EDA Act"); and

WHEREAS, the Enabling Resolution was amended by Resolution No. 1995-72 dated March 20, 1995, whereby the EDA was granted all of the powers, rights, duties, and obligations set forth in *Minnesota Statutes* Sections 469.001 to 469.047 (the "HRA Act"); and

WHEREAS, pursuant to its Bylaws and Sections 469.033, Subd. 6 and 469.100, Subd. 2 of the HRA and EDA Acts, respectively, the EDA is required to approve and submit its budget for the next fiscal year to the City Council; and

WHEREAS, the 2020 EDA budget (the "2020 Budget") is listed and attached hereto for discussion and approval.

NOW, THEREFORE, BE IT RESOLVED by the Brooklyn Park Economic Development Authority Board of Commissioners as follows:

That 2020 Budget attached hereto with all of its schedules is hereby approved, and the Executive Director of the EDA is authorized to forward the same to the City Council.

## 2020 Budget Summary - Brooklyn

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Preliminary Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 292 Brooklyn</b>										
<b>Revenue</b>										
SG - State Grants	-	-	-	40,000	44,000	120,000	120,000	120,000	120,000	120,000
OG - Other grants	-	-	-	120,981	159,000	180,000	180,000	180,000	180,000	180,000
OR - Other revenue	-	-	-	5,000	1,000	6,000	6,000	6,000	6,000	6,000
TRF - Transfers in	-	-	-	201,512	80,000	80,000	80,000	80,000	80,000	80,000
<b>Revenue Totals:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>367,494</b>	<b>284,000</b>	<b>386,000</b>	<b>386,000</b>	<b>386,000</b>	<b>386,000</b>	<b>386,000</b>
<b>Expenditures</b>										
SAL - Salaries	-	-	-	128,860	145,345	229,100	244,650	249,399	255,400	262,167
BEN - Benefits	-	-	-	38,771	34,917	76,174	83,701	86,055	90,443	96,637
SUP - Supplies	-	-	-	8,290	14,120	8,000	8,240	8,487	8,742	9,004
PS - Professional services	-	-	-	7,381	2,000	2,000	2,060	2,122	2,185	2,251
CS - Contractual services	-	-	-	58,606	58,400	30,400	31,162	31,947	32,755	33,588
CONF - Conferences and schools	-	-	-	15,891	7,100	11,800	12,154	12,520	12,894	13,282
DUES - Dues and subscriptions	-	-	-	-	480	500	515	530	546	563
OTH - Other charges	-	-	-	1,942	2,000	2,000	2,060	2,122	2,185	2,251
CB - Central buildings	-	-	-	-	-	-	5,000	5,150	5,305	5,464
ITC-Information technology charges	-	-	-	-	5,000	7,500	7,725	7,957	8,195	8,441
TRF - Transfers out	-	-	-	22,557	46,725	22,000	18,000	10,000	10,000	10,000
<b>Expenditure Totals:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>282,298</b>	<b>316,087</b>	<b>389,474</b>	<b>415,267</b>	<b>416,289</b>	<b>428,650</b>	<b>443,648</b>
<b>Change in Net Assets:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,196</b>	<b>(32,087)</b>	<b>(3,474)</b>	<b>(29,267)</b>	<b>(30,289)</b>	<b>(42,650)</b>	<b>(57,648)</b>
Net Assets - Beginning of Year	-	-	-	-	111,270	79,183	75,709	46,442	16,153	(26,497)
Net Assets - End of Year	-	-	-	111,270	79,183	75,709	46,442	16,153	(26,497)	(84,145)

Brooklynk, fund 292, transitioned to the cities of Brooklyn Park and Brooklyn Center at the start of 2018 under a cooperation agreement that places Brooklyn Park as the operational manager and fiscal agent for the equal partner program. Brooklynk provides youth and young adults, living in or going to school in Brooklyn Park or Brooklyn Center, with skills training, experience and support needed to successfully develop their individual pathways to college and career.

## 2020 Budget Summary - EDA General Activities Capital Project Fund

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 EDA Preliminary Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 502 EDA General Activities</b>										
<b>Revenue</b>										
GPTX - General property taxes	1,511,839	1,979,349	1,785,568	2,578,360	2,035,542	2,326,649	2,326,649	2,326,649	2,326,649	2,326,649
OG - Other grants	-	-	-	225,000	-	-	-	-	-	-
CHGS - Charges for services	324	1,257	914	10,601	-	-	-	-	-	-
INVINC - Investment income	140,800	137,749	150,267	226,083	149,139	149,139	151,376	153,647	155,951	158,291
OR - Other revenue	70,421	27,678	47,309	75,086	-	-	-	-	-	-
TRF - Transfers in	-	-	-	207,000	-	-	-	-	-	-
<b>Revenue Totals:</b>	<b>1,723,383</b>	<b>2,146,033</b>	<b>1,984,057</b>	<b>3,322,131</b>	<b>2,184,681</b>	<b>2,475,788</b>	<b>2,478,025</b>	<b>2,480,296</b>	<b>2,482,600</b>	<b>-2,484,940</b>
<b>Expenditures</b>										
SUP - Supplies	8,435	7,176	7,307	17,481	5,570	5,570	5,570	5,570	5,570	5,570
PS - Professional services	44,825	43,322	50,232	85,913	60,000	85,000	85,000	85,000	85,000	85,000
CS - Contractual services	181,367	152,923	267,290	383,169	205,500	411,871	278,301	191,300	191,300	191,300
COMM - Communications	1,834	6,388	6,448	5,949	4,000	4,000	4,000	4,000	4,000	4,000
UTIL - Utilities	8,231	7,344	6,443	11,743	-	-	-	-	-	-
COS - Cost of sales	464	1,386	-	-	-	-	-	-	-	-
CONF - Conferences and schools	11,888	20,198	14,140	18,675	23,570	28,015	28,015	28,015	28,015	28,015
DUES - Dues and subscriptions	4,716	7,527	2,223	6,897	3,585	3,585	3,585	3,585	3,585	3,585
OTH - Other charges	117,678	33,973	30,781	41,975	60,932	53,038	53,038	61,570	61,570	61,570
GFC - General Fund Charges	995,899	1,029,339	1,156,962	1,195,447	1,247,269	1,205,921	1,252,879	1,305,388	1,364,852	1,427,202
DEBT - Debt service	-	6,893	7,294	3,144	-	-	-	-	-	-
LC - Loss control charges	38,191	32,038	33,269	38,075	29,607	30,761	32,471	34,095	35,799	37,589
TRF - Transfers out	-	115,000	167,029	182,679	1,580,000	254,000	330,000	280,000	155,000	305,000
CO - Capital outlay	-	-	-	1,362,000	-	-	-	-	-	-
<b>Expenditure Totals:</b>	<b>1,413,530</b>	<b>1,463,508</b>	<b>1,749,419</b>	<b>3,353,147</b>	<b>3,220,033</b>	<b>2,081,761</b>	<b>2,072,859</b>	<b>1,998,523</b>	<b>1,934,691</b>	<b>2,148,831</b>
<b>Change in Net Assets:</b>	<b>309,853</b>	<b>682,525</b>	<b>234,638</b>	<b>131,016</b>	<b>1,035,352</b>	<b>394,027</b>	<b>405,166</b>	<b>481,773</b>	<b>547,909</b>	<b>336,109</b>
Net Assets - Beginning of Year	12,928,264	13,238,117	13,920,643	14,155,281	14,400,222	13,364,870	13,758,897	14,164,063	14,645,836	15,193,745
Net Assets - End of Year	13,238,117	13,920,643	14,155,281	14,400,222	13,364,870	13,758,897	14,164,063	14,645,836	15,193,745	15,529,854

This Economic Development Fund accounts for all the General Activities of the Brooklyn Park Economic Development Authority (EDA). The Net Assets reflect available resources the EDA has to help promote development and re-development activity within the City. These resources are in addition to Tax Increment Financing and Tax Abatement initiatives.

## City of Brooklyn Park

**2020 Budget Summary - EDA Rehab loan Program**

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 507 EDA Rehab loan</b>										
<b>Revenue</b>										
INVINC - Investment income	14,958	12,714	13,354	15,033	13,536	11,626	14,626	16,968	22,968	29,968
OR - Other revenue	40,687	38,961	10,006	13,718	9,516	22,000	43,000	65,000	83,000	100,000
TRF - Transfers In						200,000	300,000	425,000	410,000	370,000
<b>Revenue Totals:</b>	<b>55,645</b>	<b>51,675</b>	<b>23,360</b>	<b>28,751</b>	<b>23,052</b>	<b>233,626</b>	<b>357,626</b>	<b>506,968</b>	<b>515,968</b>	<b>499,968</b>
<b>Expenditures</b>										
CS - Contractual services	8,582	1,574	3,181	2,155	8,500	8,500	8,500	8,500	8,500	8,500
OTH - Other charges	393	21,000	41,838	40,166	350,388	500,388	500,388	500,399	500,399	500,399
DEBT - Debt service	-	405	401	413	-	-	-	-	-	-
<b>Expenditures Totals:</b>	<b>8,975</b>	<b>22,979</b>	<b>45,419</b>	<b>42,734</b>	<b>358,888</b>	<b>508,888</b>	<b>508,888</b>	<b>508,899</b>	<b>508,899</b>	<b>508,899</b>
<b>Change in Net Assets:</b>	<b>46,670</b>	<b>28,696</b>	<b>(22,059)</b>	<b>(13,983)</b>	<b>(335,836)</b>	<b>(275,262)</b>	<b>(151,262)</b>	<b>(1,931)</b>	<b>7,069</b>	<b>(8,931)</b>
<b>Net Assets - Beginning of Year</b>		<b>815,089</b>	<b>826,424</b>	<b>794,281</b>	<b>806,746</b>	<b>470,910</b>	<b>195,648</b>	<b>44,386</b>	<b>42,455</b>	<b>49,524</b>
<b>Net Assets - End of Year</b>	<b>815,089</b>	<b>826,424</b>	<b>794,281</b>	<b>806,746</b>	<b>470,910</b>	<b>195,648</b>	<b>44,386</b>	<b>42,455</b>	<b>49,524</b>	<b>40,593</b>

This Economic Development program provides loans to qualified homeowners to be used for eligible deferred maintenance repairs to their homes through a partnership with the Center for Energy and Environment (CEE).

## City of Brooklyn Park

## 2020 Budget Summary - EDA Foreclosure Loan Program

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 509 DEA Foreclosure loan</b>										
<b>Revenue</b>										
INVINC - Investment income	47,380	66,125	49,161	70,788	42,957	42,957	42,957	44,660	44,660	44,660
OR - Other revenue	2,103,558	2,424,828	875,422	211,749	-	-	-	-	-	-
<b>Revenue Totals:</b>	<b>2,150,938</b>	<b>2,490,953</b>	<b>924,583</b>	<b>282,538</b>	<b>42,957</b>	<b>42,957</b>	<b>42,957</b>	<b>44,660</b>	<b>44,660</b>	<b>44,660</b>
<b>Expenditures</b>										
CS - Contractual services	-	-	520	1,000	-	-	-	-	-	-
OTH - Other charges	1,893,066	1,472,326	824,538	24,669	2,111	2,111	2,111	2,175	2,175	2,175
DEBT - Debt service	-	2,256	2,364	2,793	-	-	-	-	-	-
TRF - Transfers out	-	-	-	-	-	200,000	300,000	425,000	410,000	370,000
<b>Expenditures Totals:</b>	<b>1,893,066</b>	<b>1,474,583</b>	<b>827,422</b>	<b>28,463</b>	<b>2,111</b>	<b>202,111</b>	<b>302,111</b>	<b>427,175</b>	<b>412,175</b>	<b>372,175</b>
<b>Change in Net Assets:</b>	<b>257,872</b>	<b>1,016,370</b>	<b>97,161</b>	<b>254,075</b>	<b>40,846</b>	<b>(159,154)</b>	<b>(259,154)</b>	<b>(382,515)</b>	<b>(367,515)</b>	<b>(327,515)</b>
<b>Net Assets - Beginning of Year</b>	<b>3,584,470</b>	<b>3,842,342</b>	<b>4,858,712</b>	<b>4,955,873</b>	<b>5,209,948</b>	<b>5,250,794</b>	<b>5,091,640</b>	<b>4,832,486</b>	<b>4,449,971</b>	<b>4,082,456</b>
<b>Net Assets - End of Year</b>	<b>3,842,342</b>	<b>4,858,712</b>	<b>4,955,873</b>	<b>5,209,948</b>	<b>5,250,794</b>	<b>5,091,640</b>	<b>4,832,486</b>	<b>4,449,971</b>	<b>4,082,456</b>	<b>3,754,941</b>

The EDA's Foreclosure Recovery Initiative began in 2009 and is a multi-year strategy to bring foreclosed homes back into stable homeownership. It includes an acquisition/rehabilitation program and a homebuyer assistance program.

The **Foreclosure Recovery Initiative** provides many benefits to the community, including:

- Formerly vacant homes are occupied by new owners.
- Previously under-maintained foreclosed homes have been given new life with upgrades to important home systems such as siding, windows, roofs, driveways, or mechanical, plumbing and electrical systems.
- Homes are rehabilitated to green standards resulting in the removal of lead and radon hazards and increased energy efficiency.
- Jobs are created for local contractors, real estate agents and others.

## City of Brooklyn Park

## 2019 Budget Summary - EDA Townhome Loan Program

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 510 EDA Townhome Loan</b>										
<b>Revenue</b>										
INVINC - Investment income	38,239	37,291	32,763	31,104	28,119	28,119	28,541	28,969	-	-
OR - Other revenue	81,689	81,408	86,734	89,372	57,442	57,442	57,442	42,487	-	-
<b>Revenue Totals:</b>	<b>119,928</b>	<b>118,698</b>	<b>119,496</b>	<b>120,476</b>	<b>85,561</b>	<b>85,561</b>	<b>85,983</b>	<b>71,456</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>										
PS - Professional services	-	-	-	-	2,500	2,500	2,500	2,500	-	-
CS - Contractual services	-	-	-	-	2,500	2,500	2,500	2,500	-	-
OTH - Other charges	570	-	-	-	484	484	484	498	-	-
DEBT - Debt service	-	601	705	748	-	-	-	-	-	-
<b>Expenditures Totals:</b>	<b>570</b>	<b>601</b>	<b>705</b>	<b>748</b>	<b>5,484</b>	<b>5,484</b>	<b>5,484</b>	<b>5,498</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets:</b>	<b>119,358</b>	<b>118,097</b>	<b>118,792</b>	<b>119,728</b>	<b>80,077</b>	<b>80,077</b>	<b>80,499</b>	<b>65,958</b>	<b>-</b>	<b>-</b>
<b>Net Assets - Beginning of Year</b>	<b>1,190,250</b>	<b>1,309,608</b>	<b>1,427,705</b>	<b>1,546,497</b>	<b>1,666,225</b>	<b>1,746,302</b>	<b>1,826,379</b>	<b>1,906,878</b>	<b>1,972,836</b>	<b>1,972,836</b>
<b>Net Assets - End of Year</b>	<b>1,309,608</b>	<b>1,427,705</b>	<b>1,546,497</b>	<b>1,666,225</b>	<b>1,746,302</b>	<b>1,826,379</b>	<b>1,906,878</b>	<b>1,972,836</b>	<b>1,972,836</b>	<b>1,972,836</b>

This Town Home Loan Program was created with a \$900,000 loan pool for the purpose of assisting associations to complete exterior rehabilitations to their buildings. A total of thirteen town home associations have been assisted through this program. Two town homes are currently making payments monthly to the EDA:

- Broadway Park - final payment on 11/1/2020
- Towns Edge - final payment on 11/1/2022

This program is planned to terminate in 2022. It has been replaced with the Housing Improvement Area Program.

## City of Brooklyn Park

## 2020 Budget Summary - EDA Housing Improvement Area Program

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 511 EDA HIA</b>										
<b>Revenue</b>										
SA - Special assessments	46,176	29,437	49,317	24,908	29,470	29,470	29,470	29,470	29,470	29,470
<b>Revenue Totals:</b>	<b>46,176</b>	<b>29,437</b>	<b>49,317</b>	<b>24,908</b>	<b>29,470</b>	<b>29,470</b>	<b>29,470</b>	<b>29,470</b>	<b>29,470</b>	<b>29,470</b>
<b>Expenditures</b>										
CS - Contractual services	400	-	-	-	-	-	-	-	-	-
OTH - Other charges	10,091	9,090	8,043	3,754	8,043	8,043	8,043	4,612	4,612	4,612
<b>Expenditures Totals:</b>	<b>10,491</b>	<b>9,090</b>	<b>8,043</b>	<b>3,754</b>	<b>8,043</b>	<b>8,043</b>	<b>8,043</b>	<b>4,612</b>	<b>4,612</b>	<b>4,612</b>
<b>Change in Net Assets:</b>	<b>35,685</b>	<b>20,347</b>	<b>41,275</b>	<b>21,154</b>	<b>21,427</b>	<b>21,427</b>	<b>21,427</b>	<b>24,858</b>	<b>24,858</b>	<b>24,858</b>
<b>Net Assets - Beginning of Year</b>	<b>(185,928)</b>	<b>(150,243)</b>	<b>(129,896)</b>	<b>(88,621)</b>	<b>(67,467)</b>	<b>(46,040)</b>	<b>(24,613)</b>	<b>(3,186)</b>	<b>21,672</b>	<b>46,530</b>
<b>Net Assets - End of Year</b>	<b>(150,243)</b>	<b>(129,896)</b>	<b>(88,621)</b>	<b>(67,467)</b>	<b>(46,040)</b>	<b>(24,613)</b>	<b>(3,186)</b>	<b>21,672</b>	<b>46,530</b>	<b>71,388</b>

Housing Improvement Area (HIA) Program: The EDA staff implements several housing initiatives that provide additional tools to assist with city-wide efforts that promote neighborhood livability and sustainability. One of these tools is creating a Housing Improvement Area, which allows a town home association to fund improvements to the units through a special assessment that is added onto each property owners property tax. The City is authorized under Minnesota Statutes, Chapter 428A, Sections 11 to 21 to establish by ordinance a housing improvement area. The source of funding for the project was the Town Home Revolving Loan Fund that was established in 1999.

The City currently has one approved HIA:

- Cherokee Villas Association contains 15 housing units. With the loan the Association made improvements to housing units, garages and common areas. Each unit annually pays a special assessment of \$3,100 for a term of ten years.

Add End Date:

## City of Brooklyn Park

## 2020 Budget Summary - Housing Set Aside

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 512 EDA Housing Set Aside</b>										
<b>Revenue</b>										
INVINC - Investment income	-	-	89,286	511,946	66,362	100,395	100,866	84,767	79,225	76,943
OR - Other revenue	-	-	348,515	-	-	425,322	452,174	254,281	56,474	58,756
TRF - Transfers in	-	-	10,429,413	-	-	-	-	-	-	-
<b>Revenue Totals:</b>	-	-	10,867,214	511,946	66,362	525,717	553,040	339,048	135,699	135,699
<b>Expenditures</b>										
PS - Professional services	-	-	-	-	-	5,000	5,000	5,000	5,000	5,000
CS - Contractual services	-	-	(30)	-	-	5,000	5,000	5,000	5,000	5,000
OTH - Other charges	-	-	147,740	-	400,000	-	-	-	-	-
DEBT - Debt service	-	-	-	4,153	-	-	-	-	-	-
TRF - Transfers out	-	-	1,931	444,828	-	-	-	-	-	-
<b>Expenditures Totals:</b>	-	-	149,640	448,981	400,000	10,000	10,000	10,000	10,000	10,000
<b>Change in Net Assets:</b>	-	-	10,717,574	62,964	(333,638)	515,717	543,040	329,048	125,699	125,699
<b>Net Assets - Beginning of Year</b>	-	-	-	10,717,574	10,780,539	10,446,901	10,962,618	11,505,658	11,834,706	11,960,405
<b>Net Assets - End of Year</b>	-	-	10,717,574	10,780,539	10,446,901	10,962,618	11,505,658	11,834,706	11,960,405	12,086,104

Housing set aside, fund 512 was established in 2018 to combine TIF 17 and TIF 15 in accordance with special state statute.

## City of Brooklyn Park

## 2020 Budget Summary - EDA Transitional Housing

	2015 Actual Amount	2016Actual Amount	2017 Actual Amount	2018Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 513 EDA Transitional Housing</b>										
<b>Revenue</b>										
Investment income	-	-	-	-	150	150	152	155	157	159
OR - Other revenue	-	-	-	-	34,600	34,600	34,600	34,600	34,600	34,600
<b>Revenue Totals:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>34,750</b>	<b>34,750</b>	<b>34,752</b>	<b>34,755</b>	<b>34,757</b>	
<b>Expenditures</b>										
CS - Contractual services	\$0	\$0	\$0	\$0	14,780	14,780	14,780	14,780	14,780	14,780
UTIL-Utilities	\$0	\$0	\$0	\$0	7,700	7,700	7,931	8,169	8,414	8,666
CO - Capital Outlay	\$0	\$0	\$0	\$0	25,000	7,500	7,500	7,500	7,500	7,500
<b>Expenditures Totals:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>47,480</b>	<b>29,980</b>	<b>30,211</b>	<b>30,449</b>	<b>30,694</b>	<b>30,946</b>
<b>Change in Net Assets:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(12,730)</b>	<b>4,770</b>	<b>4,541</b>	<b>4,306</b>	<b>4,063</b>	<b>(30,946)</b>
<b>Net Assets - Beginning of Year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,800</b>	<b>\$5,070</b>	<b>\$9,840</b>	<b>\$14,381</b>	<b>\$18,687</b>	<b>\$22,750</b>
<b>Net Assets - End of Year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,070</b>	<b>\$9,840</b>	<b>\$14,381</b>	<b>\$18,687</b>	<b>\$22,750</b>	<b>(\$8,197)</b>

Transferred EDA project 186 to create new fund 513 for transitional housing, established in 2019.

## City of Brooklyn Park

**2019 Budget Summary - EDA Target Abatement**

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 515 EDA Target Abatement</b>										
<b>Revenue</b>										
GPTX - General property taxes	400,000	200,000	300,000	300,000	200,000	150,000	150,000	150,000	150,000	150,000
INVINC - Investment income	9,075	9,481	8,652	9,326	8,782	8,782	8,914	9,047	9,183	9,321
<b>Revenue Totals:</b>	<b>409,075</b>	<b>209,481</b>	<b>308,652</b>	<b>309,326</b>	<b>208,782</b>	<b>158,782</b>	<b>158,914</b>	<b>159,047</b>	<b>159,183</b>	<b>159,321</b>
<b>Expenditures</b>										
PS - Professional services	-	-	125	-	-	-	-	-	-	-
CS - Contractual services	4,049	3,300	1,485	623	1,675	1,675	1,675	1,778	1,813	1,813
OTH - Other charges	186,735	303,283	303,363	141,664	222,246	206,502	214,844	219,141	223,524	227,995
DEBT - Debt service	-	474	495	53	-	-	-	-	-	-
<b>Expenditures Totals:</b>	<b>190,784</b>	<b>306,583</b>	<b>304,973</b>	<b>142,286</b>	<b>223,921</b>	<b>208,177</b>	<b>216,519</b>	<b>220,919</b>	<b>225,337</b>	<b>229,808</b>
<b>Change in Net Assets:</b>	<b>218,291</b>	<b>(97,102)</b>	<b>3,679</b>	<b>167,039</b>	<b>{15,139}</b>	<b>(49,395)</b>	<b>(57,606)</b>	<b>(61,872)</b>	<b>(66,154)</b>	<b>(70,487)</b>
<b>Net Assets - Beginning of Year</b>	<b>634,215</b>	<b>852,506</b>	<b>755,404</b>	<b>759,083</b>	<b>926,123</b>	<b>910,984</b>	<b>861,589</b>	<b>803,983</b>	<b>742,111</b>	<b>675,957</b>
<b>Net Assets - End of Year</b>	<b>852,506</b>	<b>755,404</b>	<b>759,083</b>	<b>926,123</b>	<b>910,984</b>	<b>861,589</b>	<b>803,983</b>	<b>742,111</b>	<b>675,957</b>	<b>605,470</b>

This program accounts for the tax abatement agreements with Target Corporation.

City of Brooklyn Park  
**2019 Budget Summary - Doran Abatement**

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 516 EDA Doran Abatement</b>										
<b>Revenue</b>										
GPTX - General property taxes	\$0	\$0	-	200,000	375,000	540,000	540,000	540,000	540,000	540,000
INVINC - Investment income	\$0	\$0	-	-	-	-	-	-	-	-
<b>Revenue Totals:</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>	<b>200,000</b>	<b>375,000</b>	<b>540,000</b>	<b>540,000</b>	<b>540,000</b>	<b>540,000</b>	<b>540,000</b>
<b>Expenditures</b>										
PS - Professional services	\$0	\$0	2,338	-	-	1,709	1,743	1,778	1,813	1,849
CS - Contractual services	\$0	\$0	-	675	-	-	-	-	-	-
OTH - Other charges	\$0	\$0	7,075	92,430	375,000	530,745	530,745	530,745	530,745	530,745
<b>Expenditures Totals:</b>	<b>\$0</b>	<b>\$0</b>	<b>9,412</b>	<b>93,105</b>	<b>375,000</b>	<b>532,454</b>	<b>532,488</b>	<b>532,523</b>	<b>532,558</b>	<b>532,594</b>
<b>Change in Net Assets:</b>	<b>\$0</b>	<b>\$0</b>	<b>(9,412)</b>	<b>106,895</b>	<b>-</b>	<b>7,546</b>	<b>7,512</b>	<b>7,477</b>	<b>7,442</b>	<b>7,406</b>
<b>Net Assets - Beginning of Year</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>	<b>(9,412)</b>	<b>97,483</b>	<b>97,483</b>	<b>105,029</b>	<b>112,541</b>	<b>120,018</b>	<b>127,460</b>
<b>Net Assets - End of Year</b>	<b>\$0</b>	<b>\$0</b>	<b>(9,412)</b>	<b>97,483</b>	<b>97,483</b>	<b>105,029</b>	<b>112,541</b>	<b>120,018</b>	<b>127,460</b>	<b>134,866</b>

Doran 610 Partners, LLC new construction of approximately 480 market-rate rental units and an associated club house on the southeast corner of Oak Grove Parkway and Hampshire Avenue. Payments will start August 1, 2018 and end February 1, 2034.

## 2019 Budget Summary - Tax Increment District #3 Capital Project Fund

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 545 Tax Increment District #3</b>										
<b>Revenue</b>										
INVINC - Investment income	100,171	68,901	104,521	42,913	106,771	106,771	108,373	109,998	111,648	113,323
OR - Other revenue	13,500	-	650	1,085,800	-	-	-	-	-	-
TRF - Transfers in	-	-	-	-	-	298,866	265,670	230,195	192,248	151,772
<b>Revenue Totals</b>	<b>113,671</b>	<b>68,901</b>	<b>105,171</b>	<b>1,128,713</b>	<b>106,771</b>	<b>405,637</b>	<b>374,043</b>	<b>340,193</b>	<b>303,896</b>	<b>265,095</b>
<b>Expenditures</b>										
PS - Professional services	-	2,344	-	956	-	-	-	-	-	-
CS - Contractual services	-	36,683	11,056	48,299	15,845	10,000	10,000	10,000	10,000	10,000
OTH - Other charges	3,042,565	375,000	274,034	250,000	-	-	-	-	-	-
DEBT - Debt service	-	2,850	1,757	1,237	-	-	-	-	-	-
TRF - Transfers out	-	-	-	44,934	1,475,500	250,000	3,000,000	-	-	-
CO - Capital outlay	-	-	-	1,085,000	-	-	-	-	-	-
<b>Expenditure Totals:</b>	<b>3,042,565</b>	<b>416,877</b>	<b>286,847</b>	<b>1,430,426</b>	<b>1,491,345</b>	<b>260,000</b>	<b>3,010,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Change in Net Assets:</b>	<b>(2,928,894)</b>	<b>(347,976)</b>	<b>(181,675)</b>	<b>(301,713)</b>	<b>(1,384,574)</b>	<b>145,637</b>	<b>(2,635,957)</b>	<b>330,193</b>	<b>293,896</b>	<b>255,095</b>
<b>Net Assets - Beginning of Year</b>	<b>9,801,269</b>	<b>6,872,375</b>	<b>6,524,399</b>	<b>6,342,724</b>	<b>6,041,011</b>	<b>4,656,437</b>	<b>4,802,074</b>	<b>2,166,116</b>	<b>2,496,309</b>	<b>2,790,206</b>
<b>Net Assets - End of Year</b>	<b>6,872,375</b>	<b>6,524,399</b>	<b>6,342,724</b>	<b>6,041,011</b>	<b>4,656,437</b>	<b>4,802,074</b>	<b>2,166,116</b>	<b>2,496,309</b>	<b>2,790,206</b>	<b>3,045,300</b>
<b>Net Assets - End of Year - 1996 Loan Fund</b>	<b>\$14,312,912</b>	<b>21,185,287</b>	<b>20,837,311</b>	<b>20,655,635</b>	<b>20,353,922</b>	<b>18,969,348</b>	<b>19,114,985</b>	<b>16,479,028</b>	<b>16,809,221</b>	<b>17,103,117</b>
<b>Net Assets - TIF 3</b>	<b>\$21,185,287</b>	<b>\$20,837,311</b>	<b>\$20,655,635</b>	<b>\$20,353,922</b>	<b>\$18,969,348</b>	<b>\$19,114,985</b>	<b>\$16,479,028</b>	<b>\$16,809,221</b>	<b>\$17,103,117</b>	<b>\$17,358,212</b>

Tax Increment Finance District #3 decertified on 12/31/2011. This district's TIF Plan was modified in 2010 to allow use of these funds for: Redevelopment initiatives in the entire city, but particularly along 85th Avenue; Foreclosure recovery efforts; and Construction of an interchange at Highway 169 and County Road 30.

1996 Loan closed out combined in 2018, \$15,341,261 was transferred to fund.

## City of Brooklyn Park

## 2019 Budget Summary - Tax Increment District #16 Capital Project Fund

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 548 Tax Increment District #16</b>										
<b>Revenue</b>										
TI - Tax increment	310,355	375,018	403,448	479,783	500,242	-	-	-	-	-
INVINC - Investment income	4,778	8,689	11,814	4,553	4,950	-	-	-	-	-
<b>Revenue Totals:</b>	<b>315,133</b>	<b>383,707</b>	<b>415,262</b>	<b>484,336</b>	<b>505,192</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>										
CS - Contractual services	2,372	1,072	1,127	1,157	-	-	-	-	-	-
OTH - Other charges	74,019	66,066	-	-	-	-	-	-	-	-
DEBT - Debt service	-	509	694	-	-	-	-	-	-	-
TRF - Transfers out	-	57,762	253,244	632,065	831,720	642,264	-	-	-	-
<b>Expenditures Totals:</b>	<b>76,391</b>	<b>125,410</b>	<b>255,065</b>	<b>633,222</b>	<b>831,720</b>	<b>642,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets:</b>	<b>238,742</b>	<b>258,297</b>	<b>160,197</b>	<b>(148,886)</b>	<b>(326,528)</b>	<b>(642,264)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets - Beginning of Year</b>	<b>460,441</b>	<b>699,183</b>	<b>957,481</b>	<b>1,117,678</b>	<b>968,792</b>	<b>642,264</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Net Assets - End of Year</b>	<b>699,183</b>	<b>957,481</b>	<b>1,117,678</b>	<b>968,792</b>	<b>642,264</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>

Tax Increment Finance District #16 is a Scattered Site Redevelopment District that was certified on 7/29/1996 and is scheduled to be decertified on 12/31/2019. This district is part of the Deficit Pooling Plan and remaining funds are available for pooling.

## City of Brooklyn Park

## 2020 Budget Summary - Tax Increment District #17 Capital Project Fund

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 549 Tax Increment District #17</b>										
<b>Revenue</b>										
TI - Tax increment	-	-	-	-	-	-	-	-	-	-
INVINC - Investment income	72,972	69,158	-	-	-	-	-	-	-	-
OR - Other revenue	-	48,701	-	-	-	-	-	-	-	-
TRF - Transfers in	-	-	-	444,828	-	-	-	-	-	-
<b>Revenue Totals:</b>	<b>72,972</b>	<b>117,860</b>	<b>-</b>	<b>444,828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>										
PS - Professional services	-	3,757	-	-	-	-	-	-	-	-
CS - Contractual services	-	-	-	-	56,699	56,699	56,699	56,699	56,699	56,699
UTL - Utilities	-	-	-	59	-	-	-	-	-	-
OTH - Other charges	3,113	-	-	-	-	-	-	-	-	-
DEBT - Debt service	-	3,039	-	1,315	-	-	-	-	-	-
TRF - Transfers out	-	-	6,314,542	39,239	-	-	-	-	-	-
<b>Expenditures Totals:</b>	<b>3,113</b>	<b>6,796</b>	<b>6,314,542</b>	<b>40,613</b>	<b>56,699</b>	<b>56,699</b>	<b>56,699</b>	<b>56,699</b>	<b>56,699</b>	<b>56,699</b>
<b>Change in Net Assets:</b>	<b>69,859</b>	<b>111,064</b>	<b>(6,314,542)</b>	<b>404,215</b>	<b>(56,699)</b>	<b>(56,699)</b>	<b>(56,699)</b>	<b>(56,699)</b>	<b>(56,699)</b>	<b>(56,699)</b>
<b>Net Assets - Beginning of Year</b>	<b>6,136,797</b>	<b>6,202,973</b>	<b>6,314,037</b>	<b>(SOS)</b>	<b>403,709</b>	<b>347,010</b>	<b>290,311</b>	<b>233,612</b>	<b>176,913</b>	<b>120,214</b>
<b>Net Assets - End of Year</b>	<b>6,202,973</b>	<b>6,314,037</b>	<b>(SOS)</b>	<b>403,709</b>	<b>347,010</b>	<b>290,311</b>	<b>233,612</b>	<b>176,913</b>	<b>120,214</b>	<b>63,515</b>

Tax Increment Finance District #17 is a Distressed Housing District that was certified on 7/22/1996.

Combined with Old TIF 15-Housing (Housing Set Aside) per special state legislation started YE 2016

The 2018 transfer of \$444,828 is from 2017 closeout. Remaining funds in TIF 17 can be used for administrative expenses and qualified housing projects.

## City of Brooklyn Park

**2020 Budget Summary - Tax Increment District #18 Capital Project Fund**

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Amended Budget	2019 Final Adopted	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 550 Tax Increment District #18</b>										
<b><u>Revenue</u></b>										
INVINC - Investment income	19,298	18,286	18,514	22,049	8,364	8,470	8,458	8,445	8,432	8,419
<b>Revenue Totals:</b>	<b>19,298</b>	<b>18,286</b>	<b>18,514</b>	<b>22,049</b>	<b>8,364</b>	<b>8,470</b>	<b>8,458</b>	<b>8,445</b>	<b>8,432</b>	<b>8,419</b>
<b><u>Expenditures</u></b>										
CS - Contractual services	-	-	-	-	11,000	11,000	11,000	11,000	11,000	11,000
OTH - Other charges	823	-	-	-	-	-	-	-	-	-
DEBT - Debt service	-	804	848	827	-	-	-	-	-	-
<b>Expenditures Totals:</b>	<b>823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>
<b>Change in Net Assets:</b>	<b>18,474</b>	<b>18,286</b>	<b>18,514</b>	<b>22,049</b>	<b>(2,636)</b>	<b>(2,530)</b>	<b>(2,542)</b>	<b>(2,555)</b>	<b>(2,568)</b>	<b>(2,581)</b>
<b>Net Assets - Beginning of Year</b>	<b>1,621,751</b>	<b>1,640,226</b>	<b>1,658,512</b>	<b>1,677,026</b>	<b>1,699,075</b>	<b>1,696,439</b>	<b>1,693,909</b>	<b>1,691,367</b>	<b>1,688,812</b>	<b>1,686,244</b>
<b>Net Assets - End of Year</b>	<b>1,640,226</b>	<b>1,658,512</b>	<b>1,677,026</b>	<b>1,699,075</b>	<b>1,696,439</b>	<b>1,693,909</b>	<b>1,691,367</b>	<b>1,688,812</b>	<b>1,686,244</b>	<b>1,683,663</b>

Tax Increment Finance District #18 is an Economic Development District that decertified on 12/31/2007. This district is part of the Deficit Pooling Plan and remaining funds are available for pooling.

## City of Brooklyn Park

**2020 Budget Summary - Tax Increment District #20 Capital Project Fund**

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast
<b>Fund: 551 Tax Increment District #20</b>								
<b>Revenue</b>								
TI - Tax increment	682,329	750,405	841,988	876,685	890,088	892,373	892,373	892,373
INVINC - Investment income	(1,525)	268	(682)	(2,705)	-	-	-	-
TRF - Transfers in	1,012,308	948,303	862,569	1,341,830	831,720	-	-	-
<b>Revenue Totals:</b>	<b>1,693,112</b>	<b>1,698,977</b>	<b>1,703,875</b>	<b>2,215,810</b>	<b>1,721,808</b>	<b>892,373</b>	<b>892,373</b>	<b>892,373</b>
<b>Expenditures</b>								
CS - Contractual services	5,179	-	2,728	2,786	-	-	-	-
OTH - Other charges	448,640	411,829	386,202	359,000	329,931	298,866	265,670	230,195
DEBT - Debt service	-	343	404	290	-	-	-	-
TRF - Transfers out	910,819	916,200	922,050	926,475	939,300	-	-	-
<b>Expenditures Totals:</b>	<b>1,364,637</b>	<b>1,328,371</b>	<b>1,311,384</b>	<b>1,288,551</b>	<b>1,269,231</b>	<b>298,866</b>	<b>265,670</b>	<b>230,195</b>
<b>Change in Net Assets:</b>	<b>328,474</b>	<b>370,605</b>	<b>392,491</b>	<b>927,259</b>	<b>452,577</b>	<b>593,507</b>	<b>626,703</b>	<b>662,178</b>
<b>Net Assets - Beginning of Year</b>	<b>-</b>	<b>(4,621,817)</b>	<b>(4,251,212)</b>	<b>(3,858,721)</b>	<b>(2,931,461)</b>	<b>(2,478,884)</b>	<b>(1,885,377)</b>	<b>(1,258,674)</b>
<b>Net Assets - End of Year</b>	<b>(4,621,817)</b>	<b>(4,251,212)</b>	<b>(3,858,721)</b>	<b>(2,931,461)</b>	<b>(2,478,884)</b>	<b>(1,885,377)</b>	<b>(1,258,674)</b>	<b>(596,496)</b>

Tax Increment Finance District #20 (The Village) is a Redevelopment District that was certified on 8/2/2000 and is scheduled for decertification on 12/31/2026.

## City of Brooklyn Park

## 2020 Budget Summary - Tax Increment District #24 Capital Project Fund

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 555 Tax Increment District #24</b>										
<b>Revenue</b>										
TI - Tax increment	-	178,334	215,036	208,392	208,389	208,389	-	-	-	-
INVINC - Investment income	-	-	100	(87)	286	286	-	-	-	-
<b>Revenue Totals:</b>	-	178,334	215,136	208,305	208,675	208,675	-	-	-	-
<b>Expenditures</b>										
PS - Professional services	445	-	-	-	2,500	2,500	-	-	-	-
CS - Contractual services	760	928	862	801	8,419	9,496	-	-	-	-
OTH - Other charges	-	160,500	193,532	93,776	187,550	356,923	-	-	-	-
DEBT - Debt service	-	-	117	14	-	-	-	-	-	-
<b>Expenditures Totals:</b>	1,205	161,428	194,511	94,591	198,469	368,919	-	-	-	-
<b>Change in Net Assets:</b>	(1,205)	16,905	20,625	113,713	10,206	(160,244)	-	-	-	-
<b>Net Assets - Beginning of Year</b>	-	(1,205)	15,700	36,325	150,038	160,244	(0)	(0)	(0)	(0)
<b>Net Assets - End of Year</b>	(1,205)	15,700	36,325	150,038	160,244	(0)	(0)	(0)	(0)	(0)

Tax Increment Finance District #24 (First Industrial L.P.) is an Economic Development District that was certified on 6/30/2014 and has a maximum life of 9 years of tax increment. TIF 24 is scheduled to be decertified on 12/31/2020. The date of receipt of first increment is 2016.

## City of Brooklyn Park

## 2020 Budget Summary - Tax Increment District #25 Capital Project Fund

	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 556 Tax Increment District #25</b>										
<b>Revenue</b>										
TI - Tax increment	-	177,377	113,195	105,387	109,777	110,688	-	-	-	-
INVINC - Investment income	-	-	34	1,605	156	445	781	745	708	672
<b>Revenue Totals:</b>	<b>-</b>	<b>177,377</b>	<b>113,229</b>	<b>106,992</b>	<b>109,933</b>	<b>111,133</b>	<b>781</b>	<b>745</b>	<b>708</b>	<b>672</b>
<b>Expenditures</b>										
PS - Professional services	100	275	-	-	-	-	-	-	-	-
CS - Contractual services	530	1,156	729	675	5,989	5,989	8,000	8,000	8,000	8,000
OTH - Other charges	-	159,640	101,876	49,400	98,940	49,810	-	-	-	-
DEBT - Debt service	-	-	39	5	-	-	-	-	-	-
<b>Expenditures Totals:</b>	<b>630</b>	<b>161,071</b>	<b>102,644</b>	<b>50,080</b>	<b>104,929</b>	<b>55,799</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>Change in Net Assets:</b>	<b>(630)</b>	<b>16,306</b>	<b>10,585</b>	<b>56,912</b>	<b>5,004</b>	<b>55,334</b>	<b>(7,219)</b>	<b>(7,255)</b>	<b>(7,292)</b>	<b>(7,328)</b>
<b>Net Assets - Beginning of Year</b>	<b>-</b>	<b>(630)</b>	<b>15,676</b>	<b>26,261</b>	<b>83,173</b>	<b>88,177</b>	<b>143,511</b>	<b>136,292</b>	<b>129,037</b>	<b>121,745</b>
<b>Net Assets - End of Year</b>	<b>(630)</b>	<b>15,676</b>	<b>26,261</b>	<b>83,173</b>	<b>88,177</b>	<b>143,511</b>	<b>136,292</b>	<b>129,037</b>	<b>121,745</b>	<b>114,417</b>

Tax Increment Finance District #25 (Wurth Adams Nut & Bolt) is an Economic Development District that was certified on 6/30/14 and has a maximum life of 9 years of tax increment. TIF 25 is scheduled to be decertified on 12/31/2020. The date of receipt of first increment is 2016.

## City of Brooklyn Park

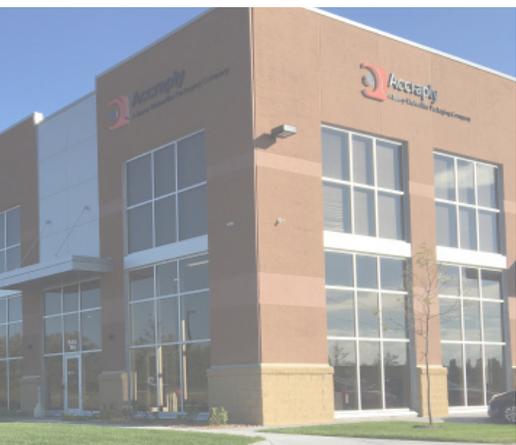
**2020 Budget Summary - Tax Increment District #26**

	2018 Actual Amount	2019 Amended Budget	2020 Adopted Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Fund: 557 Tax Increment District #26</b>							
<b><u>Revenue</u></b>							
TI-Tax increment	-	-	-	67,957	67,957	67,957	67,957
<b>Revenue Totals:</b>	-	-	-	67,957	67,957	67,957	67,957
<b><u>Expenditures</u></b>							
CS - Contractual services	-	-	-	3,398	3,398	3,398	3,398
OTH - Other charges	-	-	-	64,559	64,559	64,559	64,559
<b>Expenditures Totals:</b>	-	-	-	67,957	67,957	67,957	67,957
<b>Change in Net Assets:</b>	-	-	-	-	-	-	-
<b>Net Assets - Beginning of Year</b>		-	-	-	-	-	-
<b>Net Assets - End of Year</b>	-	-	-	-	-	-	-

Tax Increment Finance District #26 (Scannell) is an Economic Development District that will be certified in 2019 and has a maximum life of 9 years of tax increment. The date of receipt of first increment is anticipated in 2020.



# Economic Development Authority Year-End Activity Summary 2018





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## Economic Development Authority | Year-End Activity Summary 2018

# 2018

was another great year for the Brooklyn Park Economic Development Authority (EDA). The EDA focused heavily on multi-family housing work including revisiting the Apartment Action Plan, implementing the multi-family housing policy,

supporting rehabilitations of existing apartment buildings in the community, and expanding the New Connect Program to include rental units to continue making Brooklyn Park a welcoming and thriving community for all.

The EDA also continued working on business programming and workforce development. The “Built in Brooklyn Park” marketing campaign entered its second year of celebrating manufacturing businesses in the community. The campaign partnered with Hennepin Technical College to highlight workforce development and partnerships in the community. 2018 was the youth internship program BrookLynk’s first year in City Hall. The move has allowed BrookLynk staff to build out more robust programming for youth in the Brooklyns.

The METRO Blue Line Light Rail Transit (LRT) project is 90% engineered and designed, another important milestone in the project’s timeline. In 2019, project planners will continue to work toward getting the full funding grant agreement with the Federal Transportation Administration (FTA), finalizing the planning, and implement the newly adopted Transit-Oriented Development (TOD) zoning code.

In November, residents elected two new EDA Commissioners: Tonja West-Hafner representing the Central District and Wynfred Russell representing the West District. Commissioner Russell is the first Liberian person elected to the EDA making the board more representative of the community. The board said good-bye to Commissioner Bob Mata who had served on the board since 2012 and Commissioner Rich Gates who had served on the board since 2007. Along with new commissioners, the EDA welcomed a new Housing and Economic Development Director, Breanne Rothstein. Breanne joined the team in early December and brought with her a breadth of experience including time in both the public and private sectors.

2019 will focus on onboarding the new commissioners, advancing several emerging projects, revising housing programs and policy, re-vamping the business retention and expansion program, and working with the development community to improve access to high-quality housing and jobs.

#### **2018 Economic Development Authority Board**

*Back row, left to right: Commissioner Bob Mata, Commissioner Rich Gates, President Jeffery Lunde, Commissioner Mark Mata  
Front row, left to right: Commissioner Susan Pha, Commissioner Lisa Jacobson, Commissioner Terry Parks*



## Brooklyn Park's Economic Development Authority

is tasked with creating and maintaining jobs, growing the tax base, and leading development activities in the City. One of the EDA's goals is to make Brooklyn Park an attractive and supportive environment for businesses. By striving to maintain and grow relationships with existing and new businesses, the EDA helps to identify and link development and redevelopment opportunities with the proper tools and resources, helping existing businesses grow and prosper while attracting new businesses and industry to the community.

The EDA also administers Brooklyn Park's housing programs. Housing is one of Brooklyn Park's greatest assets. The EDA works to maintain and preserve existing housing stock in the city by offering a wide range of programs that meet the needs of homeowners, homebuyers, sellers, renters, and landlords.

Through this focus on livability, development, and redevelopment, the EDA's ultimate goal is to maintain a high quality of life for all Brooklyn Park residents.

## EDA History

In 1988, the Brooklyn Park City Council established the Economic Development Authority (EDA) to oversee job creation and preservation, enhance the City's tax base, promote the general welfare of the City's residents, and assume primary responsibility for development activities in the City. In 1993, the EDA absorbed the work of the Housing and Redevelopment Authority (HRA). This action gave the EDA oversight of housing and redevelopment activities in the City. The Authority is made up of the seven duly elected and sworn-in members of the City Council and meets every month to discuss projects and initiatives as presented by city staff. Since its inception in the late 1980s the EDA has been integral to a number of projects in the city, including redevelopment of the Village Creek neighborhood, establishment of Northland Business Park, transportation planning, and the creation and management of critical housing programs.

## Ground Breakings and Grand Openings

- Mi Sant Banh Mi
- Rust-O-Leum
- 610 West
- Hampton Inn
- Taco el Paraiso
- Second Harvest Heartland
- Mill City Credit Union
- 610 Commerce Building II
- Hallmark Building Co.
- Blue Wolf Brewery
- Accraply
- NAPCO
- Protolabs

# Development Activity

## Second Harvest Heartland Bond

In 2017, Second Harvest Heartland, a food bank that serves all of Minnesota and Western Wisconsin, asked the City of Brooklyn Park to act as a fiscal agent for its application for \$18 million in State of Minnesota General Obligation Bonds. The State Legislature approved the funds in spring of 2018. The funds helped Second Harvest move its headquarters and operations to the City of Brooklyn Park. Construction began on the 230,000 square foot building at 7101 Winnetka Avenue North and is anticipated to be complete by the end of 2019.

In 2018, Second Harvest employed almost 160 people, hosted over 25,000 volunteers, and provided more than 100 million pounds of food to partner food shelves and directly to people in need.

## NAPCO International Finds a New Home in Brooklyn Park

In 2018, NAPCO International LLC began the process of moving its headquarters to 9200 75th Avenue North. The new 75,000 square foot facility is being constructed in Northland Business Park by Scannell Properties, who will lease 60,000 square feet of the building to NAPCO once completed. NAPCO manufactures and distributes automotive components for vehicles used in the defense industry. In 2017, NAPCO had over \$45,000,000 in annual sales and employed 51 people.

NAPCO approached the City to assist in applying for State of Minnesota Department of Employment and Economic Development (DEED) Job Creation Fund (JCF) money. As part of its JCF agreements, NAPCO plans to create 18 new jobs in order to receive \$110,000 of State funding.



## Brooklyn Park's First Brewery Opens

Brooklyn Park's first brewery officially opened its doors in April 2018. Blue Wolf Brewery is located at 8515 Edinburgh Centre Dr next to Broadyway Pizza. Since it opened in the spring, Blue Wolf has expanded its beverage options, hosted events including trivia and yoga, and acted as a partner with the City of Brooklyn Park's Recreation and Parks department's summer bean bag league.



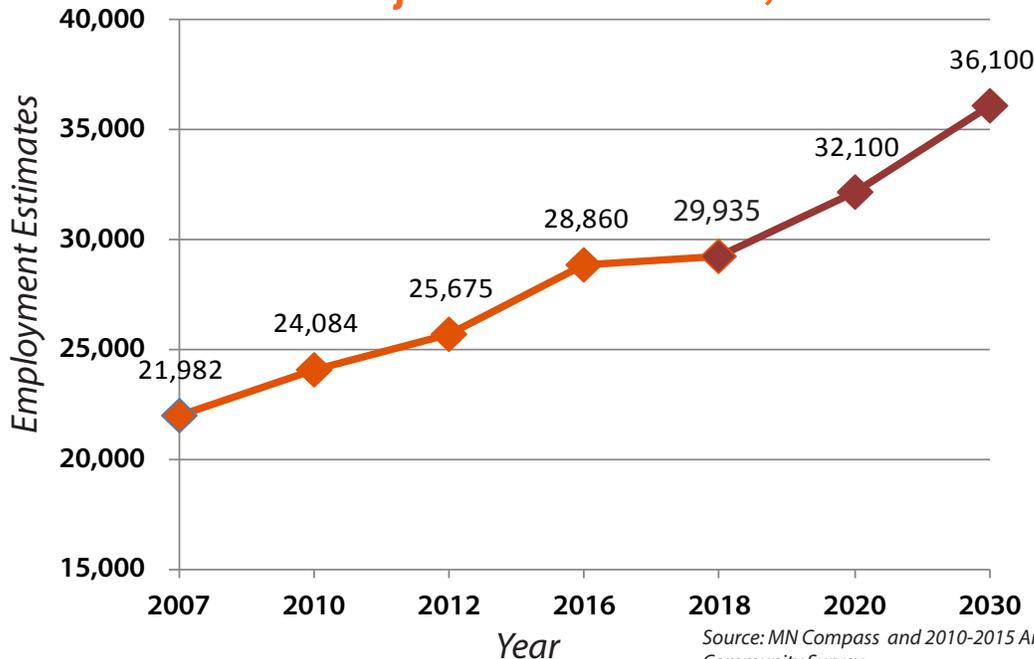
## Liberty Diversified Industries (LDI) Celebrates 100 Years of Business

Liberty Diversified Industries (LDI), located at 6900 93rd Ave N, celebrated 100 years of being in business in the summer of 2018. To celebrate a century of work, LDI drove a bus across the country, visiting its multiple operating plants. The year long trip culminated in Brooklyn Park, home to Liberty's headquarters, with a large party. A band, food, presentations, and fireworks were all a part of the celebration.



# Brooklyn Park by the Numbers

## Jobs and Projected Job Growth, 2007 - 2030



Top Ten Employers in Brooklyn Park		Count
Target		4,000
Nilfisk		700
North Hennepin Community College		610
HyVee		500
Medtronic		420
Accellent		395
Olympus		385
GLS		375
City of Brooklyn Park		335
Medical Arts Press		325

**1,500+**  
businesses

**99**  
restaurants

**80,000+**  
residents

**484**  
parks & public facilities

**29,935**  
jobs

Median Home Sale Price  
2010: **\$147,000**

Median Home Sale Price  
2018: **\$214,800**

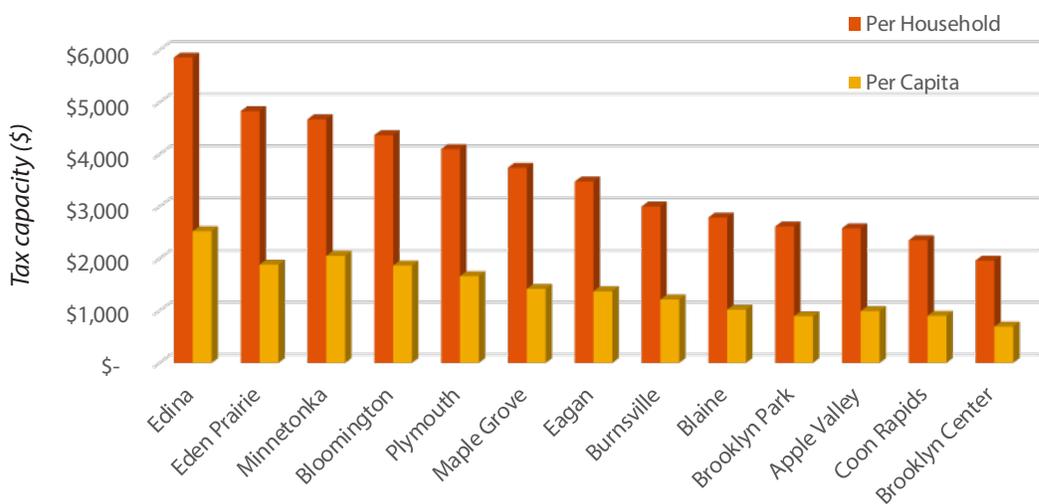
**13.6%** increase since 2010

\* Data from US Census Bureau, American Community Survey

**\$2,706,922**

in grant funds secured in 2018

## Tax Capacity Compared with Peer Cities (2017)



# Business Vitality

## MCCD and Open to Business

Metropolitan Consortium of Community Developers (MCCD) continued to offer business consulting services at City Hall one day a month and by appointment through the Open to Business program. Brooklyn Park residents and business owners once again used the program more than any other city metro-wide.

### Participants were consulted on:

- Business feasibility
- Business plan development
- Lease review/negotiation
- Loan packaging
- Operations & logistic planning
- Record keeping
- Regulatory assistance
- Real estate analysis
- Business purchase evaluation
- Strategic planning
- Networking and referrals
- Cash flow analysis and projections

## Open to Business by the Numbers (2018)

**54%** low-income business owners

**65%** minority-owned businesses

**38%** women-owned businesses

**13** loans administered

**52** clients served

**\$3 million** in funds leveraged

## SAC/WAC Deferral Program

The EDA Sewer Availability Charge (SAC) and Water Access Charge (WAC) deferral program served a number of Brooklyn Park businesses in its third year. Under the new terms, eligible owners agree to spread payments for the charges over 5 years at a 3% fixed interest rate, after paying 20% down plus the 1st monthly payment.

### Businesses Participating in the Deferral Program

- Discovery Kids Academy
- Fiesta Cancun
- Blue Wolf Brewery

In early 2018, the EDA approved the start of a SAC Reducation Program aimed at attracting unique restaurant destinations to the City and helping existing locations expand. The program uses paid SAC credits from a collection of parcels that were partially built upon due to the County Road 81 expansion. So far one credit has been used to assist Skaalvenn Distillery with its expansion.

## Opportunity Zones in Brooklyn Park

Opportunity Zones were established as a new community development program by the Tax Cut and Jobs Act of 2017. The goal of the federal program is to encourage long-term investments in low-income and urban communities nationwide. As of May 2018, 128 census tracts in Minnesota were certified as designated opportunity zone census tracts, 6 of which are in suburban Hennepin County. Qualifying investments in the opportunity zones will receive tax benefits based on how long the investment remains in the zone. The opportunity zone in Brooklyn Park encompasses most of the Village Redevelopment Area which also holds a large portion of the EDA's available land. As more information about the program emerges, the EDA will explore ways to best leverage this opportunity. Hennepin County is also working on strategies for a regional approach to showcasing opportunities in the region.



## Minnesota Investment Fund and Job Creation Fund

The City partners with the Minnesota Department of Employment and Economic Development (DEED) to provide financial incentives to new and expanding businesses. The Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) helps businesses make capital investments and create high-paying jobs. Since 2013, MIF and JCF have helped directly invest over \$10 million into Brooklyn Park businesses.

Several companies took advantage of these funds, including:

- Perbix (Now Tesla)
- Takeda
- Star
- Olympus
- Biomerics
- Design Ready Controls
- Metro Mold and Design
- Wurth Adams
- NAPCO (2018)



## Business Forward Advisory Board

The Business Forward Advisory Board (BFAB) advises City Staff and the City Council on matters effecting businesses in the City. The 12-member board worked on a number of projects last year including:

- Business Licensing Fee Changes
- Restaurant Attraction Strategy
- SAC/WAC Credit Program
- Fire Code Safety Procedure Updates

At the beginning of the 2018-2019 board year, three new businesses joined the board. Evotronics is represented by Vice President Anh Tran. The circuit panel company has been in Brooklyn Park for 3 years. Takeda is represented by Matt Rau. Takeda is the first bio-pharmaceutical manufacturer in Brooklyn Park and has been in the City since 2016. Finally, Daily Dose Cafe is represented by owner Curt Medina. Daily Dose has been in the community since 2016 and offers another great place for Brooklyn Park residents to get coffee, pasteries, and other food.

## Summer Blossom

For the past 19 years, Summer Blossom has celebrated the spectacular gardens of residents and businesses in Brooklyn Park. In 2018, Grand and First Place winners received an engraved garden paver. Grand winners also received \$250 VISA gift card.

Grand Commercial Winner:  
Granite Ridge Apartments

Grand Single Family Winner:  
Gary Johnson

Grand Townhome Winner:  
Jeanine Kline

Brooklyn Park hosted its 26th Annual Realtor Forum on March 15, 2018. This year's event focused on Brooklyn Park's competitive advantages. The keynote address was done by Jason Aarsvold of Ehler's Inc. and Nate Pentz of Keller Williams Realty. Almost 100 people attended the forum which featured presentations about Recreation and Parks programs, Police Department Initiatives, housing program information, and an update from the School Districts.



## Business Forward Forum

The 7th Annual Business Forward Forum was held on October 18 at Edinburg USA. The event was centered around workforce development and featured a keynote panel including; Nerita Hughes, Dean of Business, Technology, Career, & Workforce Development at North Hennepin Community College (NHCC), Matt Leaf, Associate Dean of Workforce Development and Continuing Education at Hennepin Technical College, and Luis Salado-Herrera, Brooklynk Program Coordinator. The event was attended by about 105 business representatives from throughout the community. Attendees heard about ways to tap into local educational institutions and programs for workforce development needs, development in the city, and an update on the City's work around the Brooklyn Park 2025 Strategic Community Plan.



Top; Realtor Forum attendees hear a presentation about the city's mapping tools; Bottom; Mayor Lunde gives an update about the City at the Business Forward Forum

# WorkForce Development

## Investing in Our Region's Workforce

Directed by the cities of Brooklyn Center and Brooklyn Park, BrookLynk is a youth employment program dedicated to addressing our regional talent needs by preparing highly motivated young people to be our future workforce. Since 2015, BrookLynk has proudly partnered with committed employers of all sizes and industries - from large multinational companies to small family-owned businesses to local government agencies and school districts - to address our regional workforce needs.



Through the collaborative efforts of BrookLynk and local employers, young people in the Brooklyns are connected to the experience, skills, and professional networks they need to become the future generation of engineers, entrepreneurs, and civic and business leaders our region needs.

## 2018 by the Numbers

\$250,000+ IN WAGES EARNED BY YOUTH INTERNS

263 YOUTH TRAINED WITH ESSENTIAL JOB SKILLS

102 INTERNSHIPS COORDINATED

90% OF SUPERVISORS WOULD PARTICIPATE AGAIN



## BrookLynk Youth Represent...



Youth of Color



Qualify for free or reduced lunch



First or second generation immigrants

The EDA oversees a number of housing programs meant to assist with maintenance of the current housing stock. The programs, administered in partnership with Hennepin County and the Center for Energy and Environment (CEE), include:

**Home Rehab Deferred Loans** help low and moderate income households rehab the exterior or interior of their homes with no monthly payment

**Brooklyn Park Home Improvement Loans** assist homeowners with repairs administered through CEE

**Home Energy Squad Enhancements** help homeowners make their homes more energy efficient. This program is a partnership with CEE and Xcel Energy

# Housing

## Apartment Rehabilitation Work

For decades, the City has worked with property owners and residents to improve the condition of its housing stock. Through single-family re-habilitation loans, foreclosure recovery programs, and CDBG funded grants, the City prioritizes improving living conditions for all residents. Multi-family rental housing in Brooklyn Park has also been a focus for the City. Since 2016, the City partnered with three property managers and owners to assist them in the re-investment and updating of their apartment homes and at the same time, maintaining long-term affordability in these neighborhoods. These three projects consist of substantial re-hab on a total of 712 units and City participation leveraged \$82 million in investments.



### Park Haven – 176 units

\$16 million in housing revenue bond loans  
\$10 million in total investment

### Autumn Ridge – 366 units

\$1.2 million in short-term EDA loan  
\$4.1 million in total investment

### Brooks Landing/Brooks Garden (planned for 2019) – 170 units

\$400k in EDA loan  
\$15 million in housing revenue bonds  
\$15 million in total investment

## Apartment Action Plan

In 2010, the City launched the Apartment Action Plan that established a set of policies and procedures for monitoring, maintaining and designing the City's current and future apartment complexes to ensure long-term sustainability. In 2017, a cross-department team of staff met to review the original Apartment Action Plan and generate new ideas related to the long-term sustainability of the City's apartment communities. In 2018, the City, in consultation with stakeholders including property owners/managers, community organizations, and housing advocacy groups, updated the strategy and adopted Apartment Action Plan 2.0. The updated Apartment Action Plan outlines actions the City will take around community engagement and communication, sustainability strategies, enforcement, and monitoring of apartment communities.

### 2018 Brooklyn Park Housing Program Usage

#### Home Rehab Loan Program

17 loans  
\$277,479

#### CEE Rehab Loans

6 loans  
\$89,306

#### Homeowner EDA Loan Program

2 loans  
\$40,166

#### Home Energy Squad Program

147 homes visited  
\$12,390

#### Social Service Assistance

9 organizations served  
\$61,589

### Key action items for 2018 included:

- Track tenant complaints through the Rental Licensing division to ensure tenant concerns are addressed in a timely manner.
- Operate the Rec on the Go program at apartment communities to provide mobile recreation programming opportunities and free meals to youth in the community.
- Work closely with apartment communities receiving City financial resources to ensure tenant engagement.
- Meet one-on-one with property managers and owners to build relationships and share information.
- Document parking situations at apartment communities and work with willing property owners on strategies to improve parking usage.
- Explore ways the City can provide support and resources for physical improvements to apartment communities.
- Explore ways the City can provide support and resource information to tenants.

## Transitional Housing Program



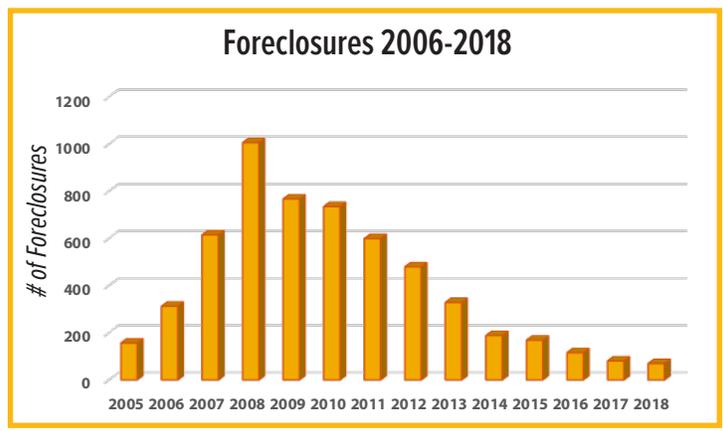
The EDA owns a 4-unit housing facility that provides housing to families transitioning from long-term homelessness. The facility provides a safety net program by which homeless families contract to live for up to 24 months while working to become self-reliant. In return for paying an affordable amount of rent, the tenants agree to participate in job training or attend a school program applicable to their individual needs and goals. Tenants are to take various classes to prepare for independent living such as personal financial management, parenting and housekeeping.

The EDA partnered with the tenant protection organization HOME Line to produce a report about evictions in Brooklyn Park. The report examines the prevalence, trends, and underlying themes related to evictions. The EDA began exploring possible ways to prevent evictions and support tenants. This work will continue in 2019.

Since August 2012, Simpson Housing Services (Simpson), a non-profit organization, operates the on-site transitional housing program services and works with Premier Housing Management (Premier) to oversee the property management on behalf of the EDA. Simpson's case managers work closely with each tenant in assisting them with the individual action plans of their personal contract agreement. Premier runs the day-to-day property management operations. In 2018, the EDA spent \$207,000 in CDBG funds for substantial rehabilitation of the property.

## Foreclosure Recovery

Foreclosure recovery was a focus of the EDA between 2008 to 2017. The EDA developed its Foreclosure Recovery Program to rehabilitate foreclosed homes and provide home buyer assistance to quickly convert vacant houses back owner-occupied homes. The last remaining home in the program sold in March of 2018. The EDA suspended the program after funding was exhausted and foreclosures were at a pre-recession level.



In 2018, the City saw only 69 new foreclosures in Brooklyn Park as compared to over a 1,000 in 2008.

## Brooklyn Avenues for Youth

Brooklyn Avenues for Youth is a homeless shelter and transitional housing program for youth in Brooklyn Park and the northwestern suburbs youth meant to provide temporary shelter as residents stabilize, build trusting adult relationships and work toward their personal goals for independent living. The facility is owned by the EDA which contracts with Simpson Housing to manage its day to day operations.

### Avenues by the Numbers 2018



**135** youth served

**40%** of program participants exited after 136 days

**52%** of youth rejoined their families and

**40%** found other stable housing



## Regional Engagement

- Urban Land Institute
- The Manufacturing Consortium
- Economic Development Association of Minnesota (EDAM)
- Rail-Volution
- Sensible Land Use Coalition (SLUC)
- Minnesota Association of Housing and Code Enforcement (MAOHC)
- Housing Collaborative Institute (HCI)
- Minnesota Association of Government Communicators (MAGC)
- Twin West and North Hennepin Area Chambers of Commerce
- African Immigrant CEO Connect Summit
- ACER & La Asamblea Housing Forum
- Metropolitan Council
- Resilient Communities Project

## Home Stretch Workshop

The City of Brooklyn Park in partnership with Community Action Partnership of Hennepin County held 10 Home Stretch workshops in the course of 2018. Four of these workshops focused exclusively on the Hispanic and Hmong communities in Brooklyn Park and the northwestern suburbs. Homestretch workshops focus on teaching attendees about Brooklyn Park's housing programs, the mortgage process, the purchase decision, the closing steps and housing inspection. The workshops also provide tips on common sense approaches to owning and maintaining a home.



# Special Projects

## Center of Innovation and the Arts (CITA)

The Center of Innovation and the Arts (CITA) at Brooklyn Park is a proposed project involving the construction of an 83,130 square foot arts and innovation facility at North Hennepin Community College on the northeast corner of 85th Avenue North and West Broadway Avenue. CITA would replace North Hennepin Community College's existing Fine Arts Center, a dated facility that no longer meets the college's educational needs.



The CITA project is lead by North Hennepin Community College, Metropolitan State University, and the City of Brooklyn Park. Other key partners include, Osseo Area Schools, Hennepin County, and other key stakeholders. The project is an opportunity to expand NHCC's partnership with Metropolitan State University and engage the broader community in utilizing the facility to advance cultural engagement, community education, and youth programming. CITA is envisioned to be a dynamic and inclusive center focused on leveraging resources of multiple partners to create a flexible facility that will greatly increase educational opportunities for students, increase economic prosperity, and advance the quality of life in Brooklyn Park and surrounding communities.

The feasibility study for the project began in July 2018. Project partners began to work on predesign for the facility in order to be eligible for a capital funding request within the 2020 State Bonding Bill. The predesign work wrapped up in November when North Hennepin Community College submitted the CITA predesign document to the Minnesota State System Office for review.

## Brooklyn Boulevard Trail

Phase one of the Brooklyn Boulevard Trail was completed in 2018. Once complete, the trail will create a critical pedestrian and non-motorized transportation connection between the Brooklyn Boulevard transit hub and the Village Creek neighborhood. This trail project will complete the ¾ mile trail gap between the Village Creek Park trail and the Shingle Creek regional trail to the planned installation of trails along West Broadway Avenue as part of the reconstruction project. The EDA used \$225,000 in TOD grant funds and \$100,000 in Bikeway grant funds from Hennepin County. Phase II will be underway in 2019.



## Economic Development Authority | Year-End Activity Summary 2018

## Edinburgh USA Clubhouse Remodel

Edinburgh USA is getting an interior facelift! In late 2018, the EDA officially selected D'Amico & Partners to take over the event and food management services. The EDA approved a \$1.5 million budget to renovate the clubhouse, including the operation of a new restaurant "The Brooklyn" to replace the Girvan Grille. Additionally, D'Amico will manage the St. Andrews Club and all non-golf operations. Renovation work on the building is set to begin in early 2019 and should be finished by summer 2019.



*D'Amico's vision for "The Brooklyn"*

## EDA Secures Grants for Key Projects

EDA staff often applies for grants with approval from the board. The grants are used to fund a variety of projects and initiatives from workforce development to feasibility studies. In 2018, staff secured a total \$2,706,922 in grant funds from a . A few of the grants received in 2018 include:

<b>\$832,000</b>	Metropolitan Council LCDA grant for the George North Group Welcome Ave Site Project
<b>\$225,000</b>	Hennepin County Transit Oriented Development (TOD) grant for the Brooklyn Blvd Trail
<b>\$100,000</b>	Hennepin County Bikeways Grant for the Brooklyn Blvd Trail
<b>\$88,000</b>	Minnesota Department of Employment and Economic Development (DEED) Workforce Development grant for BrookLynk

## Shingle Creek Trail Connection Officially Opens

On May 21, Hennepin County, the City of Brooklyn Park, and staff and students from Brooklyn Middle School and Park Center High School celebrated the grand opening of the Connections at Shingle Creek Project Learning Space. The award-winning project connects the Village Creek redevelopment area to the regional trail system, and includes an outdoor learning space that is used regularly by both the school and community. Mayor Jeffrey Lunde, Hennepin County Commissioner Mike Opat, Community Development Director Kim Berggren, and Brooklyn Middle School Principal Kim Monette all spoke about the importance of partnership and youth voices to complete this project.



## Congressman Emmer Visits Cirtec Medical



Congressman Tom Emmer visited Cirtec Medical in the Commerce Neighborhood on May 4. The visit came as a follow up from an April business roundtable Mayor Lunde convened. Terrell Jacobs, the Senior General Manager at Cirtec, led the tour of the medical device company that produces neurostimulation leads assemblies and other precision products in Brooklyn Park. This visit is an example of how the EDA works to connect businesses and residents to policy makers and change agents throughout the region.

## Autumn Ridge Landscaping Project

As part of the Autumn Ridge rehabilitation project, a stormwater retrofit plan was developed for the site. The improvements include creation of pollinator habits, mitigated localized flooding, enhanced water quality, and the planting of shade and ornamental trees on the site. In the fall of 2018, Autumn Ridge hosted a planting event that was attended by Councilmembers, City Staff, and Autumn Ridge residents. The work is funded through a grants from Hennepin County, The Shingle Creek Watershed Commission, and Sherman Associates.



# METRO Blue Line Extension Light Rail Transit (LRT) Project

Construction on the METRO Blue Extension Light Rail Transit (LRT) project is now scheduled to begin in 2020 with the line opening to passengers beginning in 2024. Despite delays, progress continued on both the project and beyond the rails work.

## Transit-Oriented Development (TOD) Zoning Districts Adopted

In 2018, the City Council approved transit-oriented development (TOD) zoning districts along the line. The TOD districts help staff set development standards for the properties within the station areas. The picture shown is the TOD zoning district for the Brooklyn Blvd Station. Each of the 5 stations have an individual TOD zoning district.



## Corridor Development Initiative Series

Corridor Development Initiative (CDI) workshops were held at the Brooklyn Park Library this summer, in partnership with North Hennepin Community College, African Career, Education, & Resource (ACER), the City of Brooklyn Park, Hennepin County, and Local Initiative Support Corporation Twin Cities (LISC). These workshops brought together community members, business owners, local stakeholders, and design and development experts to create development guidelines for two key sites in the 85th Avenue LRT station area. Recommendations focused on maintaining neighborhood character by enhancing the pedestrian flow of the area, attracting smaller scale retail and services, and utilizing public art or green space to make the station area memorable. There is also a desire to ensure effective traffic flow, and easy access to parking and retail services. These guidelines will be shared with all developers interested in building future projects in the 85th Ave LRT station area.



The Urban Land Institute (ULI) hosted a technical assistance panel to help developers, staff, and community members understand the market realities and opportunities at five stations throughout the corridor. The panel included real estate, development, and construction industry professionals who explored the possibilities for development along the line. The panel also gave recommendations about mitigating potential displacement of residents and businesses as a result of the project.

## Recommendations for the corridor included:

- A corridor wide housing policy
- Increasing walkable areas
- Promoting public-private partnerships



In 2018, City staff received updated designs for the Oak Grove station Park and Ride ramp.



## Starlight Center Pedestrian Study

This summer, a temporary pedestrian walkway was installed that helps protect and guide pedestrians in from 76th Ave and West Broadway Ave towards the Cub Foods entrance, in the Starlight Shopping Center. This walkway was installed in late June and continued until the end of September. Feedback from shoppers, employees, and community members regarding this project will help inform future solutions to pedestrian safety in this station area.



## Cultivate Kicks Off in Brooklyn Park

Springboard for the Arts began working with Hennepin County, community partners and corridor cities (North Minneapolis, Golden Valley, Robbinsdale, Crystal, Brooklyn Park) to initiate events along the line. This initiative will support local artists as they activate public spaces, build connections with businesses and community organizations, and enhance livability and opportunity throughout the corridor. Brooklyn Park hosted an Art on the Line event at 63rd Ave and Bottineau Blvd. which featured artwork by Randy Burrows and a drum circle with Babatunde Lea. Events will continue through 2019.

# City of Brooklyn Park Request for EDA Action

<b>Agenda Item:</b>	6.3	<b>Meeting Date:</b>	November 18, 2019
<b>Agenda Section:</b>	General Action	<b>Originating Department:</b>	Community Development
<b>Resolution:</b>	X	<b>Prepared By:</b>	Breanne Rothstein, Economic Development and Housing Director
<b>Ordinance:</b>	N/A		
<b>Attachments:</b>	1	<b>Presented By:</b>	Breanne Rothstein, Economic Development and Housing Director
<b>Item:</b>	Consider Approving the Decertification of Tax Increment Financing District No. 1-16 of the City of Brooklyn Park		

## Executive Director's Proposed Action:

MOTION \_\_\_\_\_ SECOND \_\_\_\_\_, TO WAIVE THE READING AND ADOPT RESOLUTION #2019-\_\_ APPROVING THE DECERTIFICATION OF TAX INCREMENT FINANCING DISTRICT NO. 1-16 OF THE CITY OF BROOKLYN PARK.

## Overview:

TIF District 16 is a scattered site redevelopment district established on April 22, 1996 and includes 97 parcels of land. Two projects were completed using funds from this district – the construction of Waterford II, an additional 94 units of senior housing and the redevelopment of a former health club facility into a 75,000 square foot industrial building.

The bulk of the expenditures out of TIF 16 have been used to make bond and loan payments for TIF 20 (the Village redevelopment district) through deficit pooling. In 2001, property tax law changed, dramatically reducing the amount of TIF generated from commercial/industrial property. As a way to mitigate this, the legislature allowed for “deficit pooling” which meant that cities could use excess TIF generated from one district to pay deficits in another. Additionally, an interfund loan was made from TIF 3 to TIF 20, and TIF 16 has been used to pay that off as well. In 2020, TIF 20 will no longer be running a deficit because the bond sold for infrastructure and redevelopment in that district will be paid off, and the increment generated in TIF 20 will adequately cover the remaining interfund loan balance. Therefore, Ehlers has recommended that the EDA de-certify TIF 16.

## Primary Issues/Alternatives to Consider:

- Why is the district being decertified?

The district should be decertified because it is no longer needed to cover deficit pooling expenses from TIF 20.

## Budgetary/Fiscal Issues:

If approved, beginning in 2020 the tax capacity from the development are no longer captured within the TIF district and will be available to the taxing jurisdictions, including the City, County and School District. The excess funds within the district will be sent back to the County for redistribution (\$640,418) to the City, County and School District. An estimated \$280,000 will be refunded by to the City. These are unrestricted funds upon refund, therefore it is recommended that these dollars be allocated to the city's general fund or set aside for strategic use. Upon decertification, this district will add \$375,612 of annual tax capacity.

## Attachments:

6.3A RESOLUTION

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

RESOLUTION #2019-

APPROVING THE DECERTIFICATION OF TAX INCREMENT FINANCING  
DISTRICT NO. 1-16 OF THE CITY OF BROOKLYN PARK

WHEREAS, on April 22, 1996, the City of Brooklyn Park (the "City") created its Tax Increment Financing District No. 1-16 (the "District") within its Development District No. 1 (the "Project"); and

WHEREAS, Minnesota Statutes, Section 469.174 to 469.179 authorizes the City Council to decertify a tax increment financing district on any date after all bonds and other obligations have been satisfied; and

WHEREAS, as of the date hereof all bonds to which tax increment from the District have been pledged have been paid in full; and

WHEREAS, Minnesota Statutes, Section 469.176 subdivision 6(b)(2) allows for deficit pooling; and

WHEREAS, the City authorized deficit pooling from the District to its Tax Increment Financing District #20, The Village; and

WHEREAS, the District has deficit pooled to Tax Increment Financing District #20, The Village and such pooling is no longer required; and

WHEREAS, the City desires by this resolution to cause the decertification of the District effective December 31, 2019, after which all property taxes generated by property within the District will be distributed in the same manner as all other taxes payable in 2020; and

NOW THEREFORE, BE IT RESOLVED by the Brooklyn Park Economic Development Authority Board of Commissioners that City's staff shall take such action as is necessary to cause the County Auditor of Hennepin County to decertify the District as a tax increment district and to no longer remit tax increment from the District to the City.

# City of Brooklyn Park Request for EDA Action

<b>Agenda Item No:</b>	6.4	<b>Meeting Date:</b>	November 18, 2019
<b>Agenda Section:</b>	General Action Items	<b>Prepared By:</b>	Daniela Lorenz, Business Development Coordinator
<b>Resolution:</b>	X	<b>Presented By:</b>	Daniela Lorenz, Business Development Coordinator
<b>No. of Attachments:</b>	2		
<b>Item:</b>	Consider Authorizing EDA Staff to Execute the Conveyance of a Public Utility Easement on the Property Located at 7516 Brooklyn Boulevard N.		

## Executive Director's Proposed Action

MOTION\_\_\_\_\_, SECOND \_\_\_\_\_TO WAIVE THE READING AND ADOPT RESOLUTION #2019-\_\_\_ AUTHORIZING ECONOMIC DEVELOPMENT AUTHORITY STAFF TO EXECUTE THE CONVEYANCE OF A PUBLIC UTILITY EASEMENT ON THE PROPERTY LOCATED AT 7516 BROOKLYN BOULEVARD N.

## Overview:

At its August 2019 meeting, the Economic Development Authority approved the sale of EDA owned property located at 7516 Brooklyn Blvd N to Christina's Childcare, LLC for the construction of the new day care facility. The site plan for the daycare is currently going through the planning commission approval process and construction on the project is expected to begin in spring 2020. As part of the site planning process, City planning staff recommended conveying a permanent public easement utility for the water line and the sanitary sewer line that exist on the northern portion of the lot.

## Primary Issues / Alternatives to Consider:

- **What is the purpose of this action?**

The creation of the easement allows City Operations and Maintenance crews to perform maintenance on the lines when necessary allowing the City to maintain its infrastructure. Conveying the easement before the property is sold also eliminates the need for the EDA or City to purchase the easement in the future when maintenance on the sewer and water lines is required.

If the Authority approves this resolution tonight, staff will get all the proper documents to convey the easement to the City. The final conveyance of the easement will include recording the easement on the property which will be reflected in the title upon final sale.

## Budgetary/Fiscal Issues:

This action will have no impact on the EDA's 2019 budget.

## Recommendation:

The Executive Director of the Economic Development Authority recommends approval.

## Attachments:

6.4A RESOLUTION  
6.4B EASEMENT LOCATION MAP

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

RESOLUTION #2019-

AUTHORIZING ECONOMIC DEVELOPMENT AUTHORITY STAFF TO EXECUTE  
THE CONVEYANCE OF A PUBLIC UTILITY EASEMENT ON THE PROPERTY  
LOCATED AT 7516 BROOKLYN BOULEVARD NORTH

WHEREAS, the Brooklyn Park Economic Development Authority (the "EDA") currently owns the property located at 7516 Brooklyn Blvd N; and

WHEREAS, on the property there are a sanitary sewer line and a water line, and

WHEREAS, a public utility easement does not currently exist on the property; and

WHEREAS, easements allow City Operation and Maintenance staff to access the property to perform maintenance on public infrastructure; and

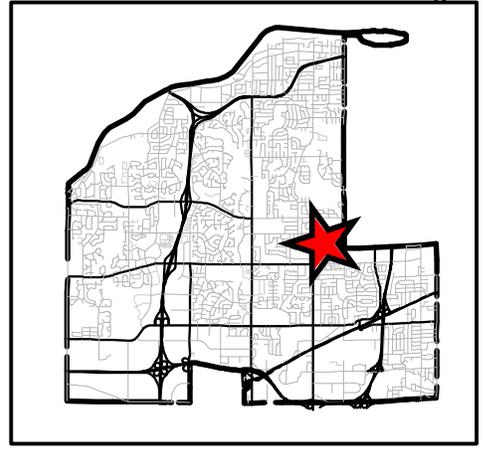
WHEREAS, conveying the easement allows continued access to the property for maintenance in the event of a sale to a private party; and

WHEREAS, the easement will be located on the northside of the property with the following legal description:

That part of the West  $\frac{1}{2}$  of the NE  $\frac{1}{4}$  of Section 28 Township 119 Range 21 described as follows: Commencing at a point 911.64 feet South of the Northwest corner of the NE  $\frac{1}{4}$  of said Section 28, measured along the West line of said NE  $\frac{1}{4}$ ; said point also being the Southwest corner of Block 5, Donnay's Brookdale Estates 5<sup>th</sup> Addition; said point is the actual point of beginning of the tract of land to be described; thence East measured at right angles a distance of 130 feet; thence South measured at right angles a distance of 30 feet; thence West measured at right angles a distance of 130 feet; thence North measured at right angles a distance of 30 feet along the West line of said NE  $\frac{1}{4}$  to the actual point of beginning and there terminating.

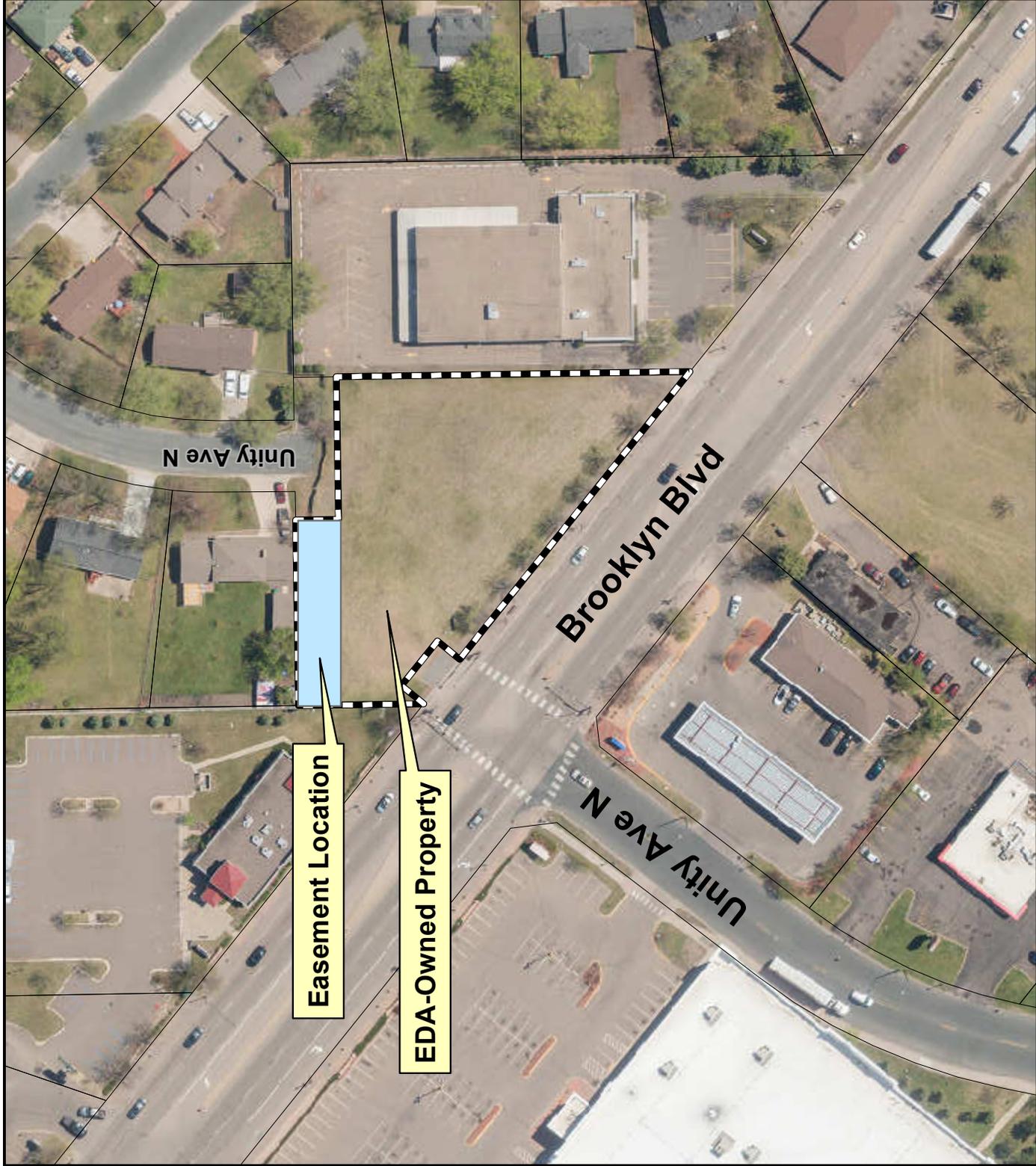
NOW, THEREFORE, BE IT RESOLVED, by the Brooklyn Park Economic Development Authority Board of Commissioners (the "Board") that the Board approves the conveyance of the above Public Utility Easement to the City on the Property Located at 7516 Brooklyn Blvd and authorizes the appropriate EDA officials to execute the necessary documents to convey the easement to the City.

Spring 2018 Air Photo.



Map Date November 4, 2019

**Proposed Utility Easement**  
**7516 Brooklyn Blvd N**



# City of Brooklyn Park Request for EDA Action

<b>Agenda Item:</b>	6.5	<b>Meeting Date:</b>	November 18, 2019
<b>Agenda Section:</b>	General Action Items	<b>Prepared By:</b>	John Kinara, Housing & Redevelopment Specialist
<b>No. of Attachments:</b>	2	<b>Presented By:</b>	Breanne Rothstein, Economic Development & Housing Director
<b>Item:</b>	Consider Approving Revised Guidelines for the Brooklyn Park Home Improvement Loan Programs		

## Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_ CONSIDER APPROVING REVISED GUIDELINES FOR THE BROOKLYN PARK HOME IMPROVEMENT LOAN PROGRAMS.

## Overview:

During the April EDA meeting, Commissioners considered and approved a request to modify guidelines and create four new sub categories for the Home Improvement Loan Program. The Commissioners also approved an amendment to the 2019 EDA Rehab Loan Program Budget allocating an additional \$200,000 to these programs. Upon approval of these new programs, it was anticipated that a full review of the programs would be completed prior to the 2020 budget approval and any revisions to the program would be brought forward after the first six months of implementation.

The programs outlined below were approved.

### 1. Senior Deferred Loan Program

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

### 2. Down Payment Assistance Program (Forgivable Loan)

This program provides up to \$10,000 in down-payment/closing cost assistance to first-time homebuyers (or have not owned a home in the last 3 years) in purchasing a home in Brooklyn Park. Program participants must meet specific income limits to be eligible for assistance (no more than 120% of the Area Median Income) and tiered by household size. Homebuyer education for first time buyers is required and a minimum cash investment of the lesser 1% of the purchase price or \$1,000. The cash investment must come from the homebuyer's assets and may not be a loan or sweat equity contribution. The funds are forgiven if the homeowner maintains occupancy and ownership for 10 years.

### 3. On-Bill Repayment Program

On-bill repayment program provide options for property owners to pay for investments in clean energy upgrades through their utility companies. On-bill repayment program allows repayment of certain energy efficiency improvements on the utility bill. This program will be operationalized in January 2020. This program provides

eligible residents a loan amount of between \$1,000 and \$10,000 at a 3% - 4% fixed interest rate. The loan is repayable in a period of up to 5 years.

#### 4. Code Correction Loan Program

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

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

#### 5. Revolving Loan Program

The EDA approved revised guidelines for this low-interest home improvement revolving loan financing to Brooklyn Park homeowners. Eligible improvements include most interior or exterior improvements, maintenance or remodeling. This program provides residents a loan amount of between \$2,000 and \$25,000 at a 3% - 4% fixed interest rate (based on income thresholds). The loan is repayable in a period of up to 15 years and is secured by a subordinate mortgage on the property.

#### Primary Issues/Alternatives to Consider:

- **What's the number of loans closed so far?**

Since the revision of the program guidelines and the introduction of the four additional programs, loan utilization rates have significantly increased with 24 loans closed as of June 1. The most popular programs are the Senior Deferred and the Down Payment Assistance. Both these programs were each allocated \$100,000 for the 2019 fiscal year and the funds have been exhausted. 16 participants were awarded these loans totaling \$199,830. The revolving loan program that previously close one loan per year has closed eight loans with an additional eight pending for 2020 funding. The Code Correction Loan Program has one pending application so far.

**Table 1 – Brooklyn Park Home Improvement Loan Programs 2019 Usage**

Loan Type	Amount Loaned	Loans closed	Loans Pending	Demographics	Ave. Age
Senior Deferred	\$99,830	6	10	Black (6), White (10)	69
Down Payment	\$100,000	10	5	Black (10), White (3), Asian (2)	37
Revolving Loan	\$145,692	8	8	Black (4), White (6), Asian (6)	58
Code Correction	\$0	0	1	Black (1)	54
<b>Total</b>	<b>\$345,522</b>	<b>24</b>	<b>24</b>	<b>48</b>	<b>54.5</b>

- **What are the recommended plans for Fiscal Year 2020?**

Based on a large demand the proposed 2020 budget includes a \$500,000 budget allocation to these programs.

There are 24 participants that are presently on the waiting list at CEE. These participants have been screened and qualified to be awarded funds wherever the funds are made available. The EDA could choose to allocate additional funding to these programs, if desired.

- **What are the revised guidelines to the programs?**

EDA and CEE staff are proposing some minor changes to the programs to better serve the most number of households. The changes are as follows:

- 1) Reduce maximum down payment assistance program to \$7,500 for non-Brooklyn Park residents (still allow up to \$10,000 for current Brooklyn Park residents). Staff also proposes changing the Loan to Value Ratio for this assistance to 100% from the current 110% as a precautionary measure to mitigate potential default risks.
- 2) Adjust the interest rate on the On-bill Repayment Loan Program based on credit score rather than income. This minor change is recommended by CEE and designed to standardize the administration of the On-Bill program across all the participating partners.

**Budgetary/Fiscal Issues:**

The 2020 proposed budget includes a \$500,000 allocation to these programs, a portion of which would be funded as a transfer from the EDA's Foreclosure Recovery Fund.

**Recommendation:**

The Executive Director of the Economic Development Authority recommends approval.

**Attachments:**

- 6.5A Home Improvement Loan Program Guidelines
- 6.5B Resolution

**Exhibit A-20**

**City of Brooklyn Park Loan Program Guidelines**

**Home Improvement Loan Program**

**On-Bill Repayment Loan Program**

**Senior Deferred Loan Program**

**Code Enforcement Loan Program**

**Down Payment and Closing Cost Assistance Program**

## Home Improvement Loan Program

1. **Loan Amount:** Loan amounts from \$2,000 to \$25,000.
2. **Amortization Type:** Monthly payment is required.
3. **Loan Term:** Up to 15 years.
4. **Interest Rate:** 3% fixed interest rate for borrowers making up-to-120% area median income (AMI) and 4% fixed interest rate for borrowers earning over 120% of the area median income. Income is calculated on projected income for all owners living in the property and household size.
5. **Loan-to-Value ratio:** 110%.
6. **Income Restrictions:** No income limits, but the interest rate is determined by projected gross income of the owners living in the property and household size.
7. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA.
8. **Credit / Underwriting Requirements:** No more than two 30-day late payments within the last six months on the credit report. 90-day lates (within the past 24 months) require reasonable explanation from the applicant. No Bankruptcy or Foreclosure in the last 18 months. Current on mortgage payments and taxes. No outstanding judgements, defaulted government loans, collections (without reasonable explanation), or liens that are tied to the property.
9. **Debt-to-Income Ratio:** 50%
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident aliens. Individual Tax identification numbers are not acceptable.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract for deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** Most permanent Interior and exterior improvements are eligible.
15. **Ineligible Improvements:** No saunas, whirlpools, furniture, skylights, non-built-in appliances (unless part of a kitchen remodel), or funds for working capital, debt service or refinancing existing debts are allowed. Center for Energy and Environment will refer to City Staff whenever eligibility of an improvement project is questionable.
16. **Sweat Equity:** Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.

17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed or registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Home Improvement Loans can not exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be off by a City inspector.
20. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case by case basis.
21. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be performed by CEE (if a permit is not required) to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:
  1. Final invoice from contractor (or materials list from supplier)
  2. Final inspection verification by CEE (if necessary)
  3. Completion certificate(s) signed by borrower and contractor
  4. Lien waiver for entire cost of work and
  5. Evidence of required city permit pulled and inspected, where applicable
22. **Borrower Fees:** 1% Origination Fee and a \$50 Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

## **On-Bill Repayment Loan Program**

1. **Loan Amount:** Loan amounts from \$1,000 to \$10,000.
2. **Loan Term:** Up to 5 years.
3. **Interest Rate:** 3% fixed interest rate if all borrowers have a credit score of at least 680 and 4% fixed interest rate for all borrowers with at least a 600 score..
4. **Loan-to-Value ratio:** None.
5. **Income Restrictions:** No income limits
6. **Amortization:** Monthly payments required
7. **Security:** None
8. **Credit / Underwriting Requirements:** All borrowers must meet all CenterPoint Energy eligibility requirements. All mortgage payments and property taxes must be current. All borrowers must have a minimum credit score of 600.
9. **Debt-to-Income Ratio:** None
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident

aliens and non-permanent resident aliens. Individual Tax identification numbers are not acceptable. Must be an eligible CenterPoint Energy customer.

11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract for deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** All measures eligible for a rebate under one or more of CNP's Residential Segment Program will be eligible for the On-Bill Repayment Program except for furnace or boiler tune-ups or thermostats not installed with an eligible heating system. Eligible improvements include but are not limited to (Efficiency requirements are subject to change):

- HES recommended improvements determined through a site visit
- Furnace  $\geq 92\%$  AFUE\*
- Boiler  $\geq 83.5\%$  AFUE\*
- Programmable, communicating, and analytics-capable thermostats installed with a qualifying heating system
- Electronic ignition hearth products
- Water Heaters (conventional tank, tankless, indirect, or heating/water heating combo systems) that meet energy star requirements
- Energy Star rated clothes washers and natural gas dryers
- Wall insulation in a home with natural gas heating, improving insulation levels of R-5 or less to a level of R-11 or greater
- Attic insulation installed with air sealing in a home with natural gas heating, improving from R-30 or less to a value of R-49 or greater.

\*\*\*Other improvements are eligible to be included in the loan as long as at least one eligible energy conservation improvement is being done. These improvements include, but are not limited to:

- Central Air, Mini-Split or Heat Pumps installed with eligible gas heating equipment (at least 14 SEER)
- Energy Star rated Windows/Doors , ***if doing eligible insulation measures*** \*\*\*
- Ventilation
- Bath fans
- Electrical updates required due to related energy improvement
- Asbestos and Radon mitigation
- Repairs or repainting of wall surfaces damages by installation of eligible insulation projects

- Modifications or cleaning of venting or duct-work necessary to install water heaters or heating equipment

**Ineligible Improvements:** Work initiated prior to the loan being approved and closed (exceptions will be made case by case if immediate replacement is needed).

- Furnace and boiler tune-ups
  - New construction
  - Solar
  - Electric appliances
  - Projects not listed as an eligible improvement or not determined to be an eligible improvement by CNP or CEE.
  - CEE will refer to CNP whenever eligibility of an improvement project is questionable
15. **Sweat Equity:** Not permitted.
  16. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed and be an eligible contractor with CenterPoint Energy. Permits must be obtained where required by the City of Brooklyn Park.
  17. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all On-Bill Repayment Loans can not exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
  18. **Post Install Inspection:** None.
  19. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case by case basis.
  20. **Disbursement of Funds:** Funds are disbursed to the borrower at closing.
  21. **Borrower Fees:** A \$50 Document Preparation and credit report fee.,

## **Senior Deferred Loan Program**

1. **Loan Amount:** Loan amounts from \$2,000 to \$25,000.
2. **Amortization Type:** Deferred
3. **Loan Term:** Loan is due upon sale, transfer of ownership or no longer occupied by the borrower as their primary residence.
4. **Interest Rate:** 0%
5. **Loan-to-Value ratio:** 110%.
6. **Income Limit:** None
7. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA.
8. **Credit / Underwriting Requirements:** All mortgages and property taxes must be current. No outstanding judgements, liens or pending Bankruptcy or Foreclosure.
9. **Debt-to-Income Ratio:** None
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident

aliens and non-permanent resident aliens. Individual Tax identification numbers are not acceptable. At least one borrower must be at least 62 years of age.

11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract for deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** CEE shall perform an inspection to determine project eligibility and prioritization. If there are no health, safety or code violations the borrower may use the funds for any permanent exterior or interior improvements.
15. **Ineligible Improvements:** No saunas, whirlpools, furniture, skylights, non-built-in appliances (unless part of a kitchen remodel), or funds for working capital, debt service or refinancing existing debts are allowed. CEE will refer to City Staff whenever eligibility of an improvement project is questionable.
16. **Sweat Equity:** Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.
17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed and registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Senior Deferred Loans can not exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be off by a City inspector.
20. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be performed by the City and/or CEE to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:
  - a. Final invoice from contractor (or receipts from supplier))
  - b. Final inspection verification by CEE (if necessary)
  - c. Completion certificate(s) signed by borrower and contractor
  - d. Lien waiver for entire cost of work and
  - e. Evidence of required city permit, where applicable
21. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case by case basis.

- 22.. **Borrower Fees:** 1% Origination Fee and a \$50 Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

## **Code Enforcement Loan Program**

1. **Loan Amount:** Loan amounts from \$1,000 to \$25,000.
2. **Amortization Type:** Monthly payment is required.
3. **Loan Term:** Up to 15 years.
4. **Interest Rate:** 2% fixed interest rate
5. **Loan-to-Value ratio:** 110%.
6. **Income Restrictions:** None.
7. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA.
8. **Credit / Underwriting Requirements:** No more than two 30-day late payments within the last six months on the credit report, 90-day lates (within the past 24 months) require reasonable explanation from the applicant. No Bankruptcy or Foreclosure in the last 18 months. Current on mortgage payments and taxes. No outstanding judgements, defaulted government loans, collections (without reasonable explanation), or liens that are tied to the property.
9. **Debt-to-Income Ratio:** 50%
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident aliens. Individual Tax identification numbers are not acceptable. Borrower must have an active property maintenance corrective order issued by the city.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract-for-deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** Must address corrective actions required by the city. Repairs must be directed at improving the safety and structural integrity of the property including, but not limited to: siding, trim, soffit/fascia, roofing, garage doors, windows/doors, driveways, removal of trees affecting foundation, demolition of pools and sheds, HVAC, water heating, pest control, mold and mildew remediation, foundation repairs, deck/patio repairs (no new installation), hoarding cleanup, flooring, radon/lead/asbestos mitigation and other health and safety issues.
15. **Ineligible Improvements:** Any improvement not meeting the definition of an eligible improvement.

16. **Sweat Equity:** Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.
17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed or registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Code Enforcement Loans can not exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be off by a City inspector.
20. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case by case basis.
21. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be performed by CEE (if a permit is not required) to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:
  1. Final invoice from contractor (or materials list from supplier)
  2. Final inspection verification by CEE (if necessary)
  3. Completion certificate(s) signed by borrower and contractor
  4. Lien waiver for entire cost of work and
  5. Evidence of required city permit pulled and inspected, where applicable
22. **Borrower Fees:** 1% Origination Fee and a \$50 Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

## **Down Payment and Closing Cost Assistance Deferred Loan Program**

1. **Loan Amount:** Up to \$7,500. If the borrower is a current resident of Brooklyn Park the maximum loan amount is up to \$10,000.

2. **Loan Term:** 10 years. The loan is 100% forgiven if the borrower(s) did not sell, transfer ownership or no longer occupied the property as the borrower(s) primary residence within 10 years of the loan closing date. If the loan is sold, ownership is transferred or is not the borrower(s) primary residence before 10 years of the loan closing, 100% of the loan is due.
3. **Interest Rate:** 0%
4. **Minimum Borrower Contribution:** Lesser of \$1,000 or 1% of the purchase price.
5. **Income Limit:** 120% of the Area Median Income (AMI). Income if determined by the Adjusted Gross Income from the most recent tax return and household size. If the borrower(s) are not required to file a tax return the income will be determined by the projected gross income.
6. **Homebuyer Education:** All borrower(s) MUST attend a Home Stretch workshop or other valid first time homebuyers course offered through an approved counseling agency by HUD. Applicants who have previously completed their pre-purchase education through an eligible provider must have a completion certificate that is dated not more than 12 months prior to closing.
7. **First-Time Homebuyer Status:** Borrowers must be a first-time homebuyer (a person or household that has not owned a home within the last three years – based on HUD approved definition). The Borrowers may not have had an ownership interest in a principal residence at any time during the three-year period ending on the date of execution of the mortgage. This requirement applies to any person who will execute the note and will have a present ownership interest in the financed property.
8. **Debt-to-Income Ratio:** N/A. Borrower must qualify for a first mortgage to purchase the property.
9. **Loan to Value Ratio:** 100% ~~110%~~
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident aliens. Individual Tax Identification Numbers are not acceptable.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers.
12. **Eligible Properties:** All 1-4 unit owner occupied properties with a purchase price equal to or less than \$328,200 (subject to change) located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhouses will be eligible for this program as well.
13. **Ineligible Properties:** Properties held in a contract for deed are not eligible. Mobile homes, Co-ops, Non-owner-occupied and commercial properties.
14. **Multiple Loans:** Only one loan, but if ownership changes the new owner is eligible. If previous owner purchases a new home in Brooklyn Park they are eligible if considered a first time homebuyer. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000
15. **Subordination:** Full repayment of the loan is required unless the borrower is refinancing for a better interest rate to lower monthly payments or cash out funds for critical home repairs.
16. **Underwriting Decision:** Borrower(s) must meet 1<sup>st</sup> mortgage lender requirements.

17. **Borrower Fees:** All applicable mortgage filing fees, wire transfer, title, credit report, flood inspection and any other relevant closing costs associated with the loan.
18. **Participating Lenders:** Brooklyn Park EDA recommends the utilization of lenders with a presence in the City of Brooklyn Park.
19. **Purchase price:** Cannot exceed \$328,200 (subject to change)
20. **Eligible Use of Funds:** The loan funds can only be used for down payment and/or closing costs. The borrower cannot receive any portion of these funds as cash.

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

RESOLUTION #2019-

APPROVING THE REVISED GUIDELINES FOR THE BROOKLYN  
PARK HOME IMPROVEMENT LOAN PROGRAMS

WHEREAS, the Brooklyn Park Economic Development Authority (“EDA”) was created pursuant to the Economic Development Authorities Act, Minnesota Statutes, Sections 469.090 to 469.1080 (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, Minnesota (the “City”) adopted on October 24, 1988 (the “Enabling Resolution”);

WHEREAS, the Enabling Resolution was amended by Resolution No. 1995-72 dated March 20, 1995, whereby the EDA was granted all of the powers, rights, duties, and obligations set forth in Minnesota Statutes Sections 469.001 to 469.047 (the “HRA Act”);

WHEREAS, two of the statutory purposes of the EDA are to assist in the redevelopment of blighted and underutilized properties and to provide safe, clean and sanitary dwellings; and

WHEREAS, the Brooklyn Park Economic Development Authority (the “EDA”) has established the Brooklyn Park Owner-Occupied Home Improvement Loan Program (the “Homeowner Program or Program”) and guidelines for the implementation thereof (the “Guidelines”);

WHEREAS, by a resolution adopted on April 19, 2019, the EDA determined to update the Program to increase utilization rates by making the Program more attractive and affordable to a diverse spectrum of homeowners and to offer targeted programs to seniors, code correction cases, and first-time homebuyers through updates to the Guidelines and documents relating to the Program;

WHEREAS, through the updated Program, the EDA established four new sub-categories (the “Sub-Categories”) of loans within the Program including the On-Bill Repayment Loan Program, the Code Correction Loan Program, the Senior Deferred Loan Program and the Down Payment and Closing Costs Deferred Loan Program; and

WHEREAS, the EDA has determined that the Program can be made more effective by further updating the Guidelines relating to the Program in accordance with the terms and conditions described in the Request for EDA Action provided to the Board and incorporated herein by reference (the “Program Terms”);

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Brooklyn Park Economic Development Authority (the “Board”) as follows:

1. The EDA hereby approves the updated Program guidelines and finds, determines and declares that it is in the public interest of the residents of the City that the Program Terms be adopted.

2. The EDA hereby approves the Program Terms, together with any related documents necessary in connection therewith, including without limitation amendments to the Guidelines, all documents or certifications referenced in or attached to the Program Terms or (collectively, the "Program Documents") and hereby authorizes the Executive Director to execute the Program Documents on behalf of the EDA, and to carry out, on behalf of the EDA, the EDA's obligations thereunder when all conditions precedent thereto have been satisfied.
3. The approval hereby given to the Program 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 Board as, in the opinion of legal counsel to the EDA, may act in their behalf.
4. The authority to approve, execute and deliver future amendments to the Program 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, the City 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.
5. The EDA hereby authorizes and directs the Executive Director and EDA staff undertake and implement the Program Terms and Program Documents as provided therein and take all actions necessary in connection therewith.

# City of Brooklyn Park Request for EDA Action

<b>Agenda Item No:</b>	6.6	<b>Meeting Date:</b>	November 18, 2019
<b>Agenda Section:</b>	General Action Items	<b>Prepared By:</b>	John Kinara, Housing & Redevelopment Specialist
<b>Resolution:</b>	X	<b>Presented By:</b>	Breanne Rothstein, Economic Development & Housing Director
<b>Attachments:</b>	2		
<b>Item:</b>	Consider Approving the Renewal of the Amendment and Restated Consulting Agreement Between the Brooklyn Park Economic Development Authority and the Center for Energy and the Environment effective January 1, 2020 through December 31, 2022		

## Executive Director's Proposed Action:

MOITON \_\_\_\_\_, SECOND \_\_\_\_\_ TO WAIVE THE READING AND ADOPT RESOLUTION #2019-\_\_ TO CONSIDER APPROVING THE RENEWAL OF THE AMENDED AND RESTATED CONSULTING AGREEMENT BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND THE CENTER FOR ENERGY AND ENVIRONMENT EFFECTIVE JANUARY 1, 2020 THROUGH DECEMBER 31, 2022.

## Overview:

The purpose of this action is to approve the renewal of the Amended and Restated Consulting Agreement between the Brooklyn Park Economic Development Authority (EDA) and the Center for Energy and Environment (CEE) to continue the partnership in administering the EDA'S Home Improvement Loan Programs. The EDA entered into the previous Consulting Agreement in January 2019 and it is set to expire at the end of this year. The Consulting Agreement has had several amendments made over the years; the newly proposed Agreements combines the previous amendments and includes some minor changes outlined below.

CEE is an independent non-profit organization that has provided home improvement resources to the metropolitan area for 25 years and has successfully administered the Brooklyn Park Home Improvement Loan Programs over the past 11 years. Staff proposes to continue the partnership with CEE.

## Primary Issues/ Alternatives to Consider:

- **What are the services provided by CEE?**

Currently, CEE administers the four Brooklyn Park Home Improvement Loan Programs, and the Home Energy Enhanced Squad Program that is funded by the EDA. CEE is responsible for qualifying borrowers, collecting and reviewing construction bids, conducting remodeler advisor visits with homeowners to prioritize repairs, preparing and recording loan documents, conducting inspections, marketing and working closely with the EDA staff to ensure that the programs are implemented accordingly. Under the Amended and the Restated Consulting Agreement, CEE would continue to provide these services.

- **What are the proposed changes to the Agreement?**

The Amended and Restated Agreement includes the following proposed changes:

- Ensures that services and scope of work of the existing agreement shall be amended to reflect the updated program guidelines and budget as reflected in Exhibit A – 20 and Exhibit B – 20 respectively.
- Increases the total annual administration fees to \$2,500 for all programs
- Proposes to extend the term of the agreement from January 1, 2020 through December 31, 2022.

- **What is the next step?**

If approved, the Home Improvement Loan Programs will continue to operate in the same manner with the Amended and Restated Agreement governing the programs, as approved in April of 2019.

**Budgetary/ Fiscal Issues:**

The proposed Amended and Restated Consulting Agreement does not impact the program budget.

**Recommendation:**

The Executive Director of the Economic Development Authority recommends approval.

**Attachments:**

- 6.6A Resolution
- 6.6B Amended and Restated Consulting Agreement
- 6.6C Program Guidelines (Exhibit A-20)
- 6.6D Programs Budget (Exhibit B-20)

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

RESOLUTION #2019-

APPROVING AMENDMENT TO AMENDED AND RESTATED CONSULTING  
AGREEMENT BETWEEN THE BROOKLYN PARK ECONOMIC  
DEVELOPMENT AUTHORITY AND THE CENTER FOR ENERGY AND  
ENVIRONMENT

WHEREAS, the Brooklyn Park Economic Development Authority (the "EDA") has established the Brooklyn Park Owner-Occupied Home Improvement Loan Program (the "HIL Program") and policies and procedures for the implementation thereof (the "HIL Program Guidelines"); and

WHEREAS, the EDA has established the Brooklyn Park Home Repair Assistance Program (the "HRA Program") and policies and procedures for the implementation thereof (the "HRA Program Guidelines"); and

WHEREAS, in connection with the HIL Program and the HRA Program, the EDA and the Center for Energy and Environment, a Minnesota nonprofit corporation ("CEE") have entered into an Amended and Restated Consulting Agreement, dated January 14, 2013, as subsequently amended by the Amendment Two to the Amended and Restated Consulting Agreement and the Amendment Three to the Amended and Restated Consulting Agreement (together, the "Agreement"); and

WHEREAS, the EDA and CEE wish to amend the Agreement as provided in that certain Amendment Four to the Amended and Restated Consulting Agreement presented to the EDA for consideration (the "Amendment");

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

1. The EDA hereby approves the Amendment substantially in accordance with the terms set forth in the form presented to the Board, together with any related documents necessary in connection therewith, all documents or certifications referenced in or attached to the Agreement as amended by the Amendment (collectively, the "Consulting Documents") and hereby authorizes the Executive Director to execute the Consulting Documents on behalf of the EDA, and to carry out, on behalf of the EDA, the EDA's obligations thereunder when all conditions precedent thereto have been satisfied.
2. The approval hereby given to the Consulting 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 any such 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 Board as, in the opinion of legal counsel to the EDA, may act in their behalf.

3. The authority to approve, execute and deliver future amendments to the Consulting 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, the City 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.

## AMENDMENT FOUR to the AMENDED AND RESTATED CONSULTING AGREEMENT

This Amendment, dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 2019, by and between the BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY, with offices at 5200 85<sup>th</sup> Ave N, Brooklyn Park, MN 55443, (the “Authority”), and CENTER FOR ENERGY AND ENVIRONMENT, with its offices at 212 3<sup>rd</sup> Avenue North, Suite 560, Minneapolis, Minnesota 55401 (“CEE”) amends that certain Amended and Restated Consulting Agreement, between the Authority and CEE, dated January 14, 2013 (as previously amended, “Existing Agreement”) as follows:

**Section 1. Services/Scope of Work** of the Existing Agreement shall be amended to reflect the Updated Program Guidelines as reflected in Exhibit A-20 attached hereto.

This Amendment shall incorporate the Brooklyn Park Loan Program Budget in Exhibit B-20, attached hereto.

**Section 2. Compensation** of the Existing Agreement shall be amended to revise the fees set forth in Section 2.1 as follows:

2.1 Unless otherwise stated in the Program Guidelines, the Authority shall compensate CEE for services provided under this Agreement according to the following schedule:

Loan Origination: Home Improvement, Senior Deferred, Code Enforcement and the Down-Payment and Closing Cost Assistance Loan Programs                      \$550

The Authority shall pay CEE an Origination Fee for each Home Improvement, Senior Deferred, Code Enforcement and Down-Payment and Closing Cost Assistance loan closed. The Origination Fee shall compensate CEE for assisting borrowers with loan applications, preparation of loan documents, loan closing and other direct costs of processing loans.

Loan Origination: On-Bill Repayment    \$250

The Authority shall pay CEE an Origination Fee for each On-Bill Repayment loan closed. The Origination Fee shall compensate CEE for assisting borrowers with loan applications, preparation of loan documents, loan closing and other direct costs of processing loans.

Property Inspection (Prioritization/RAV)    \$225

The Authority shall pay CEE a fee for each property inspection, prioritization or remodeling advisor visit performed in accordance with the applicable Program Guidelines or request by the borrower or the Authority.

Post Installation Inspection    \$100

When installation verification is necessary, the Authority shall pay CEE a fee for each Installation Verification completed, not to exceed three visits for each Program loan. The Installation Verification shall be performed by a CEE representative whenever the project does not require a building permit.

Annual Administration Fee

\$2,500

The Authority shall pay CEE an annual Administration Fee to supply quarterly reports on loan activity, attend up to 2 meetings or events per calendar year and work with the Authority to prepare and execute Amendments to the contract as needed.

The Authority shall pay CEE for the creation and implementation of the Senior Deferred, On-Bill Repayment, Code Enforcement and the Down-Payment and Closing Cost Assistance Loan Programs in CEE’s Loan Origination System, update CEE’s website and information sheets. This includes writing guidelines, attending meetings as needed to develop these programs and assist in the promotion of these programs.

*The Annual Administration Fee shall be payable on January 1<sup>st</sup> of each year the Agreement is active.*

**Section 5. Term and Termination** of the Existing Agreement shall be amended to amend and restate the first sentence of Section 5.1 as follows:

5.1 Unless earlier terminated as provided in the following paragraphs, this Agreement shall become effective on January 1, 2020 and continue through December 31, 2022.

Except as amended above, all other terms and conditions of the Existing Agreement shall remain in full force and effect. Except as otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Existing Agreement.

IN WITNESS WHEREOF, the parties hereunder set their hands as of the date first written above:

BROOKLYN PARK ECONOMIC  
DEVELOPMENT AUTHORITY

CENTER FOR ENERGY AND  
ENVIRONMENT

By \_\_\_\_\_  
Executive Director

By \_\_\_\_\_  
#3085

TAX ID 41-1647799

**Exhibit A-20**

**City of Brooklyn Park Loan Program Guidelines**

**Home Improvement Loan Program**

**On-Bill Repayment Loan Program**

**Senior Deferred Loan Program**

**Code Enforcement Loan Program**

**Down Payment and Closing Cost Assistance Program**

## **Home Improvement Loan Program**

1. **Loan Amount:** Loan amounts from \$2,000 to \$25,000.
2. **Amortization Type:** Monthly payment is required.
3. **Loan Term:** Up to 15 years.
4. **Interest Rate:** 3% fixed interest rate for borrowers making up-to-120% area median income (AMI) and 4% fixed interest rate for borrowers earning over 120% of the area median income. Income is calculated on projected income for all owners living in the property and household size.
5. **Loan-to-Value ratio:** 110%.
6. **Income Restrictions:** No income limits, but the interest rate is determined by projected gross income of the owners living in the property and household size.
7. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA.
8. **Credit / Underwriting Requirements:** No more than two 30-day late payments within the last six months on the credit report. 90-day lates (within the past 24 months) require reasonable explanation from the applicant. No Bankruptcy or Foreclosure in the last 18 months. Current on mortgage payments and taxes. No outstanding judgements, defaulted government loans, collections (without reasonable explanation), or liens that are tied to the property.
9. **Debt-to-Income Ratio:** 50%
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident aliens. Individual Tax identification numbers are not acceptable.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract for deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** Most permanent Interior and exterior improvements are eligible.
15. **Ineligible Improvements:** No saunas, whirlpools, furniture, skylights, non-built-in appliances (unless part of a kitchen remodel), or funds for working capital, debt service or refinancing existing debts are allowed. Center for Energy and Environment will refer to City Staff whenever eligibility of an improvement project is questionable.
16. **Sweat Equity:** Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.

17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed or registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Home Improvement Loans can not exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be off by a City inspector.
20. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case by case basis.
21. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be performed by CEE (if a permit is not required) to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:
  1. Final invoice from contractor (or materials list from supplier)
  2. Final inspection verification by CEE (if necessary)
  3. Completion certificate(s) signed by borrower and contractor
  4. Lien waiver for entire cost of work and
  5. Evidence of required city permit pulled and inspected, where applicable
22. **Borrower Fees:** 1% Origination Fee and a \$50 Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

## **On-Bill Repayment Loan Program**

1. **Loan Amount:** Loan amounts from \$1,000 to \$10,000.
2. **Loan Term:** Up to 5 years.
3. **Interest Rate:** 3% fixed interest rate if all borrowers have a credit score of at least 680 and 4% fixed interest rate for all borrowers with at least a 600 score..
4. **Loan-to-Value ratio:** None.
5. **Income Restrictions:** No income limits
6. **Amortization:** Monthly payments required
7. **Security:** None
8. **Credit / Underwriting Requirements:** All borrowers must meet all CenterPoint Energy eligibility requirements. All mortgage payments and property taxes must be current. All borrowers must have a minimum credit score of 600.
9. **Debt-to-Income Ratio:** None
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident

aliens and non-permanent resident aliens. Individual Tax identification numbers are not acceptable. Must be an eligible CenterPoint Energy customer.

11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract for deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** All measures eligible for a rebate under one or more of CNP's Residential Segment Program will be eligible for the On-Bill Repayment Program except for furnace or boiler tune-ups or thermostats not installed with an eligible heating system. Eligible improvements include but are not limited to (Efficiency requirements are subject to change):

- HES recommended improvements determined through a site visit
- Furnace  $\geq 92\%$  AFUE\*
- Boiler  $\geq 83.5\%$  AFUE\*
- Programmable, communicating, and analytics-capable thermostats installed with a qualifying heating system
- Electronic ignition hearth products
- Water Heaters (conventional tank, tankless, indirect, or heating/water heating combo systems) that meet energy star requirements
- Energy Star rated clothes washers and natural gas dryers
- Wall insulation in a home with natural gas heating, improving insulation levels of R-5 or less to a level of R-11 or greater
- Attic insulation installed with air sealing in a home with natural gas heating, improving from R-30 or less to a value of R-49 or greater.

\*\*\*Other improvements are eligible to be included in the loan as long as at least one eligible energy conservation improvement is being done. These improvements include, but are not limited to:

- Central Air, Mini-Split or Heat Pumps installed with eligible gas heating equipment (at least 14 SEER)
- Energy Star rated Windows/Doors , ***if doing eligible insulation measures*** \*\*\*
- Ventilation
- Bath fans
- Electrical updates required due to related energy improvement
- Asbestos and Radon mitigation
- Repairs or repainting of wall surfaces damages by installation of eligible insulation projects

- Modifications or cleaning of venting or duct-work necessary to install water heaters or heating equipment

**Ineligible Improvements:** Work initiated prior to the loan being approved and closed (exceptions will be made case by case if immediate replacement is needed).

- Furnace and boiler tune-ups
  - New construction
  - Solar
  - Electric appliances
  - Projects not listed as an eligible improvement or not determined to be an eligible improvement by CNP or CEE.
  - CEE will refer to CNP whenever eligibility of an improvement project is questionable
15. **Sweat Equity:** Not permitted.
  16. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed and be an eligible contractor with CenterPoint Energy. Permits must be obtained where required by the City of Brooklyn Park.
  17. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all On-Bill Repayment Loans can not exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
  18. **Post Install Inspection:** None.
  19. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case by case basis.
  20. **Disbursement of Funds:** Funds are disbursed to the borrower at closing.
  21. **Borrower Fees:** A \$50 Document Preparation and credit report fee.,

## **Senior Deferred Loan Program**

1. **Loan Amount:** Loan amounts from \$2,000 to \$25,000.
2. **Amortization Type:** Deferred
3. **Loan Term:** Loan is due upon sale, transfer of ownership or no longer occupied by the borrower as their primary residence.
4. **Interest Rate:** 0%
5. **Loan-to-Value ratio:** 110%.
6. **Income Limit:** None
7. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA.
8. **Credit / Underwriting Requirements:** All mortgages and property taxes must be current. No outstanding judgements, liens or pending Bankruptcy or Foreclosure.
9. **Debt-to-Income Ratio:** None
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident

aliens and non-permanent resident aliens. Individual Tax identification numbers are not acceptable. At least one borrower must be at least 62 years of age.

11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract for deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** CEE shall perform an inspection to determine project eligibility and prioritization. If there are no health, safety or code violations the borrower may use the funds for any permanent exterior or interior improvements.
15. **Ineligible Improvements:** No saunas, whirlpools, furniture, skylights, non-built-in appliances (unless part of a kitchen remodel), or funds for working capital, debt service or refinancing existing debts are allowed. CEE will refer to City Staff whenever eligibility of an improvement project is questionable.
16. **Sweat Equity:** Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.
17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed and registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Senior Deferred Loans can not exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be off by a City inspector.
20. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be performed by the City and/or CEE to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:
  - a. Final invoice from contractor (or receipts from supplier))
  - b. Final inspection verification by CEE (if necessary)
  - c. Completion certificate(s) signed by borrower and contractor
  - d. Lien waiver for entire cost of work and
  - e. Evidence of required city permit, where applicable
21. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case by case basis.

- 22.. **Borrower Fees:** 1% Origination Fee and a \$50 Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

## **Code Enforcement Loan Program**

1. **Loan Amount:** Loan amounts from \$1,000 to \$25,000.
2. **Amortization Type:** Monthly payment is required.
3. **Loan Term:** Up to 15 years.
4. **Interest Rate:** 2% fixed interest rate
5. **Loan-to-Value ratio:** 110%.
6. **Income Restrictions:** None.
7. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA.
8. **Credit / Underwriting Requirements:** No more than two 30-day late payments within the last six months on the credit report, 90-day lates (within the past 24 months) require reasonable explanation from the applicant. No Bankruptcy or Foreclosure in the last 18 months. Current on mortgage payments and taxes. No outstanding judgements, defaulted government loans, collections (without reasonable explanation), or liens that are tied to the property.
9. **Debt-to-Income Ratio:** 50%
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident aliens. Individual Tax identification numbers are not acceptable. Borrower must have an active property maintenance corrective order issued by the city.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract-for-deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** Must address corrective actions required by the city. Repairs must be directed at improving the safety and structural integrity of the property including, but not limited to: siding, trim, soffit/fascia, roofing, garage doors, windows/doors, driveways, removal of trees affecting foundation, demolition of pools and sheds, HVAC, water heating, pest control, mold and mildew remediation, foundation repairs, deck/patio repairs (no new installation), hoarding cleanup, flooring, radon/lead/asbestos mitigation and other health and safety issues.
15. **Ineligible Improvements:** Any improvement not meeting the definition of an eligible improvement.

16. **Sweat Equity:** Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.
17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed or registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Code Enforcement Loans can not exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be off by a City inspector.
20. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case by case basis.
21. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be performed by CEE (if a permit is not required) to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:
  1. Final invoice from contractor (or materials list from supplier)
  2. Final inspection verification by CEE (if necessary)
  3. Completion certificate(s) signed by borrower and contractor
  4. Lien waiver for entire cost of work and
  5. Evidence of required city permit pulled and inspected, where applicable
22. **Borrower Fees:** 1% Origination Fee and a \$50 Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

## **Down Payment and Closing Cost Assistance Deferred Loan Program**

1. **Loan Amount:** Up to \$7,500. If the borrower is a current resident of Brooklyn Park the maximum loan amount is up to \$10,000.

2. **Loan Term:** 10 years. The loan is 100% forgiven if the borrower(s) did not sell, transfer ownership or no longer occupied the property as the borrower(s) primary residence within 10 years of the loan closing date. If the loan is sold, ownership is transferred or is not the borrower(s) primary residence before 10 years of the loan closing, 100% of the loan is due.
3. **Interest Rate:** 0%
4. **Minimum Borrower Contribution:** Lesser of \$1,000 or 1% of the purchase price.
5. **Income Limit:** 120% of the Area Median Income (AMI). Income if determined by the Adjusted Gross Income from the most recent tax return and household size. If the borrower(s) are not required to file a tax return the income will be determined by the projected gross income.
6. **Homebuyer Education:** All borrower(s) MUST attend a Home Stretch workshop or other valid first time homebuyers course offered through an approved counseling agency by HUD. Applicants who have previously completed their pre-purchase education through an eligible provider must have a completion certificate that is dated not more than 12 months prior to closing.
7. **First-Time Homebuyer Status:** Borrowers must be a first-time homebuyer (a person or household that has not owned a home within the last three years – based on HUD approved definition). The Borrowers may not have had an ownership interest in a principal residence at any time during the three-year period ending on the date of execution of the mortgage. This requirement applies to any person who will execute the note and will have a present ownership interest in the financed property.
8. **Debt-to-Income Ratio:** N/A. Borrower must qualify for a first mortgage to purchase the property.
9. **Loan to Value Ratio:** 100% ~~110%~~
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident aliens. Individual Tax Identification Numbers are not acceptable.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers.
12. **Eligible Properties:** All 1-4 unit owner occupied properties with a purchase price equal to or less than \$328,200 (subject to change) located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhouses will be eligible for this program as well.
13. **Ineligible Properties:** Properties held in a contract for deed are not eligible. Mobile homes, Co-ops, Non-owner-occupied and commercial properties.
14. **Multiple Loans:** Only one loan, but if ownership changes the new owner is eligible. If previous owner purchases a new home in Brooklyn Park they are eligible if considered a first time homebuyer. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000
15. **Subordination:** Full repayment of the loan is required unless the borrower is refinancing for a better interest rate to lower monthly payments or cash out funds for critical home repairs.
16. **Underwriting Decision:** Borrower(s) must meet 1<sup>st</sup> mortgage lender requirements.

17. **Borrower Fees:** All applicable mortgage filing fees, wire transfer, title, credit report, flood inspection and any other relevant closing costs associated with the loan.
18. **Participating Lenders:** Brooklyn Park EDA recommends the utilization of lenders with a presence in the City of Brooklyn Park.
19. **Purchase price:** Cannot exceed \$328,200 (subject to change)
20. **Eligible Use of Funds:** The loan funds can only be used for down payment and/or closing costs. The borrower cannot receive any portion of these funds as cash.

## EXHIBIT B-20

### FY2020 PROGRAM BUDGET \$500,000

#### BROOKLYN PARK LOAN PROGRAM BUDGET

<b>A.</b>	<b>Home Improvement, On-Bill Repayment and Code Enforcement</b>	<b>\$250,000</b>
<b>B.</b>	<b>Senior Deferred Loan</b>	<b>\$150,000</b>
<b>C.</b>	<b>Down Payment Assistance and Closing Cost Assistance Loan</b>	<b>\$100,000</b>

**Budget Notes:**

1. Funds to be transferred between Budget Categories in this Exhibit that do not change the Total Contract Amount must be approved in writing by the Executive Director of the EDA.
2. CEE shall submit monthly invoices to the Brooklyn Park for the loan principal and administrative fees.
3. Loan Principal will be funded from the Total Program Budget as stated above and Administrative Fees shall be paid in accordance with the following Administrative Fee schedule.

(a) Loan Origination Fee	\$550 per loan closed
(b) On-Bill Repayment Loan Origination Fee	\$250 per loan closed
(c) Property Inspection (Prioritization/RAV)	\$225 per visit
(d) Post Installation Inspection	\$100 per inspection
(e) Annual Administration Fee	\$2,500

The Annual Administration Fee shall be payable on January 1<sup>st</sup> of each year the contract is active.

4. Administrative Fees are not a part of the "Total Program Budget". Administrative Fees do not have a budget and will be paid by the Brooklyn Park EDA.
5. Marketing efforts will be supported by CEE and marketing costs are not included in the Total Program Budget. Hourly rates are inclusive of all overhead expenses and will be charged only for hours directly related to the labor of all program marketing. CEE will also be reimbursed by Brooklyn Park for any non-labor, out-of-pocket expenses relating to these services at a dollar-for-dollar basis. Marketing expenses are only reimbursable if pre-approved by the EDA Executive Director or designee.

**MEMORANDUM**

**DATE:** November 14, 2019  
**TO:** EDA Commissioners  
**FROM:** Kim Berggren, Executive Director  
**SUBJECT:** Status Update

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**BUSINESS AND WORKFORCE DEVELOPMENT****GreaterMSP Partnership Annual Meeting**

On Monday, November 11, Breanne Rothstein attended the annual meeting of GreaterMSP Partnership, where leaders announced their ten year plan to advance our regional workforce development and jobs goals. They have increased their focus on workforce development and equity in 2019. ConnexMSP, a consortium of youth workforce development programs that Brooklynk has been a part of, is rolling into GreaterMSP to better align with the work of Make.It.MSP, a regional talent recruitment and retention initiative. Staff looks forward to learning more about how to plug into the refreshed work of GreaterMSP, since their recent work is well aligned with Brooklyn Park's 2025 goals and initiatives.

**Urbana Court Ground Breaking**

Urbana Court Apartments, located at 5401 94<sup>th</sup> Ave N, officially broke ground on Wednesday October 23. Councilmember Jacobson gave remarks on behalf of the City, welcoming the project to the City. Construction has begun on the project that will provide 207 market rate apartment units once complete.

**Business Visits**

Staff has begun visiting businesses as part of the reinvigorated Business Retention and Expansion (BR&E) program. So far staff has visited Top 2 Bottom, 5Bulouz, Unique Party Rentals, Down the Street Nutrition, Pridestaffing, and the Medical Supply Store. Staff sits down with these businesses for about 45 minutes and asks a series of pre-determined questions. The answers are then saved in a database so the results can be analyzed for trends. The goals of the BR&E program are to connect with businesses and address their immediate needs, concerns, and questions. Staff plans to present additional findings to the Authority at a future meeting.

**8<sup>th</sup> Annual Business Forward Forum**

On Wednesday, October 30, Edinburgh USA hosted the 8<sup>th</sup> annual Business Forward Forum! This year attracted more vendors and participants than ever before. Over 100 attendees enjoyed a complimentary lunch, development updates and critical information about City initiatives, and a keynote address on regional trends and strategies in talent attraction from Make It. MSP's senior manager Tiffany Orth. Vendors were available to provide financial and technical resources to Brooklyn Park's local businesses and staff have received many positive reviews of the event. Councilmembers Lisa Jacobson, Susan Pha, and Wynfred Russell were in attendance.



### **November Business Forward Advisory Board Meeting**

The Business Forward Advisory Board (BFAB) held its monthly meeting on November 5 in the City Council Chamber. Continuing its conversations about becoming more food truck friendly, the Board discussed a draft ordinance that, if adopted, would allow food trucks to park on the street in certain parts of the City. Senior Planner Todd Larson joined the Board to discuss this item and provide technical expertise to the conversation. This proposed ordinance change will be brought forward for City Council consideration in early 2020. The Board also debriefed about the Business Forward Forum by reviewing the completed surveys. It was agreed that the forum was largely a success.

### **TigerPath 2.0 Career Readiness Workshop**

On Tuesday November 13, Catrice O'Neal and Daniela Lorenz spent that day at the TigerPath Career Readiness Workshop in Hutchinson, MN. TigerPath is a collaboration between Hutchinson High School, local business, and the City to create on the job learning experiences ranging from internships to relevant classwork for students interested in technology and engineering fields. The day consisted of learning from TigerPath staff about best practices, engaging with others about how to successfully start and sustain creative college and career pathways programming for young people, and discussing ways to think innovatively about addressing workforce development needs.

### **Minnesota Jobs Skills Partnership**

Two Brooklyn Park businesses, Wurth Adams and Design Ready Controls, were awarded funds from the Minnesota Jobs Skills Partnership (MJSP) program to create training programs in collaboration with accredited educational institutions. Wurth Adams was awarded \$179,001 and is partnership with Hennepin Technical College to create a customized leadership training for a total of 55 employees to complete over a three-year period. Design Ready Controls was awarded \$46,360 and is partnership with Summit Academy OIC to provide training to low-income, workers of color in the metro area. They will be learning skills necessary to get entry-level positions of Design Ready Controls while becoming subject matter experts in the construction field.

MJSP is a program run by the State of Minnesota's Department of Employment and Economic Development (DEED) designed to help businesses create training programs in collaboration with accredited educational institutions. The goal of the programs are to empower businesses to create training programs aimed at growing talent while also addressing the workforce shortages being experienced throughout the State.

## **OTHER**

### **Center for Innovation and the Arts (CITA)**

Staff is working on developing a Joint Powers Agreement with representatives from North Hennepin Community College and Metropolitan State University for the proposed CITA project. CITA is envisioned to be a 83,000 square foot dynamic and inclusive center focused on leveraging resources of multiple partners to create a flexible facility at the northeast corner of 85<sup>th</sup> and West Broadway avenues. The Center will greatly increase arts-related educational opportunities for students, increase economic prosperity, and advance the quality of life in Brooklyn Park and surrounding communities. Other steps underway include the formation of the CITA Advisory Council, which will launch in February 2020, along with the initiation of fundraising efforts for the \$85 million project.

### **Next Generation Business Models Event**

Daniela Lorenz attended the Next Generation Business Models Event hosted by Nexus Community Partners and Saint Paul Area Chamber of Commerce on November 11. The purpose of the event was to learn more about the benefits of converting a business to an employee ownership model and to demonstrate the various ways a business could become co-operatively owned. The event featured speakers from Project Equity, the City of Saint Paul, representatives from worker owned businesses, Shared Capital, Nexus Community Partners, and Dorsey and Whitney LLP. Staff has been working with Nexus for the past few months to learn about how we can start conversations about employee ownership models with interested businesses in Brooklyn Park.

### **Minneapolis Federal Reserve Bank Peer Learning Exchange**

Kim Berggren and Erika Byrd attended Peer Learning Exchange: Lessons Learned with Mixed-Income Housing Policies on October 30. This event cohosted by Minneapolis Federal Reserve Bank, Urban Land Institute, and Family Housing Fund brought together staff from regional cities to discuss their experiences implementing mixed-income housing policies.

### **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>

### **Bottineau Corridor Marketing & Branding**

Neka Creative has been working with Hennepin County and Bottineau corridor cities on developing a cohesive brand identity for the Bottineau corridor. After extensive community engagement throughout the corridor cities, the brand promise and six brand directions (attached) were unveiled to the steering committee in early October.

Since that time, the list of brand directions has been narrowed down to these four in rank order.

- #1 Northwest Crossing
- #2 Hennepin Northwest
- #3 Culture Crossing
- #4 Global Northwest

Work on the marketing and branding effort is expected to wrap-up by the end of 2019.

### **LRT In The News**

**BNSF Railway's refusal to budge on Bottineau LRT looks like payback to some**

<https://www.bizjournals.com/twincities/news/2019/10/31/bnsf-railway-s-refusal-to-budge-on-bottineau-looks.html>

**MEMORANDUM**

**DATE:** November 14, 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

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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 informed of this work.

**HOUSING POLICY UPDATES****Tenant Notification Ordinance**

A Tenant Notification Ordinance was adopted by the Brooklyn Park City Council on October 28. The purpose of the Ordinance is to improve communication practices when apartments sell or change ownership and to provide tenants with more time and resources if they are potentially facing displacement. Staff are now working on the implementation processes and communication efforts.

**Eviction and CURA Research Project**

Researchers from the Center for Urban and Regional Affairs (CURA) at the University of Minnesota have begun a year-long qualitative research project in Brooklyn Park to investigate the issues of eviction, housing stability, and renter quality of life. The research team, led by Dr. Brittany Lewis and Dr. Shana Riddick, have been conducting one-on-one conversations with stakeholders and are working to establish an advisory group to help guide the research process. The research project is being funded by the Brooklyn Park Economic Development Authority, Hennepin County, and Minnesota Housing.

**HOUSING PROJECT UPDATE****Huntington Place**

The City Council had a meeting with residents from Huntington Place prior to the City Council meeting on November 12. Residents came and spoke, expressing concerns about the quality of their units, continuing crime and maintenance issues, and concerns over health and the quality of the environment at Huntington Place. They also discussed challenges with paying their rent and increased costs of living at Huntington Place.

Dominium and Aeon released a statement that they are working together to preserve Huntington Place as an affordable housing development. Dominium represents the current ownership group and also manages the apartment community. Aeon is a Twin Cities-based, nonprofit affordable housing developer, owner and manager interested in a Huntington Place acquisition. Aeon will be presenting their vision for the property in a work session at the EDA meeting on November 18.

### **Housing Stakeholder Meeting**

City staff from Community Development and Administration departments met with a group of stakeholders from local and regional organizations working in housing on November 8. Participants from the Alliance for Metropolitan Stability, Housing Justice Center, HOME Line, ACER, Community Mediation & Restorative Services, Hennepin County, and Osseo Area School District were in attendance. The group provided feedback to staff on issues at Huntington Place and asked many questions. They expressed strong interest in how the City can support renter stability and quality of life.

### **OTHER HOUSING ACTIVITY**

#### **Brooklyn Park Community Assembly**

The topic at the October 24 Brooklyn Park Community Assembly event was *Renters: A city that works for you*. City staff presented updates about current housing and rental statistics and initiatives and facilitated discussion. Community Mediation and Restorative Services shared how they work with community members, and there was a brief update from Osseo Area Schools Board Member Mike Ostaffe. Met Council Representative Reva Chamblis and City Council Member Lisa Jacobson were also in attendance. Attendees shared feedback with staff who will be working on next steps to continue this conversation with renters.



#### **Minnesota Housing Partnership - Market Watch Hennepin County**

Minnesota Housing Partnership (MHP) released their latest Market Watch issue, which focused on Hennepin County. The MHP report (which can be found at [www.mhponline.org/publications](http://www.mhponline.org/publications)) examines trends and impacts for multifamily unsubsidized buildings around Hennepin County. Some findings include:

- From 2010 to 2018, average rent rose 20% in Hennepin County overall. In Brooklyn Park, rent rose 21%.
- Communities of color are disproportionately impacted by rent and wage trends. While only 30% of white households in Hennepin County are renters, 78% of Black and 66% of Latino households in the county are renters. In addition, wages for Black, Native, and Hispanic households have fallen since 2000, declining by 26%, 15%, and 5% respectively.
- Renter households are growing across Hennepin County, particularly in western suburban communities. The chart taken from the report shows these growth trends.

	Percent renter households	Change in renters, 2000-2017	Percent residents of color
<b>Hennepin County</b>	38%	22%	31%
Minneapolis	53%	15%	40%
St. Louis Park	44%	33%	19%
Brooklyn Center	38%	14%	59%
Richfield	37%	14%	38%
Minnnetonka	31%	38%	14%
Brooklyn Park	29%	19%	55%
Plymouth	28%	51%	22%
Edina	28%	21%	16%
Eden Prairie	27%	52%	23%
Crystal	27%	18%	27%
Golden Valley	26%	51%	18%

## MEMORANDUM

**DATE:** November 18, 2019

**TO:** EDA Commissioners

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

**SUBJECT:** 2020 Legislative Policy Positions

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Working with various partners and agencies, staff developed a draft listing of Brooklyn Park Economic Development Authority (EDA) related legislative initiatives for 2020. This document highlights important statewide issues affecting Brooklyn Park and outlines the EDA's position as it relates to each of these areas. These initiatives will be incorporated into a city-wide legislative strategy.

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

The draft 2020 Legislative Initiatives of the EDA are attached for your review and consideration. Changes can be accommodated and incorporated into the final version that will be considered by the City Council at a future meeting.

Attachments:  
7.3A DRAFT LEGISLATIVE POLICY POSITIONS

# 2020 Legislative Policy Positions



## 2020 Legislative Policy Positions

### ***Brooklyn Park Economic Development Authority***

#### **Overview**

Brooklyn Park works together with its partners to support proposals for new legislation in Minnesota designed to strengthen the community. Several of the 2019 legislative policies identified by these partners are budget neutral and offer innovative ideas that would help position Brooklyn Park for success in the future.

The Brooklyn Park Economic Development Authority (EDA) supports many of the legislative policies of its partner organizations, including policies that help the City manage through difficult times and improve livability in the community. For 2020, the Brooklyn Park EDA is focusing on economic development funding, neighborhood stability, multi-modal transportation investments, workforce development, support for manufacturing, affordable housing, and support of others in the legislative process.

#### **I. Economic Development Funding**

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

##### *Position*

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

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

## **II. Neighborhood Stability**

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

### *Position*

*The EDA supports neighborhood stabilization initiatives including:*

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

## **III. Improved multi-modal transportation access and mobility**

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

- ***Provide State resources and continued negotiations with BNSF or other strategies to complete the local requirements to leverage the federal funding for the METRO Blue Line Extension LRT (BLRT) project, which will bring five LRT stations to Brooklyn Park.***
- *Increase funding and maximum grant award amount for the Transportation Economic Development (TED) Program or similar programs to support strategic infrastructure investments that promote economic development.*

- *Increase the allocation of transit funds for BLRT operations and enhanced east-west bus connections and suburban circulator routes for better transit mobility.*
- *Increase funding for regional and local trail connections, especially in aging neighborhoods that lack connectivity, to improve pedestrian and bike connections within and across communities.*
- *Eliminate the exemption that prevents Hennepin and Ramsey counties from receiving their portion of the sales tax on leased vehicles through the county state aid formula.*

#### **IV. Support Manufacturing**

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

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

##### *Position*

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

#### **IV. Workforce Development**

Access to a skilled and trained workforce is critical to economic growth and access to family-supporting employment is critical to a stable community. Brooklyn Park supports activities and programs that strengthen links between employment opportunities in the community and job-seekers.

##### *Position*

- *Increase workforce training funding options for local solutions including state funding for youth and adult workforce development programs.*

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

## **V. Affordable Housing**

### *Position*

- *The State of Minnesota and the Metropolitan Council should take action to reduce barriers to and promote fair housing and equal opportunity;*
- *Minnesota Housing should continue to offer Low-Income Tax Credits with Housing Revenue Bond awards without additional restrictions.*
- *Minnesota Housing should evaluate its tax-exempt bond allocation to maximize the development of affordable housing opportunities within the metropolitan area.*
- *Minnesota Housing should increase investment in the preservation of Naturally Occurring Affordable Housing through re-habilitation and long-term affordability programs.*
- *The State of Minnesota should consider a statewide mixed-income housing policy to increase the number and dispersion of affordable housing in the state, and provide resources through Minnesota Housing to develop such housing.*

## **VII. Other**

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

### **2019 Policy Partners**

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

# City of Brooklyn Park EDA WORK SESSION

<b>Agenda Item No:</b>	8.1	<b>Meeting Date:</b>	November 18, 2019
<b>Agenda Section:</b>	Work Session	<b>Prepared By:</b>	Jennifer Jordan, Senior Project Manager
<b>No. of Attachments:</b>	2	<b>Presented By:</b>	Jennifer Jordan, Senior Project Manager
<b>Item:</b>	Discuss and Provide Direction Regarding Financing Status and Options on Creekside Gables Apartments		

## Overview:

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

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

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

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

The development agreement states that any repayment of the loan was to come from three sources: (1) excess cash flow from the project (over a 10% cash-on-cash rate of return), (2) tax increment generated by the project and (3) any proceeds from the sale or refinancing of the property. There have not been any excess cash flow payments. This property was located in TIF district #17 and did, however, generate some tax increment payments because the rehabilitation increased the valuation of the property. There has been a total of approximately \$516,065 paid on the loan principal and \$418,774 paid on the interest from the tax increment generated, totaling \$934,939 in payments to the EDA. TIF district #17 was decertified in 2012 and the increased property value is now contributing to the City’s overall tax base.

In June 2011, BP Partners received EDA approval to refinance the property. No additional proceeds were available for payment of debt at the time of the refinancing. In December 2011, the EDA approved termination of a minimum assessment agreement between the EDA and BP Partners because the minimum assessment agreement value was higher than the actual market value and needed to be terminated anyway in 2012 when

TIF district #17 was decertified. The 2019 estimated market value of the property per Hennepin County is \$6,275,800; the 2019 property tax estimate is \$118,403 (\$40,690 to the City).

**Primary Issues/Alternatives to Consider:**

The primary goals and objectives for this project in stabilizing the property and serving low-income seniors have been met and the project continues serving a key community need – affordable senior rental housing. The property remains in good condition and the property manager provides daily activities for the seniors, ranging from health and wellness to social activities. The financial performance for the project, while stable over the last 18 years, has not yielded the excess cash flow necessary to repay the principal loan balance. As a result, BP Partners has formally requested that the EDA eliminate the current loan obligation. The current obligation is \$4,165,468 (\$2,449,390 principal and \$1,716,078 interest).

In addition, based on a review of the current project status, the EDA's financial advisor from Ehlers and Associates determined that it is unlikely that any additional substantial repayment can be expected on the loan from the project in the foreseeable future. Additionally, the amount of interest on the loan continues to accrue.

Given this situation, here are some options the EDA could consider.

**Option #1 – Forgive only the Interest and Restructure the Loan**

The EDA could forgive only the existing, compounding interest and direct staff to restructure the loan at 0 percent, with the conditions below:

- BP Partners or a future owner continues to accept Section 8 vouchers at the property for the 20-year period.
- BP Partners or a future owner agrees to maintain affordability levels as outlined in the original development agreement and in accordance with the city's current adopted Mixed-Income Housing Policy with a minimum of 40% of the units affordable at 60% area median income.
- Should BP Partners sell the property, the buyer must demonstrate a reasonable level of experience in managing similar projects and must be approved by HUD, Fannie Mae, or Freddie Mac.

This option is a compromise that reduces the burden and compounding nature of the loan while acknowledging that the repayment of the interest in the full amount is unlikely due to the cash flow projections.

**Option #2 – Full Loan Forgiveness**

The EDA could forgive the principal and interest in its entirety, as requested, with the conditions below:

- BP Partners or a future owner continues to accept Section 8 vouchers at the property for the 20-year period.
- BP Partners or a future owner agrees to maintain affordability levels as outlined in the original development agreement and in accordance with the city's current adopted Mixed-Income Housing Policy with a minimum of 40% of the units affordable at 60% area median income.
- Should BP Partners sell the property, the new owner has demonstrated a reasonable level of experience in managing similar projects and is approved by HUD, Fannie Mae, or Freddie Mac.

This option acknowledges the financial situation and the benefits that were derived from the project, which would continue for an additional 20 years under this option.

**Option #3 – No Action**

The EDA could choose to take no action which would keep the obligation on both the developer and the EDA's books. It is estimated that interest would continue to accrue to a point where it exceeds the principal owed.

**Attachments:**

8.1A MAP

8.1B BP PARTNERS LETTER



12/26/2018

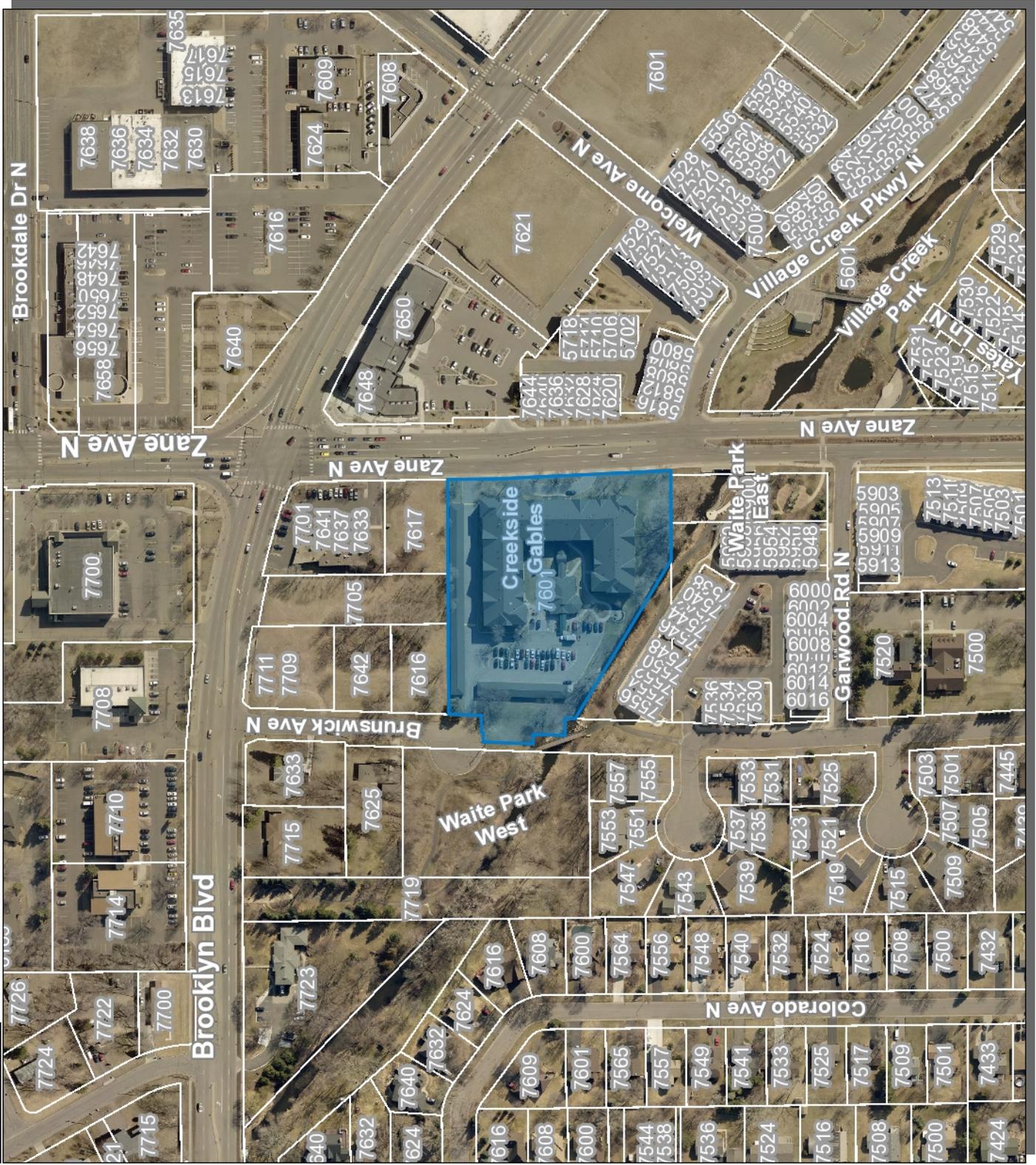
Creekside Gables Apartments - 7601 Zone

247 Feet

City of Brooklynpark

Map Scale = 1: 2,958

-  City Boundary
-  City Background



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



December 7, 2018

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

RE: Creekside Gables

Dear Ms. Berggren:

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

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

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

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

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

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Francis W. Lang". The signature is written in a cursive style with a large, prominent loop for the letter 'L'.

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

Cc.

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

# City of Brooklyn Park EDA WORK SESSION

<b>Agenda Item No:</b>	8.2	<b>Meeting Date:</b>	November 18, 2019
<b>Agenda Section:</b>	Work Session	<b>Prepared By:</b>	Breanne Rothstein, Economic Development and Housing Director
<b>No. of Attachments:</b>	0	<b>Presented By:</b>	Kimberly Berggren, Director of Community Development
<b>Item:</b>	Discuss and Provide Direction Regarding Aeon's Proposal to Purchase Huntington Place Apartments		

## Overview:

Aeon is a non-profit regional affordable housing developer and property management company who has recently taken a focus on the acquisition, re-habilitation and property management of several market-rate apartments buildings across the metropolitan area. They combine a variety of funding sources to raise equity to acquire and rehab these buildings in an effort to maintain rent levels and stave off future significant increases in rents. Aeon owns and manages 4,400 housing units in the Twin Cities in 56 properties, 1,700 of which they have acquired and 2,700 of which they have developed as new housing.

Aeon and Dominion are working together to develop a transition strategy for Huntington Place. Aeon representatives will be present at the meeting to introduce the company, what they are doing in this region specific to buying, rehabilitating and maintaining long-term affordability of otherwise "market rate" apartments and outline their vision for Huntington.

# City of Brooklyn Park EDA WORK SESSION

<b>Agenda Item No:</b>	8.2	<b>Meeting Date:</b>	November 18, 2019
<b>Agenda Section:</b>	Work Session	<b>Prepared By:</b>	Breanne Rothstein, Economic Development and Housing Director
<b>No. of Attachments:</b>	0	<b>Presented By:</b>	Kimberly Berggren, Director of Community Development
<b>Item:</b>	Presentation from Aeon regarding their vision for Huntington Place Apartments		

## Overview:

Aeon is a non-profit regional affordable housing developer and property management company who has recently taken a focus on the acquisition, re-habilitation and property management of several market-rate apartments buildings across the metropolitan area. They combine a variety of funding sources to raise equity to acquire and rehab these buildings in an effort to maintain rent levels and stave off future significant increases in rents. Aeon owns and manages 4,400 housing units in the Twin Cities in 56 properties, 1,700 of which they have acquired and 2,700 of which they have developed as new housing.

Aeon and Dominion are working together to develop a transition strategy for Huntington Place. Aeon representatives will be present at the meeting to introduce the company, what they are doing in this region specific to buying, rehabilitating and maintaining long-term affordability of otherwise “market rate” apartments and outline their vision for Huntington.

<b>City of Brooklyn Park EDA Work Session</b>			
<b>Agenda Item:</b>	8.3	<b>Meeting Date:</b>	November 18, 2019
<b>Agenda Section:</b>	Work Session	<b>Prepared By:</b>	John Kinara, Housing and Economic Development Specialist
<b>Attachments:</b>	N/A	<b>Presented By:</b>	Breanne Rothstein, Economic Development and Housing Director
<b>Item:</b>	Discuss and Provide Direction Regarding 2020/2021 Community Development Block Grant (CDBG) Funding Allocation		

**Overview:**

The purpose of this discussion is to provide an early opportunity for input on the possible uses of Fiscal Year (FY) 2020 Community Development Block Grant (CDBG) funds by evaluating previous uses and reviewing new, eligible uses of the funds. The City Council has discretion to suggest funding allocations. The Council may also consider alternative funding allocations than those presented in this report. Staff will evaluate any proposed changes to the allocations presented in this report for consistency with CDBG guidelines and report any findings at the February 2020 Council meeting.

The City of Brooklyn Park is part of the Urban Hennepin County CDBG Program. CDBG is a population and needs based federal grant program from the US Department of Housing and Urban Development (HUD). The proposed CDBG allocations are designed to be a part of a comprehensive community development strategy which includes both "bricks and mortar" projects as well as programs and projects designed to support some of the social service needs of City residents. Each of the programs offer specific benefits to low- and moderate-income households, youth, or assists in the clearance of slum and blight, as required by the national CDBG program objectives.

The City Council sets the use of CDBG funds in two steps, a public hearing and preliminary approval and final approval in late February for the upcoming program year. HUD requires a public hearing for the purpose of soliciting comments from the community on the proposed use of these funds. The proposed total FY2020 CDBG allocation for Brooklyn Park is \$400,000. FY 2020 runs from July 1, 2020 to June 30, 2021. Staff anticipates having \$340,000 available for locally directed programming, proposed to be allocated as outlined in Table 1 below.

**Table 1: FY2020 CDBG Funds Available**

<b>Program Funds</b>	<b>Estimated FY2020 CDBG Allocation</b>
Available FY2020 CDBG Allocation	\$400,000
15-percent set aside for public/human services (maximum allowed)	\$60,000
<b>Total amount available for City directed programming</b>	<b>\$340,000</b>

**Primary Issues/Alternatives to Consider for FY2020 CDBG allocation:**

- **How is the CDBG amount determined?**

HUD allocates CDBG funds to communities based on a distribution formula. HUD considers a community's population, individuals with incomes at or below the poverty level, and the number of overcrowded housing units to determine grant amounts. Poverty data is a double-weighted factor.

The City's proposed allocation of \$400,000 is an estimate provided by Hennepin County and may change, up or down, per HUD's final announcement around July 1, 2020. A provision in the final resolution will address any major change in funding.

- **How does the City allocate CDBG funds?**

The City has participated in the CDBG program for the past 38 years and historically the City Council has allocated the major portion of the funds for EDA and Council approved housing and redevelopment projects. In addition, the City Council has also supported community public/human service programs through utilization of 15 percent of CDBG funds, the highest percent allowed by HUD for that purpose.

Eligible CDBG projects are those that meet at least one of three national program objectives. The objectives are: activities benefiting low-and moderate-income households; activities preventing or eliminating slums or blight; and/or, projects meeting community development needs with a specific urgency.

- **How are public/ human services funds awarded?**

Funding for public/human service activities is capped at 15-percent of the grant amount. Per the Joint Cooperation Agreement (JCA) between the City and the County, the County will retain the full 15-percent of the grant for allocation to public/human service activities in the City. A County-based selection committee will award funds retained for public service activities on a competitive request for proposal basis. The County will invite one representative from each Direct Allocation City under the JCA to participate on the Selection Committee. Staff requests an action by the City Council to appoint this representative. In discussions with the City Council in 2019, the Council decided to appoint a senior level staff, the Economic Development and Housing Director, to serve on this committee.

In FY2019, \$450,000 in public service funds were available under the JCA consortium across participating cities. Twenty-six public service agencies requested \$861,185. The average award was \$22,000, with awards ranging from \$5,000 to \$82,000. Among the 26 organizations that applied a total of 18 organizations were funded. Nine of these organizations serve the residents of Brooklyn Park in different programming activities. Examples of funded initiatives include: Community Emergency Assistance Program (CEAP), West African Family and Community Services (WAFCS), Home Line, Avenues for Homeless Youth, Community Action Partnership of Hennepin County (CAP-HC), Senior Community Services, African Minnesota Women Awareness Group (AMWAG), Tree House and Young Men Christian Association (YMCA).

- **What are recent programs that have been funded by CDBG?**

*Home Rehabilitation Deferred Loan Program*

Hennepin County administers this program using City of Brooklyn Park's allocated CDBG funds to provide deferred loans and emergency resources to qualifying homeowners for home repairs. The City created the program to address capital improvement needs and emergency issues affecting homeowners in Brooklyn Park. Qualifying homeowners receive between \$1,000 and \$20,000 as a deferred loan. Allocating CDBG funds to the Home Rehabilitation Deferred Loan Program and adopting the program guidelines allow for funds to be used in the community with an administrator that has the capacity to disburse the funds and oversee the CDBG requirements. The guidelines allow for increased flexibility in the loan amounts and conform to other County administered programs. In the fiscal year 2019 – 2020, the City of Brooklyn Park allocated \$200,000 of CDBG funds to the program. In the last 2 years, about 34 homeowners have been served with an average loan amount of \$15,500. This is where the majority of Brooklyn Park's CDBG funding has been focused the past ten years with almost \$2 million invested.

### *Public Facilities Improvements*

Over the past several years, CDBG funds have been used to make physical improvements to Zanewood Recreation Center and Lakeland Park buildings. At Zanewood, about \$500,000 in CDBG funds have been used to install the community kitchen, the basketball court, storage sheds, additional offices for staff, front entry modifications for easy access and fiber optic technology installation for better communication. These improvements are geared towards enhancing the facilities functionality and capacity to serve more youth in our community. The Lakeland Park improvements are also designed to provide program opportunities serving the Lakeland neighborhood, an area of higher than average poverty, which include the Willows and Eden Park apartment communities. Some of the improvements at Lakeland Park include the construction of programming space for youth activities. In the last two years, \$200,000 in CDBG funds have been allocated to the facility for this ongoing improvement, totaling over \$700,000 in CDBG dollars going towards park improvements in recent years.

### *Environmental Health Program*

The Environmental Health Division handles high levels of code violations in the neighborhoods. From FY2011 – FY2019 the City has allocated CDBG funds for increased code enforcement activity within designated census tracts of the City. The City's Neighborhood Action Program (NAP) focuses on reducing crime and increasing livability in the most challenged single-family neighborhoods in the community, most of which fall within the CDBG eligible areas. Staff from Environmental Health, Rental Housing, Police, Planning, and Park and Recreation meet regularly to discuss neighborhood trends and issues impacting livability. Staff collaborates on problem properties and community issues to improve neighborhood conditions. CDBG funds in this regard are used to pay for staff time related to environmental health compliance activities. In the last 5 years, about \$175,000 in CDBG funds have been spent on this program.

- **What are examples of historically funded programs?**

### *Foreclosure Recovery Program*

As the foreclosure crisis unfolded in 2009, the EDA partnered with various developers to acquire and rehabilitate over 195 scattered site homes in the community through the Neighborhood Stabilization Program (NSP). This program was developed in response to the foreclosure crisis, which destabilized the local housing market. The focus of this program was to address vacant, foreclosed and substandard housing in supporting either removal and replacement or rehabilitation where appropriate, thus creating safe and decent homeownership opportunities. Foreclosure rates have since returned to normal, pre-crisis levels and the Neighborhood Stabilization Program grant funding, the largest source of funding for the program ended in 2017. Under this program, CDBG funds were used for down payment and closing costs assistance to qualifying homebuyers of the rehabilitated single-family homes.

### *Neighborhood Area and Pedestrian Improvements*

CDBG funds have also been used in the Village Creek and Yates Avenue Areas. The improvements were designed to create a safer environment for pedestrians along a commercial block of Welcome Avenue and Yates Avenue by installing decorative lights, sidewalks and benches. These lights were installed on the west side of the Welcome Avenue between Brookdale Drive and Brooklyn Blvd. Additionally the overall goal was to enhance the sidewalk area connectivity with business entrances, and connections to transit stops. The other project was at Village Creek Park that focused on improvements to the playground. The improvements included resurfacing the ground with permeable material for better water drainage and an upgrade to the playground equipment. This enabled more utilization of the playground and reduced future flooding issues. The two projects spent about \$350,000 in CDBG dollars.

### *Brooklyn Boulevard Commercial Revitalization*

In prior years funds in the CDBG program were used to acquire blighted properties along Brooklyn Boulevard and demolish them for the purpose of future redevelopment. The overall approach was designed to expend funds on projects that will guarantee a positive future return on investment. For example, the Burger King

building on Brooklyn Boulevard was acquired and demolished using over \$342,000 in CDBG dollars in 2009. This site was recently sold to Christina Daycare for redevelopment. Similarly, the EDA used about \$600,000 in CDBG funds to help acquire and demolish Blondies Sports Bar and Grill on Brooklyn Boulevard in 2012.

#### *Blight Removal in Neighborhoods*

Over the years, the EDA has deployed CDBG funds to acquire and demolish residential properties in the neighborhood that are vacant and structurally unsafe to be occupied. In line with the CDBG national objectives, these clearance activities are designed to address blighted areas in the community. Currently, the EDA owns a vacant single-family lot on 83<sup>rd</sup> Avenue that was purchased and demolished with \$137,000 in CDBG funds.

#### *Public / Human Services*

Under this category, the City of Brooklyn Park has used CDBG funds to fund entities that provide public/human services including labor, supplies, materials and other costs associated with programming activities within the community. Qualifying public service activities must provide a new eligible service or a quantifiable increase in the level of an existing service. As per HUD rules, the amount of CDBG funds obligated within a program year to support public service activities may not exceed 15% of the total grant awarded to the City annually. Some of the activities that have been funded include job training, senior services, fair housing, rental assistance, youth development programs, educational and recreational programs.

- **What are some possible new program activities for CDBG 2020 funding?**

#### *Public Facility Improvement – Zane Court Park*

Staff from Community Development, Administration, and the Recreation and Parks department identified a possible project to remove the existing playground and shelter located at 7227 Zane Avenue North, add community garden spaces, create parking spaces off Zane Court, and install a shade structure in a location for gardeners to get out of the sun. Total project costs are estimated at up to \$100,000. In line with the CDBG regulations, site improvements of any kind that are made to a property that is in public ownership are considered to be a public facility improvement eligible for assistance under this category. If the EDA is interested in this project as a concept, staff would engage the community on this idea.

#### *Micro Enterprise Assistance*

Under this category, grantees and other public or private organizations may use CDBG funds to facilitate economic development through the establishment, stabilization and expansion of microenterprises. This category authorizes the use of CDBG funds to provide financial assistance of virtually any kind to an existing microenterprise or to assist in the establishment of a microenterprise. This may also include technical assistance and general financial support to microenterprise owners. “Microenterprise” means a business having five or fewer employees, one or more of whom owns the business – based on HUD’s definition. Note: Reporting requirements are difficult and challenging to administer and a new program would need to be developed to fund this work in accordance with federal standards.

#### *Relocation Assistance*

CDBG funds may be used for relocation payments and assistance to persons, families and entities displaced due to acquisition or rehabilitation of a property. When such assistance is required under the Uniform Relocation Act (URA), the activity may qualify as meeting the national objective of benefitting low to moderate income persons. Any payments and assistance for this kind of program will need a clearly written policy available to the public. The policy must also provide for equal payments for potential displaced victims.

The purpose of this program in Brooklyn Park may be necessary due to possible future acquisition or rehabilitation of large multifamily communities by other developers that may lead to displacement of residents. A new program that meets federal standards would need to be written.

*Homeownership Down-Payment Assistance*

CDBG funds can be specifically used to subsidize interest rates and mortgage principal amounts, including making a grant to reduce the effective interest rate on the amount required to attain affordability. Under the homeownership assistance program, CDBG funds can also be used to pay for reasonable closing costs and down payment costs for the low to moderate income households. Because the use of CDBG funds authorized under this category is limited to assisting low- and moderate-income households, any such use of funds would clearly qualify under the national objective of benefit to low- and moderate-income persons-housing activities. The City's current program could be expanded to use CDBG dollars to fund additional down payment assistance to households at or below 80% area median income.

**Budgetary/Fiscal Issues:**

The CDBG program is a federally funded program and has no impact to the City's budget, except for the budgeted City staff time needed to receive and allocate funds and administer CDBG-funded programs.

**Requested Action:**

Discuss potential uses of CDBG funds and provide direction on desired programs or initiatives for FY 2020. EDA commissioners can also provide input on the types of public services that they would like to see funded in FY 2020 through the Hennepin County selection committee.