Monday, July 20, 2020
7:00 pm

City Hall – Council Chambers
5200 - 85th Ave North

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
REGULAR MEETING – AGENDA #8

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

For reasonable accommodations or alternative formats, contact Theresa Freund, 763-493-8059 or email theresa.freund@brooklynpark.org.

Para asistencia, 763-493-8059
Yog xav tau kev pab, hu 763-493-8059

Our Vision: Brooklyn Park, a thriving community inspiring pride where opportunities exist for all.

Our Goals:
Strong Neighborhoods • Adapting to Changing Demographics • Public Safety
Financial Sustainability • Community Image • Focused Redevelopment and Development

I. ORGANIZATIONAL BUSINESS

1. CALL TO ORDER/ROLL CALL

2. PUBLIC COMMENT AND RESPONSE

This provides an opportunity for the public to address the EDA on items, which are not on the agenda. Open Forum will be limited to 15 minutes (if no one is in attendance for the Open Forum, the Regular Meeting may begin) and it may not be used to make personal attacks, to air personality grievances, to make political endorsements or for political campaign purposes. Commissioners will not enter into a dialogue with citizens. Questions from the EDA will be for clarification only. Open Forum will not be used as a time for problem solving or reacting to the comments made but, rather, for hearing the citizen for informational purposes only.

2A. RESPONSE TO PRIOR PUBLIC COMMENT
2B. PUBLIC COMMENT

3. APPROVAL OF AGENDA

II. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION

4. CONSENT

4.1 None.

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

5. Public Hearings

5.1 None.

6. General Action Items

6.1 Consider Approving the Term Sheet between the Brooklyn Park Economic Development Authority and Pulte Homes for the Development of a Detached Villa Housing Development at 7479 and 7495 Brooklyn Boulevard

- 6.1A Resolution
- 6.1B Term Sheet
- 6.1C Huntington Pointe Development Guidelines
- 6.1D Pulte Proposal

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

7. Discussion Items

7.1 Status Update

7.2 Housing Update

IV. WORK SESSION

8. Work Session

8.1 Housing Development Opportunities

- 8.1A Enclave Apartments Location Map
- 8.1B Welcome Avenue 2 Apartments Location Map
- 8.1C Development Projects Spreadsheet, updated

V. ADJOURNMENT

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

The Brooklyn Park Economic Development Authority's Agenda Packet is posted on the City's website.
To access the agenda packet, go to www.brooklynpark.org
The Next Scheduled EDA Meeting is August 24, 2020

City of Brooklyn Park **EDA Work Session**			
Agenda Item No:	6.1	**Meeting Date:**	July 20, 2020
Agenda Section:	General Action Item	**Prepared By:**	Sarah Abe, Project Facilitator
Resolution:	X	**Presented By:**	Breanne Rothstein, Economic Development and Housing Director
No. of Attachments:	4		
Item:	Consider Approving the Term Sheet between the Brooklyn Park Economic Development Authority and Pulte Homes for the Development of a Detached Villa Housing Development at 7479 and 7495 Brooklyn Boulevard		

Executive Director's Proposed Action:

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION #2020- APPROVING THE TERM SHEET BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND PULTE HOMES FOR A DETACHED VILLA HOUSING DEVELOPMENT AT 7479 AND 7495 BROOKLYN BOULEVARD.

Overview:

In April of 2019, the Economic Development Authority (EDA) identified the development of EDA-owned sites in the Village Creek/Opportunity Zone area as a strategic priority. Since then, staff has worked to recruit developers and projects for EDA consideration. In April of 2020, the EDA indicated interest in pursuing a 41-lot, single family home development aimed at seniors at the two vacant, EDA-owned properties located at the intersection of Brooklyn Boulevard and Regent Avenue. The action before the EDA is to consider approving a term sheet defining the terms of the sale of the land and identifying requirements of the developer. If this term sheet is approved, staff will work with the developer to create a development and purchase agreement for the land sale. The developer will also host a community meeting to seek input from those in the neighborhood and the broader community on the proposed project.

Background:

The City purchased 7479 Brooklyn Boulevard in 2007 and 7495 Brooklyn Boulevard in 2012 for the purposes of redevelopment. The properties for this redevelopment proposal are part of the 133-acre Village Redevelopment Area. Planning for the area began in 1997. Since the start of redevelopment efforts, the City, EDA, Hennepin County, and Metropolitan Council have invested more than $28 million into preparing the area for redevelopment, including:

- New housing
- New retail
- Public facilities
- Improvements to the Zane Avenue and Brooklyn Boulevard streetscapes
- Restoration and transformation of Shingle Creek
- Several remaining development opportunity sites

The redevelopment of the Village Creek Redevelopment Area follows the Village Master Plan/Shingle Creek Corridor Plan, adopted in 2000. A master development plan for this site was approved by the City Council in 2005. In 2008, the city hosted a Corridor Development Initiative (CDI) planning process to seek input from the community on desired development of the site. Three goals arose from the CDI process in 2008:

1) building community assets and character;
2) connecting amenities with the surrounding area; and
3) considering a variety of development strategies to strengthen the tax base.

Preferred uses were small business, mixed use, and housing types that diversify the housing stock, among others (full CDI report is Attachment 6.1C). Due to the unpredictability of the market at that time, the community recommended that the City hold the space until the market became more predictable or a quality proposal emerged. In the past several years developers have expressed interest in this site, but limited demand for commercial development has not yet resulted in a viable project proposal.

Primary issues/alternatives to consider:

- **What is the proposed project?**

Pulte Group is proposing 41-home association-maintained detached villa development aimed at seniors. Staff proposes maintaining 2.75 acres for future commercial use along Brooklyn Boulevard in alignment with the Village Plan and input from CDI. Utilizing a significant portion of this land for single family homes and retaining 2.75 acres for commercial use fulfills the community vision for a mix of uses on this site.

The proposed single-family homes are considered “patio homes” and are targeted at empty nesters who are seeking smaller, affordable, single level homes in the region, though the homes are not restricted to purchase by seniors. There is strong demand in the Twin Cities for this type of housing. Pulte Homes has constructed similar housing in Chaska, Fridley, Maple Grove and Plymouth and identified a strong need for independent living that allows older residents to remain close to their community. The EDA would retain control of the 2.75 acres along Brooklyn Boulevard for future commercial development.

Homes in this development will have five different floor plans and range in size from 1,300 to 1,700 square feet. All homes are proposed to be two-bedroom homes with a two-car garage. Seniors are the target demographic, but the development will not be restricted to seniors as the small size of the development restricts the amenities that will be offered at this site. Home prices are expected to range from the high $200K’s to the mid $300K’s with an average sale price of $319,000.This price is based on an analysis of the cost of existing housing in Brooklyn Park as compared to the metro region and considers the higher cost of constructing new homes.

The site plan includes the development of 41 single-family homes, the construction of a trail connecting Unity Avenue to Regent Avenue, the allocation of additional public green space along Shingle Creek, and the reservation of 2.75 acres of future commercial use along Brooklyn Boulevard. Under the current framework, Pulte as developer would pay for and construct the infrastructure needed to access and serve the development, including payment of associated development fees, construction of the homes and construction of the trail.

- **What are the benefits to the city?**

There is strong interest from the development community in Brooklyn Park for the construction of a variety of housing types, levels of affordability, and across geographic areas. This proposed housing type is unique in Brooklyn Park and in demand in the Twin Cities metro area. Developing this property would put a large and long-vacant land parcel back on city tax rolls and fill a need for this type of housing in the region.

- **How was the proposed purchase price determined?**

The preliminary land purchase offer is $15,000 per home lot ($615,000). EDA staff consulted an appraiser and the City assessor and asked the developer to provide comparable listings to evaluate the reasonableness of this price for this use. Overall, developing single family homes results in a lower asking price than developing with the “highest and best” use of multi-family housing or mixed-use development. Therefore, the appraised value of

$2.8 million, which is based on higher density development, is not useful in determining a fair sales price for single-family development.

The following table of comparable land prices was used by the developer and verified by the City assessor to approximate the market price for single family development (Figure 1).

Figure 1: Recent comparable land prices in the northern suburbs
Source: Attachment 6.1A Pulte Proposal

Recent Comparable Land Prices in the Northern Suburbs							
Number	Neighborhood Name	City	Builder	Housing Type	Price/Lot	Year Closed	Comments/Comparison
1	Oak Village	Brooklyn Park	DR Horton	3-story attached townhomes	$9,200	2019	Stronger northern Brooklyn Park submarket
2	Eastbrook Estates	Brooklyn Center	Centra	single family homes	$10,000	2019	Larger single family lots*
3	Avesbury	Brooklyn Park	Lennar	3-story attached townhomes	$11,000	2018	Stronger northern Brooklyn Park submarket
4	Midtown Village	New Brighton	Pulte	3-story attached townhomes	$15,000	2019	Stronger submarket (Mounds View schools)
5	**Regent site**	**Brooklyn Park**	**Pulte**	**44' wide villa lots**	**$15,000**		
6	?	New Hope	SVK	single family homes	$15,800	2019	Larger lots*
7	Pemberley	Brooklyn Park	Pulte	2-story attached townhomes	$17,185	2019	Stronger northern Brooklyn Park submarket
8	Bellwether	Corcoran	Pulte	44', 50', 60' wide villa lots	$17,249	2018	Larger lots*
9	Locke Pointe	Fridley	Pulte	50' wide villa lots	$25,000	2018	Larger lots*

* Larger lots have greater value than smaller lots

In addition, staff looked at other local sales information. According to the City's assessing team, using this site for low density residential development will decrease the overall value of the site substantially. There is limited comparable data, but $60,000 per acre appears to be an approximate value for residential development in Brooklyn Park. At 10.09 acres, the purchase price of $615,000 for this site is approximately $60,951 per acre.

The land value can also be approximated using gross revenue and acquisition costs. Residential developers are usually willing to pay around 15 to 20% of the gross revenue as the acquisition cost of unimproved land. Per the City assessing team, improved vacant lots at these properties could sell for between $75,000 and $100,000, making $15,000 per lot a reasonable price for unimproved land.

Pulte has also based the purchase offer on market research identifying the need for single level housing in the region, which is attractive to aging adults, as well as the costs of developing new homes and the market price of existing homes in the vicinity (Attachment 6.1D). According to Pulte's resale market summary, the average price per square foot (PPSF) for one-story detached townhomes is $135 and $132 for homes in Brooklyn Park, or between $198,000 and $202,500 for a 1,500 square foot home. The cost of building new homes is notably higher than the cost of purchasing an older home. In order to sell these homes at a price acceptable to buyers and cover the greater costs of land preparation and new home construction, Pulte aims to sell the properties at a PPSF of $224 - $336,000 for a 1,500 square foot home - which represents a price 67% above the PPSF of existing home sales in Brooklyn Park.

- **What are the next steps?**

If the EDA is favorable to the land use and preliminary financial framework, the next steps for this project are a neighborhood meeting and purchase agreement with Pulte to purchase the property. Pulte would then obtain land use approvals through Planning Commission and City Council this summer with Spring 2021 construction. Further EDA action will also be required and a more detailed timeline for development will be reflected in a future development agreement between the developer and the EDA. The proposed schedule is:

- Fall 2020: Community meeting
- Fall 2020: Preliminary plat approval
- Fall 2020: Development and purchase agreement (EDA action)
- Winter 2020: Planning Commission and land use approvals (EDA action)
- Spring 2021: Conveyance of EDA owned land (EDA action)

- May 2021: Closing
- Summer 2021: Site development work
- Fall 2021: Construction of model home
- February 2022: Begin home sales

- **How does this project fulfill BP 2025 goals?**

This development is consistent with several of the Brooklyn Park stated community goals including access to healthy and safe housing, contributing to a thriving economy, and the creation of beautiful spaces.

Recommendation:

The Executive Director of the EDA recommends approval.

Attachments:
6.1A RESOLUTION
6.1B TERM SHEET
6.1C HUNTINGTON POINTE DEVELOPMENT GUIDELINES
6.1D PULTE PROPOSAL

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

RESOLUTION #2020-

APPROVING THE TERM SHEET BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND PULTE HOMES FOR A DETACHED VILLA HOUSING DEVELOPMENT AT 7479 AND 7495 BROOKLYN BOULEVARD

WHEREAS, Pulte Homes (the "Developer"), proposes to develop an approximately 41-home detached villa development at 7479 and 7495 Brooklyn Boulevard North (the "Project") in the City of Brooklyn Park (the "City").

WHEREAS, the Developer has presented a project that is consistent with the goals of providing housing as part of the Village Creek Master Redevelopment Plan, as set forth in the Preliminary Term Sheet between the EDA and the Developer (the "Preliminary Term Sheet").

WHEREAS, both the EDA and the Developer desire approving the Preliminary Term Sheet in advance of approving and entering into a definitive development agreement in connection with the Project.

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

1. The Preliminary Term Sheet as presented to the Board is hereby in all respects approved, in substantially the form submitted, and the Executive Director is hereby authorized and directed to negotiate a definitive agreement consistent with the Preliminary Term Sheet on behalf of the EDA for future consideration by the Board.

2. The approval hereby given to the Preliminary Term Sheet 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 Executive Director, subject to the following conditions: (a) such modifications do not materially adversely affect the interests of the EDA; and (b) such modifications do not contravene or violate any policy of the EDA or applicable provision of law.

3. As set forth in the Preliminary Term Sheet, execution of a definitive agreement and payment of the proposed assistance is subject to approval by the EDA after a public hearing as required by Minnesota law.

Preliminary Term Sheet

This Term Sheet, dated as of_____, 2020, is intended to set forth the general terms upon which the Developer (as defined below) and the Economic Development Authority of Brooklyn Park, Minnesota (the "EDA") may be willing to enter into a Development Agreement (the "Development Agreement").

1. Developer: Pulte Homes of Minnesota, LLC, 7500 Flying Cloud Drive, Suite 670, Eden Prairie MN 55344

2. Properties: 7495 Brooklyn Boulevard N (PID: 2811921130002) and 7479 Brooklyn Blvd N (PID: 2811921130021). The acreage of the sale area is 10.09 acres with 2.75 acres in the northeast section of 7479 Brooklyn Blvd N being retained by the EDA according to the site plan attached in Exhibit A.

3. Developer Conditions, as determined to date:
   a. Execution of Development Agreement
   b. Securing necessary financing for the construction of the Minimum Improvements
   c. Site Control

4. EDA Conditions, as determined to date:
   a. EDA approval of Construction Plans
   b. City Council approval of Planning Application
   c. Execution of a Development Agreement
   d. Approval of Property sale after public hearing.

5. Minimum Improvements: Improvements to the Property will include the construction and equipping of an approximately 41-unit single family detached townhome development (the "Housing Facility"). Improvements will include the construction of a trail connection from the property to Unity Avenue.

6. Construction Schedule: Commence construction on the building by September 30, 2021 and substantially complete construction by March 31, 2023. For the purpose hereof, "Commence" shall mean beginning of physical improvement to the Property, including grading, excavation, or other physical site preparation work; and "Complete" shall mean that the Minimum Improvements are sufficiently complete for the issuance of a Certificate of Occupancy. Upon Completion the EDA will issue, if requested by the Developer, a "Certificate of Completion" in recordable form.

7. Public Assistance: Subject to all terms and conditions of the Development Agreement and satisfaction of the requirements of applicable law including a final "but for" analysis, the EDA will reimburse the Developer for costs of construction of the Housing Facility as follows:

   a. The EDA will convey the land to the Developer for a purchase price of $615,000.

8. Land Purchase: Subject to all terms and conditions of the Development Agreement and to the extent authorized by applicable law, the EDA will convey the Property to the Developer for the construction of the Minimum Improvements at a cost of $600,000, subject to a right of re-entry for breach of condition subsequent if the Developer fails to commence construction of the foundation for the Minimum Improvements within 12 months of conveyance.

9. Fees: Within two (2) weeks of approval of this Term Sheet by the EDA Board of Commissioners, Developer shall deposit to the EDA the sum of Ten Thousand Dollars ($10,000.00) to pay for the reasonable out-of-pocket legal, financial consultant and administrative fees associated with this transaction. Unexpended funds will be returned to the Developer and if, additional funds are needed to pay such expenses, the Developer will deposit such additional funds upon request by the EDA.

12.. Miscellaneous:

a. Transfer of the Property or of the Development Agreement or will be subject to EDA consent except for certain limited exceptions including mortgage financing and rentals of housing units in the ordinary course of operations.
b. Developer covenants to pay property taxes and maintain customary insurance.
c. Additional conditions of assistance remain under consideration.

The Developer acknowledges that except for Section 10 above which shall be binding upon Developer, this Term Sheet shall not be deemed conclusive or legally binding upon either the Developer or the EDA, and neither the Developer nor the EDA shall have any obligation regarding the property defined below, unless and until a definitive Development Agreement is approved by the EDA board and executed by both the Developer and the EDA.

PULTE HOMES

By:_____
Its: _____

Final Report:
Huntington Pointe Redevelopment Site Corridor Initiative

May 6, 2008

Summary

The Corridor Initiative partnered with the Brooklyn Park Economic Development Authority (EDA) to facilitate a series of community workshops to:

- Develop objectives or criteria for the Huntington Pointe site to present as recommendations to the Brooklyn Park EDA; and
- Strengthen participation and community involvement to inform larger city goals for development.

The collaboration between the Corridor Initiative and the City of Brooklyn Park came through funding from Hennepin County Housing, Community Works and Transit to serve as a pilot project to determine whether these technical resources and approach would be useful in a suburban context. The City of Brooklyn Park provided in-kind staffing support.

Corridor Housing Initiative technical team

The technical team that participated in the Brooklyn Park / Huntington Pointe Corridor Initiative process included:

- Gretchen Nicholls, Twin Cities Local Initiatives Support Corporation – project coordinator
- Katie Thering, Metropolitan Design Center, University of Minnesota College of Design – design expertise
- Michael Byrd, Formworks LLC – design expertise
- Andrew Dresdner – Cunningham Group Architects – site planning
- Barbara Raye, Center for Policy Planning and Performance – facilitation, community outreach consultant, and evaluation
- Alan Arthur, Aeon (formally the Central Community Housing Trust) – financial analysis and development consultant

City staff team

The city staff that provided guidance and technical support included:

- Robert Schreier, Director of Community Development
- Jason Aarsvold, Economic and Redevelopment Director
- Kimberly Berggren, Development Project Manager
- Cindy Sherman, Planning Director
- Kaydee Kirk, Project Facilitator

Outreach

A variety of outreach strategies were utilized to inform the community about the process and to encourage participation, such as:

A. Mailing of “Save the Date” postcards that announced community workshop dates (city wide)
B. Direct phone calls to leaders of community organizations
C. Two articles in the Park Pages (March/April and May/June)
D. Several articles in the Sun Post newspaper

E. A few meeting notices in the Star Tribune newspaper
F. Coverage on cable news
G. Two stories on the Brooklyn Park Now TV show (February and June/July)
H. Informational briefings at the meetings of the Brooklyn Park Multi-Cultural Task Force and the Multi-Family Property Managers Association
I. Reminder calls and emails to participants prior to each workshop
J. Translation and child care services were available
K. Information and meeting materials were available on the City of Brooklyn Park website: www.brooklynpark.org/CHI

Overview of the Brooklyn Park Corridor Initiative Community Workshops

The Corridor Initiative (CI) process consisted of four community workshops. Nearly 60 community participants attended the workshops, aimed at strengthening their design and development literacy, articulating community values for future development, and assessing likely development scenarios for the Huntington Pointe site that could meet those values. The process involved a technical team of designers, developers, facilitators and city staff to inform and support participants as they explored ideas. Resulting from the process was an increased confidence by participants about possible development directions for the area, and strategies for getting there. The purpose of the CI process was to identify a range of development options that meet community goals and market viability, rather than landing on one specific development direction or product.

Workshop I: Gather Information (February 26, 2008)

The first workshop provided an opportunity to gather information. Speakers provided information on the City's policies concerning the Huntington Pointe site, on design and site planning considerations, and on how the Brooklyn Park Corridor Initiative process could inform future City action regarding the redevelopment site. A development wish list was created at the session as participants reflected on what they wanted to achieve through development and expressed their thoughts and concerns about the site (attachment 2).

Workshop II: Block Exercise (March 11, 2008)

Participants explored a variety of development options for the Huntington Pointe site using building blocks to create a development plan. The development plan was entered into a financial analysis tool to determine if it was a financially feasible scenario. Sketchers were on hand to draw what that development plans might look like given design preferences expressed by the participants. Three tables were set up to consider the following scenarios: housing only, mixed-use (commercial/office and residential), and civic / institutional uses (i.e. recreational or community centers). Summary sheets were prepared to provide an overview of the exercise outcomes (attachment 3).

Workshop III: Panel Discussions (March 25, 2008)

A panel of developers and a representative from the Brooklyn Park Parks and Recreation Department were assembled to discuss options that could be considered for the Huntington Pointe site. The conversation was rich with information on the opportunities and challenges of the site, and panelists provided their ideas about viable development strategies. The panelists offered some consistent messages given the current market, including:

- National retail and single family housing are likely not viable;
- It will be important to strengthen and connect with local amenities (such as Shingle Creek); and

- There is considerable public investment by the City in acquiring the site – so the city should require a developer to include amenities that will increase the attractiveness of the area.

Workshop IV: Framing the Recommendations (April 15, 2008)
Participants worked to build consensus on recommendations to the Brooklyn Park Economic Development Authority on development objectives for the Huntington Pointe redevelopment site (attachment 1).

Conclusion

The final outcome from the workshop series was the Huntington Pointe Site Development Guidelines (attachment 1). This document is submitted to the Brooklyn Park Economic Development Authority (EDA) for consideration regarding the redevelopment of the Huntington Pointe site.

Attachments:

A. Huntington Pointe Site Development Guidelines (results from workshop IV)

B. Brooklyn Park Development Wish List (results from workshop I)

C. Block Exercise Summary Sheets (results from workshop II)

D. Panel Discussion Meeting Notes (results from workshop III)

E. News articles

F. Workshop attendance list

G. Evaluation Summary

Attachment A: Huntington Pointe Site Development Guidelines

Brooklyn Park / Huntington Pointe Site:

Development Guidelines

May 12, 2008

Sponsored by the Brooklyn Park Economic Development Authority, Hennepin County Housing, Community Works, and Transit and the Corridor Housing Initiative/Twin Cities LISC

Huntington Pointe Site Development Guidelines

The City of Brooklyn Park is located on the banks of the Mississippi River, just minutes from Minneapolis and St. Paul. As the sixth largest city in Minnesota, the community offers the natural beauty of renowned parks and trails, in concert with an abundance of commercial, cultural and educational opportunities. The City maintains an excellent standard of living by proactively planning for the future and redeveloping aging infrastructure and properties as needs arise.

In 2007 the City of Brooklyn Park and the Brooklyn Park Economic Development Authority (EDA) purchased the Huntington Pointe site for redevelopment. The EDA partnered with the Corridor Initiative to provide community input for the redevelopment of the Huntington Pointe site.

ASSETS

The City of Brooklyn Park is:

- actively supportive of new developments that respond to these guidelines;
- centrally located, with easy access to downtown Minneapolis, convenient freeway access;
- supported by an active, engaged business community, institutions, and residents;
- home to many strong office and industrial employers including the Target North Campus corporate and Caterpillar Paving Products;
- home to strong educational institutions that provide life-long learning and work-force education; and
- a proven partner for working effectively with developers to achieve development goals.

GUIDELINES: **Huntington Pointe Site**

Due to the unpredictability of the current market, a clear development direction was difficult to identify. Community participants recommended that the City/ EDA hold the site with planned maintenance as open space until the market is more predictable or a quality development proposal emerges. Further, the City / EDA might benefit from the following additional considerations:

a) the opportunity to gather developer input through a Request for Proposals process to clarify viable development options for the site, or from obtaining a market analysis of the highest and best use for the site
b) consideration of reasonable ideas for interim uses that can support income generation
c) attention to the overall safety concerns for neighboring residents when the site is vacant such as lighting
d) ongoing communication and updates on progress with those who participated in the Corridor Initiative process

Through the Corridor Initiative community process it was determined that the site is not a good candidate for national retail, but could possibly support small businesses integrated into a mixed use development. Participants expressed a desire for a destination-type use on the site (i.e. sports/ recreational facility, corporate campus, etc.), but recognized that such a use would require a major user to commit to the site. If a notable user did come forward, it might attract ancillary commercial and retail in the area. A business incubator or light industrial use could also benefit the community in its ability to generate additional jobs.

Also explored was the opportunity to integrate amenities into the site, given its proximity to Shingle Creek and the extended trail systems. Any new development must provide design features and amenities that create a sense of place, and serve as a gateway into the City of Brooklyn Park.

Goal 1: Build Community Assets and Character

A. Incorporate design elements and amenities that help to enhance the visual appeal of the area and define a sense of place (e.g. landscaping and plantings, public art, ornamental lighting, gateway elements, and other interesting features).
B. Maintain, enhance & accentuate neighborhood green space that is functional and is connected to Shingle Creek and its trail systems.
C. Create engaging pedestrian-friendly streetscapes, especially along Brooklyn Boulevard. Specifications might include:
    - Private sidewalks should have a minimum effective walkway width of six feet.
D. Design for public safety, including building design, technology, and other concepts that provides "eyes on the street."
E. Design and site orientation must be respectful of residential and commercial uses.
F. Consider traffic flow so that the site works well (i.e. channel traffic flow to Regent Street, limit driveways that spill into Brooklyn Boulevard).

Goal 2: Connect Amenities with the Surrounding Area

G. Capitalize on the natural characteristics of the site (i.e. Single Creek).
H. Ensure plans are developed to connect the area to the regional system of trails, area parks, and maintain public access to the creek.
I. Careful integration with multiple transportation modes, including pedestrian ways, the bus system, and bicycling.
J. Consider integrating additional amenities into the site (i.e. walkways, fountains, gardens, public art)

Goal 3: Consider a Variety of Development Strategies that Strengthen the Tax Base (with the exception of rental housing)

K. Support was expressed for:
    - Regional destination facilities (i.e. corporate headquarters, sports facility, casino, YMCA / recreation center, art center etc.) that could attract ancillary retail adjacent to it.
    - Medical offices (townhouse office condos)
    - Light industrial / job creation opportunities
    - Transit hub / park and ride
    - The possibility of high quality construction, owner-occupied senior housing
L. Off-street parking is to be provided behind, below, or above buildings.
M. Explore strategies to include businesses that offered job opportunities to local residents.
N. Utilize green technologies in development to support environmental goals

CONTACT INFORMATION:
Brooklyn Park Community Development
(763) 493 8059
bpedahp@brooklynpark.org

Attachment B: Brooklyn Park Development Wish List

HUNTINGTON POINTE AREA DEVELOPMENT WISH LIST
Small Group Discussion Summary | 2/26/08

1. What makes the Huntington Pointe area interesting?
GROUP 1
Location
Size
Creek
Access to site

GROUP 2
12 acres
Accessibility
Creek & trails

GROUP 3
It is good start to eliminate crime stemming from apartment complexes.
This is the fight move toward getting away from being the low rent district of the Twin Cities… there is an oversaturation of low income housing in Brooklyn Park right now.

GROUP 4
Unlimited opportunities
Community-based business, i.e., community/educational center
User friendly area
An already developed rec/park area

GROUP 5
On the creek
Good transportation
Opportunity

GROUP 6
Shingle Creek is the draw
Size
Nearby renovations
Close to freeway and to 610 development
Proximity to schools and churches

GROUP 7
Creek
Mature trees
Possibilities because of land size
Accessibility to highways

2. What would you like to achieve through development of the site?

GROUP 1
Senior hi-rise
Upscale restaurants
Detached townhomes
Quad townhomes
Cemetery
Continue trail along creek
Wave pool

GROUP 2
Recoup develop,ent costs
Medical Center?
Make area a destination
Change of perception when entering BROOKLYN PARK

GROUP 3
Better image
We would like to see this as a destination spot… possible retail and entertainment.
Would like to see something similar to Excelsior-Grand in St. Louis Park
We want this to be a vehicle to attract more responsible residents to Brooklyn Park.

GROUP 4
Recreation – Parks
Commercial business
More senior housing
Youth center – collaboration with church initiative
Homeless shelter / group home
Potential near library
YMCA collaboration with potential city pool
Medical facility

GROUP 5
No more residential housing
Stability and less concentration
More green space
Public amenities
Retail – restaurants and small businesses
YMCA
Image change
Local hiring and procurement

GROUP 6
A district Brooklyn Park appearance
A gateway to Brooklyn Park Blvd. like 55 & Winnetka in Golden Vallley

Continue look of Village Creek
An improved image of Brooklyn Park
Transit improvements
Senior housing
Restaurants
A mix of sizes – limit the rental
Safe feeling – open, well lit
More accessible paths
Green space
Retail with off street parking
Underground parking

GROUP 7
Continuity with surrounding area
“Downtown” or “Mainstreet” feel for Brooklyn Park
Entry = perception
Community centers
Entertainment / sports center
Green technology

3. What are your concerns about development of the site?

GROUP 1
Crime
Sets geed example
Will people come?

GROUP 2
Timing for development – cost of waiting (?)
No more apartments!
Come at expense of village creek development

GROUP 3
We do not want to see any more housing units on this site.
What can be done to reduce crime by the nearby apartment complexes?
What will City do if no developers are interested?

GROUP 4
Too many rental units in proportion to home ownership
Plan to reduce crime with the new developments
Are there other apartment/land areas that may get redeveloped?

GROUP 5
Overdeveloped and market saturation
Timeline for development
Language for affordable workforce housing

Use development to change the image
Units should be owner occupied
Redevelop the surrounding area

GROUP 6
To not add more high density affordable housing
Not one large retailer
Curb cuts on Brooklyn Boulevard
Residential so close to the adjacent bar
Brooklyn Park's image needs to be improved

GROUP 7
Concentration of high density
Developer / management responsibility

4. What additional information would you like to see?

GROUP 1
What type of financing is available for property?

GROUP 2
Safety for area

GROUP 3
What is the occupancy rate of senior (55+) housing. What are the housing options?
Why does the low-income have to be replaced? Is this good for Brooklyn Park?
Where is light rail going?

GROUP 4
Funding for business owners?
What are townhomes being sold at?
What is the market value like?

GROUP 5
Income level act sheets
What defines affordability
Timeline

GROUP 6
Is there too much retail in the area already?
What will happen around Brooklyn Boulevard & Zane?
What are the plans for transit?
Ryland occupancy?
What is the City looking for in revenues on this project?
What is happening around 610 Target site and how will that affect this site?
What is the market for senior housing?

GROUP 7
How will this fit/affect Brooklyn Park's long range plan for this area?
How can we engage the community that currently lives in this area?
Education about low income "affordable" housing.

Attachment C: Block Exercise Summary Sheets

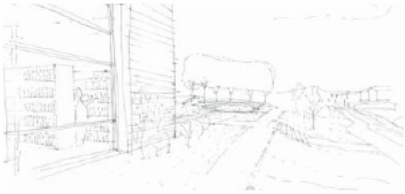
Huntington Pointe

Block Exercise Summary Sheet: Civic Table

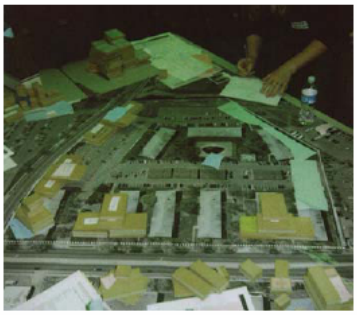
Corridor Housing Initiative, March 11, 2008

Scenario 1: 90,000 s.f. of buildings

Police Substation
Library
Amphitheater
Civic Offices
Swimming Pond
Athletic Fields



Financial Info*:
$30 million project
Cost of $75-$125 per year per household in increased taxes for a 20 year term



Scenario 2: 180,000 s.f. of buildings

Civic offices
Theater
Police station
Cultural Center
Library

Financial Info*:
$50-$100 million project
Cost of $150-$200 per year per household in increased taxes for a 20 year term

Scenario 3: 1,250 s.f. of buildings

Golf Course
Ice Skating
Frisbee Golf
Clubhouse
Sledding
Snowshoe/skiing trails

Financial Info*:
Unknown

* These calculations assume that these facilities would be City financed and paid for by Brooklyn Park taxpayers, and that the City would donate the land to the project.
* The financial information approximates the built costs, and does not include resources needed from programming and maintenance.

Metropolitan Design Center | College of Design | University of Minnesota
1 Rapson Hall, 89 Church Street, Minneapolis, MN 55455, www.designcenter.umn.edu

Huntington Pointe

Block Exercise Summary Sheet: Mixed Use Table

Corridor Housing Initiative, March 11, 2008

Scenario 1: Mixed Use Sports Theme

40 units owner occupied Senior Housing
100,000 s.f. Retail/Office
80,000 s.f. Sports Center

Financial Info:
Project is not feasible unless investor comes forward to finance the project.

Huntington Pointe

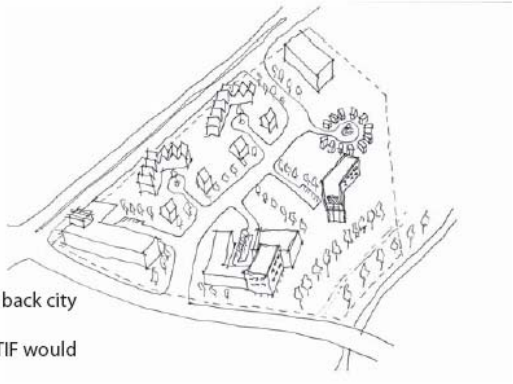
Block Exercise Summary Sheet: Housing Table

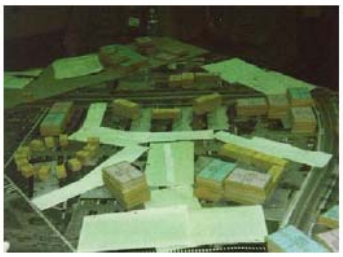
Corridor Housing Initiative, March 11, 2008

Scenario 1: 149 units

100% Home ownership units
20% affordable
Average height of 3 stories

Financial Info:
$38 million project, does not pay back city for site
Lost $13 million, however, using TIF would bring it $3 million closer





Scenario 2a: 201 units

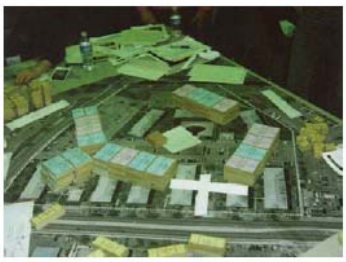
100% Home ownership units
50% affordable
Average height of 4 stories
Large park along creek

Financial Info:
$46 million project, does not pay back city for site
Lost $10 million, however, using TIF would bring it $5 million closer

Scenario 2b: 201 units

134 Home ownership units
33 affordable rental units
34 market rate rental units
Average height of 4 stories
Large park along creek

Financial Info:
$40 million project, does not pay back city for site
Lost $5 million, uses TIF



Scenario 3: 360 units

100% Home ownership units for seniors
Average height of 5 stories

Financial Info:
$80 million project, does not pay back city for site
Lost $12 million, however, using TIF would bring it $3 million closer
Including 60 affordable units might reduce the loss by $5 million

Attachment D: Panel Discussion Meeting Notes

Workshop III –Panel Discussion

March 25, 2008
6:30 – 8:30 p.m.
Zanewood Recreation Center, 7100 Zane Avenue North, Brooklyn Park

Panelists:

- **Ron Mehl – Beard Group**
- **Mary Pat Black – Brooklyn Park Parks and Facilities Management**
- **Colleen Carey – The Cornerstone Group**
- **John Duffy – Duffy Development**
- **Mike Black – Royal Oaks Realty**

Facilitator: **Barbara Raye**, Center for Policy Planning and Performance

Hosted by:

- Brooklyn Park Economic Development Authority (EDA)
- Corridor Housing Initiative

Introduction (Barbara Raye – Facilitator):

Purpose of the process is:

- To define community goals for redevelopment of the Huntington Pointe site.
- To determine what is feasible or likely for development on the site.
- To identify the potential options for redevelopment.
- Final recommendations will be submitted to the Brooklyn Park EDA for consideration.
- Community input is advisory.

Recap of Workshops I and II (Gretchen Nicholls, Corridor Housing Initiative)

- The purpose of the first workshop was to gather information relevant to the site and identify community interests on what they would like to achieve through development, and what are their concerns.
- Second workshop involved the interactive block exercise to explore development scenarios for the site. Three tables offered various scenarios, one to explore housing options, another to explore mixed use options, and a third table to explore civic uses for the site. Summary sheets are available to provide information on the scenarios that were created by participants, and the financial information.
- Given that the City has invested approximately $14 million so far into the site, the underlying question is whether the future use of the site should be guided by the City's recovery of the investment (to reuse in other parts of the city), or to waive some or all of the investment by creating a public amenity on the site (i.e. park, golf course, library, etc.).

<u>Panel Discussion:</u>

Ron Mehl
The Beard Group

- Coordinates the commercial development for the Village Creek
- Retail is looking to locate north of highway 610

- $12 per square foot won't cover the new construction costs
- The area only attracts interest from small companies, not national retailers

Mary Pat Black
Parks and Facilities Management

- Sees the area as the gateway to the city
- Parks partner a lot with schools – the Huntington Pointe site is in close proximity to the Park Central High School, exploring places to create turf fields
- Not enough land for a golf course – the other two golf courses in the city are struggling to break even.
- Consider gardens and public art
- Greenway connections to Shingle Creek could be incorporated with housing

Colleen Carey
The Cornerstone Group

- Housing market is not strong right now. Rental is in greater demand. Construction costs push housing values higher than people will pay.
- Tons of retail in the area – hard to imagine how more retail could help other retailers.
- Recommend creating an amenity that makes people want to live here – walk around, activity, connections
- Example: Centennial Lakes, Edina
- Expensive, but brings up property around that improves housing values in area. Public art – a lot of public activity. Things that they want to walk past.

John Duffy
Duffy Development

- Robbinson town center – primary residential, large component of affordable housing
- Community amenity that everyone could enjoy
- Mixed-use development – who's going to go into retail? Who would live in residential?
- Cost to build verses what people are willing to pay – there's a disconnect
- Senior housing frees up single family homes for younger families – a strategy that works well where there wasn't new housing available. Young families gravitate toward newer housing products.
- Retail along the street – nervous of commercial market without core tenants.

Mike Black
Royal Oaks Realty

- City planning background
- Now is a good time to do planning.
- City has done a good job in redevelopment; public amenity has good start with the creek.
- Pro: Sense of place / community but more public interest / value. Con: lose tax base and the cost of ongoing maintenance.
- Build a sense of place through private investment
- Single family housing isn't going to work – city won't recover it's investment
- Mixed-use development (retail / condos, 2 –3 story buildings in clusters) would provide additional open space along the trails.
- Office / condos – look like residential townhouses but used for offices (retail, coffee shops). Trouble is that density is not high in the area, difficulty for city to recoup resources invested.

- Build a sense of place – improve area for everyone.
- More public elements are good. Downside is that the land is off the tax roles, and will require ongoing costs for maintenance.
- Open space along creek access, entice private developer to create sense of place.
- Problem with commercial is that this is not a prime area – higher demand north of here.
- Possible to find some use that would stimulate other retail development
- Cost of new housing is above what people are willing / able to pay.
- Using the land for a public amenity would increase the tax burden, provide no recovery of the City's past investment, and create ongoing maintenance costs.

Discussion with community:

What are some examples of mixed use?
John Duffy – A good example of a good mixed-use project is the Edinbrook, which is office towers and open space that is used for an ice arena and musicals (housing + commercial + public space).

Colleen Carey – Although a completely different scale, Vancouver is a wonderful example because the developers created pocket parks, walkways, sculpture gardens, etc. which makes the street level very interesting and inviting. You don't even notice the tall buildings around you.

Ron Mehl – Brooklyn Park has already begun to create the public amenity by establishing the 2.5 miles of walking paths along Shingle Creek – link into it.

Mike Black – Be as flexible as possible in the plan – it's hard to get a hold on what's happening (especially in the residential markets). With the market in flux a developer needs options. Express desires and wishes, entice the developer to come in and sell their ideas. People want to invest in something they can get excited about – a catalyst site.

Colleen Carey – It's going to take a couple years, property values need to go down. Small retailers are having a hard time and it will all shake out over the next few years.

What will stabilize first? Housing or commercial?
Colleen Carey – We are in for some fundamental shifts, which the housing market will lead. They will likely be the first to begin ramping up again.

Ron Mehl – This area has great traffic counts and visibility. Something unique could happen here. As a developer I couldn't guess what I would do here.

How can the community be apart of the solution?
Mike Black – People here know the heart beat of the site – want to improve it for everyone. The City should consider going to a marketing firm to see what they think would be the highest and best use of the site (to get an additional perspective). Don't get too invested in a plan. You need to be careful about where you are investing money. Consider doing a Request for Proposals to see some ideas or options for the site. It will be difficult to recoup the money for the site, want to maximize and combine the highest and best use with a sense of place.

John Duffy – Talk to business owners in the area to see what needs or future plans they have. They are great resources for investment, and have ideas that should be included in the mix.

Mary Pat Black – This is not a good environment to raise taxes – the City will be looking for a return on their investment.

Colleen Carey – Need balance of high standards and flexibility. Developers take huge risks that can turn out really good or really bad. They need to be able to trust that they will have the best chance possible to succeed.

What about using the area for a park and ride or transportation? (Cost of transportation increasing, freeway access, attractive area for hub.)

- Current parking ramps for park and ride are not well used.
- Hwy 81 will be a busway or light rail.
- Longterm, Brooklyn Boulevard may not be the best location for a transit hub
- Connecting the site to public transportation would be a huge benefit.

What are the negatives of waiting for a while before developing?
What about attracting small manufacturing companies to stimulate job creation?

What are some examples to consider?

- Zygi Sports complex (fields and facilities) yielded ancillary commercial and retail
- Excelsior and Grand, St. Louis Park – stimulates reinvestment, surrounding properties improved.
- Medical facility – co-locate offices into hub of medical services (not a hospital).
- Education / Recreation Center – one stop shop for a range of employment training services, fitness facility, early childhood development, homeownership training, etc.
- If it will be a public use, the taxpayers need to be able to weigh in. We need something appropriate for a city center, something that will generate positive ripples for reinvestment in the area.

Is this site large enough to market for a small corporate campus (single user)? (e.g. Medtronic – Fridley, FBI Headquarters – Brooklyn Center.)

- Yes, it is a good size for a small corporate campus. It offers good freeway access, transit, infrastructure, and employment is available.

Other ideas:

- Casino
- Assisted senior living (could be a very nice piece of a larger plan)

What kind of demographic shifts are you expecting? How can you tie development to the future?

- Midtown Greenway is an example of a public investment that has slowly attracted development over time. It was a 50 year plan that began 18 years ago to attract mixed-use and high end office to the area. We need to start, and stay committed to a long term plan that will spawn developments over time.

Preliminary review and comment on draft development guidelines for Huntington Pointe site:

Group 1: Since the market is not the best, allow it to be a temporary site – leave the trees, mow, and act as soon as possible when the market moves. Be patient and proactive.

Group 2: Change the first goal to read “Build City Wide Assets” rather than neighborhood. Add F.) Work to attract long term residents. Liked second and third goals. Didn’t think “I. Consider integrating civic facilities onto the site (i.e. library, community or cultural center, police substation, athletic fields, etc.)” needed to be there.

Group 3: Support Group I with idea to use as temporary site until market kicks back in. Ready the site to maintain a neutral value. Look at businesses in need of relocating.

Group 4: Agree that the land should just sit. Possible use as a temporary park, but don’t let land sit in disrepair. Land bank it – use as positive as possible. Don’t put back what we’ve taken out.

Group 5: Agree with goals. Like the campus concept, environmentally friendly especially with the creek nearby. Maintain public access to the creek.

Panelists: General approval (no concerns were raised).

Attachment E: News Articles

Brooklyn Park residents envision Huntington as a keystone to redevelopment of entire area

By Natalie Spray • Sun Newspapers
(Created: Wednesday, March 5, 2008 3:02 PM CST)

One blighted property in Brooklyn Park could become the keystone to improving the entire Zane Avenue corridor, if the redevelopment goals of local residents succeed.

About 40 people attended the first in a four-part series of workshops Feb. 26 to brainstorm possible scenarios for the 11-acre Huntington Pointe Apartment site, 7454 Brooklyn Blvd.

Huntington Pointe is one of several complexes in an area known as the Zane Avenue corridor. Since the late 1980s, the city has tried to address problems associated with apartment deterioration, a high crime rate and negative public perception of properties in the area.

Last year, the city acquired the property and is nearly finished relocating tenants from the 306 one-bedroom units. Demolition is planned for this spring.

This process, led by the Corridor Housing Initiative, allows the city and community to work on the front end of development and set the stage for specific sites, said Gretchen Nicholls, CHI program officer.

Development experts discussed various ideas for redevelopment on the site at the first meeting.

"We're here to help you realize your goals for this site," said Michael Bryd, owner of Formworks Development LLC.

He called the site a "very buildable piece of property." It is in a good location, has city support for redevelopment and is bounded by Single Creek on one side.

Byrd stressed the image projected by redevelopment options will be a big consideration.

How the site relates to surrounding properties will also be key in its redevelopment success, said Andrew Dresdner, urban designer and architect with Cuningham Architecture Group.

There must be clear, obvious and structured transitions because the urban development hinges on the quality of the public spaces surrounding the site, he said.

Several city plans and policies will ultimately guide the site's redevelopment.

The land is currently designated as part of the Village Creek Redevelopment Area, and the site is zoned for mixed use, said Planning Director Cindy Sherman.

Possible redevelopment scenarios could include office space, retail stores and up to 30 percent residential development, she said.

In addition, the Stable Neighborhood Action Plan task force studied the Zane Avenue corridor and made suggestions for area improvements.

The SNAP study indicated the city's demographics are changing to larger family sizes, and the current housing stock doesn't meet that need, said Jason Aarsvold, economic and redevelopment director.

In addition, the property, built in the 1960s, is no longer competitive with area rental units, he said.

The Huntington Pointe apartments rented for $519 to $539 per month - much lower than the regional average.

The city wants to create a mix of housing, while at the same time reduce the number of units in the area, strengthen neighborhoods and improve the building landscape and amenities, Aarsvold said.

In addition, the city has made a commitment to replace the affordable housing lost from demolition over the next five years, he said.

Residents say they are concerned the city may not be able to recoup the money invested in the site, and ultimately the negative image of the area may deter redevelopment.

Ideas for the parcel ranged from a cemetery to entertainment venues and included owner-occupied housing, recreation and park spaces, restaurants, retail and social service centers.

The best thing the city can do is decrease the supply of apartments and increase the quality of what remains, said Jim Soderberg, who owns three apartment communities in the Zane Avenue corridor.

"Brooklyn Park needs low-income housing like a sinking ship needs more anchors," he said.

Ultimately, attendees said they want to make the site an area destination.

Small retail and restaurant developments could easily reflect the diversity of the community, said resident Danielle Strong.

There were a lot of diverse perspectives shared, and so there will be a lot of work moving forward, Nicholls said.

Most importantly, change should be accomplished by leveraging strengths, eliminating weaknesses, and doing it incrementally, Dresdner said.

"Change is hard," he said. "When it does these things it goes over better and lasts longer."

The second workshop is scheduled 6:30-8:30 p.m. Tuesday, March 11, at the Zanewood Recreation Center, 7100 Zane Ave. N.

The evening will include a block exercise, where participants place blocks on a map of the site to help visualize the redevelopment, Nicholls said.

Discussion will center on proposed development and whether those scenarios are doable, she said.

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Residents test development scenarios for Huntington Pointe site in Brooklyn Park

By Natalie Spray - Sun Newspapers
(Created: Wednesday, March 19, 2008 9:56 PM CDT)

Brooklyn Park residents played with wooden blocks to get a better feel for what could be developed on the city's Huntington Pointe Apartment site.

At the second of four Corridor Housing Initiative meetings on March 11, more than 30 participants built and tested potential development scenarios on large aerial photos of the 11-acre site at 7454 Brooklyn Blvd.

The discussion showed several viable options for the site, which could uplift the neighborhood and erase its negative image, said resident Jann Doss.

Facilitators from the University of Minnesota Metropolitan Design Center organized participants into three groups. They were directed to create projects with different housing, civic and mixed uses.

Barbara Raye with the Center for Policy Planning and Performance said all participants discussed creating green space to reinforce a sense of community.

The housing group initially looked at 112 units, all owner occupied and 20 percent considered affordable. The redevelopment project was estimated to cost $13 million on top of the $14 million already invested in the property, said group facilitator Frank Fitzgerald.

When the units were increased to 201 units, with 50 percent affordable, the project totaled $45 million but only cost the city $10 million, he said.

The group then proposed making one-third of the units rentals, some at market rate and some affordable. That project totaled an estimated $40 million, and cost $5 million in city dollars, said Fitzgerald, a landscape architect at Close Landscape Architecture.

The civic group used all 11 acres to create such areas as a police sub-station, a library, athletic fields and an amphitheater, said facilitator Joanne Richardson.

The $30 million project, plus the $14 million already invested, would cost between $75 and $125 per household every year for 30 years, she said.

Brooklyn Park resident Dave Johsnon said he'd love to just see the area become a big park or wooded area, but doubts the city will do that because it won't recoup any money.

The table assigned to create a mixed-use scenario focused its development around a sports theme, said facilitator and research fellow Katie Thering.

The major attraction was a sports center, which would contain sports-related medical offices and retail stores, she said.

With the help of a financial investor for the main sports facility, the project could be feasible, Thering said.

The group tried to think regionally, about what would be unique to the area, Raye said.

No matter what type of development occurs, the city will have invested nearly $14 million in acquisition, relocation and demolition before moving to redevelopment.

"We undertook the project knowing it wouldn't recoup the entire investment, said Jason Aarsvold, development and redevelopment director. "The more money that does come back, the more improvements can be made in other parts of the city."

Some costs will be recovered when the city sells the land to a developer, he said.

The next housing meeting - scheduled 6:30 to 8:30 p.m. Tuesday, March 25, at the Zanewood Recreation Center, 7000 Zane Ave. N. - will feature a developer panel discussion.

"It's an important project that will have a large impact on the city," Mayor Steve Lampi said. "We need all the help we can get."

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Expert panel suggests patience for Huntington redevelopment site

By Natalie Spray - Sun Newspapers
(Created: Wednesday, April 9, 2008 9:27 PM CDT)

A panel of development experts recently suggested the city of Brooklyn Park delay redevelopment of the Huntington Pointe Apartment site until the market rebounds.

"It's an important area and you get one chance to do it right," said Colleen Carey, president of the Cornerstone Group. "You don't want it to be mediocre just because the market is mediocre."

While experts expressed their opinion of the 11-acre site at 7454 Brooklyn Blvd. in a panel discussion March 25, the final plan for redevelopment is up to participants in the final Corridor Housing Initiative meeting April 15.

"It's a small part of Brooklyn Park, but it's important to us, that's why we're all here," resident Thomas Alfred Hanson said. "We need long-term visioning. The city needs to get something in there that starts a development process."

The Brooklyn Park Economic Development Authority took ownership of the apartments in July, and plans to relocate the tenants, demolish the buildings and redevelop the site.

Panelist Mike Black, who is a land development project manager for Royal Oaks Realty, said now is the time to plan.

He suggested building public space with private investors. The right plan will entice a private developer, he said.

A sense of community can be created no matter if it's a public or private development, Carey said.

In Vancouver, British Columbia, Canada, developers were allowed to build a denser project as long as they created a public amenity. It resulted in something useful to everyone, she said.

Ron Mehl, development principal for Hopkins-based Beard Group, said a negative stigma attached to the site makes it harder to charge a rent for commercial space that would recoup the city's investment.

Park Place Promenade, at the intersection of Highway 610 and Regent, rents spaces for $25 per square foot, while Pedestrian Plaza, located two blocks north of the Huntington site, rents for $12 per square foot, Mehl said.

Housing may also be a difficult sell to developers, Carey said. Her real estate company creates multi-family housing and mixed-use developments.

"I'm inclined to think other uses are more appropriate than housing," she said.

Many residents at the meeting expressed a desire to create a park or community sports field.

Mary Pat Black, parks and facilities manager for Brooklyn Park, said she would love to see additional park land on the site, but it would cost money to develop and maintain.

She suggested gardens or public art to achieve a similar sense of community space.

The last of four community meetings, held next week, will finalize development guidelines for the Huntington Pointe site.

This process isn't just visioning, it's "tempered with reality," said Barbara Raye, facilitator for the Center for Policy Planning and Performance. "Feasibility is necessary."

If the city makes the property available at little to no cost to developers, it has bargaining power for a public amenity, she said.

"Try to be as flexible as possible, because the market is tough right now," Mike Black said. "Express your desire, but entice a developer to sell you something."

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Huntington Pointe study group finalizes recommendations for site

By Natalie Spray - Sun Newspapers
(Created: Wednesday, April 23, 2008 10:05 PM CDT)

Members of the Huntington Pointe study group are so adamant that the 11-acre apartment site not contain housing they removed the word from its name.

The last of four Corridor Housing Initiative meetings was held last week, where participants finalized development guidelines for the site scheduled for demolition this summer.

The final document will be presented to potential site developers to guide presentations toward what the community envisions in the area, said Gretchen Nicholls, Corridor Housing Initiative program officer.

The process "helps us get closer to what the community wants," Mayor Steve Lampi said. "The council is committed to making this site the best it can be. You all had a part in that."

The group's recommendations include holding the property until the market changes and requesting developer proposals for the site.

Many participants wanted a destination-type use for the site, but recognized a major user would be needed to start the development process.

The development guidelines also include three main goals: to build community assets and character, to connect amenities with the surrounding area and to consider a variety of development strategies to strengthen the tax base.

Resident Wini Froelich said the plan shouldn't be too detailed.

"If you shut down that possibility, you shut the door and say to the developer, 'We aren't flexible,' " she said.

A lot of ideas for civic uses have been presented, but that doesn't help a developer. The development guidelines can help the city request those amenities from a project, Nicholls said.

Resident Jon S. Rohe said the site should serve as a gateway into the city and augment Shingle Creek on the property's east side.

Councilmember Jeanette Meyer agreed, and said the idea of creating public space around the creek is important.

Taxpayers fund restoration, and it should be available to them, she said.

The Economic Development Authority, meanwhile, awarded a contract for demolition of the complex at its April 14 meeting.

Minneapolis-based Ramsey Excavating came in with the lowest of 12 bids submitted. Its $502,000 bid was half the cost estimated by the city's consultant Peer Engineering. Bids ranged from $502,710 to more than $1.2 million.

In better economic times, most bids would have been closer to the $1 million estimate, said Bob Schreier, director of community development.

Peer Engineering completed the required additional asbestos testing and hazardous materials reports, and prepared the demolition specifications.

Councilmember Jeff Lunde said the consultant created very specific contract terms, and saved the city money through the bidding process.

Budgeted EDA funds from tax increment financing districts will be used to pay most of the demolition cost.

Terms of the purchase agreement require the former owner, Dominium, to pay for some lead-based paint and asbestos abatement.

Appliances and other salvageable materials from the site have been sold, for a net profit of $41,900.

Ramsey Excavating has 120 days to raze the nine 34-unit buildings and 14 accessory structures. In addition, the site's swimming pool, parking lots, sidewalks and lighting will be removed, said Kim Berggren, development project manager.

The contractor is also required to maintain all the trees on the property, level the ground and plant seed once demolition is complete.

Preliminary work will include obtaining the appropriate approvals from the Minnesota Pollution Control Agency, disconnecting utilities and asbestos remediation inside the buildings. Exterior work may not be observed for at least month, Berggren said.

In other business, the EDA established an interfund loan - which would allow the city to recoup some development costs from the Huntington Pointe site should a tax increment financing district be created in the future.

Comment on this story at our website, http://www.mnsun.com/.

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- Main Office: 952-829-0797 suninfo@acnpapers.com -

Attachment F: Workshop attendance list

Brooklyn Park / Huntington Pointe Redevelopment Site Corridor Initiative

Workshop Attendance

Wksp 1	Wksp 2	Wksp 3	Wksp 4	Name	Organization
X		X		Kaylord Sanders Jr.	The IJN Center & Consultant Group
X	X		X	MaiKue Xiong	
X	X	X	X	Karen Wendt	resident
X		X		Ken Benson	resident
	X	X		Debbie Benson	
X	X			Dave Sladek	
X	X			Kris Sladek	
X				Danielle Strong	future resident
X	X			Joan Ginsberg	Village Townhomes
X	X	X		Gordy Aune Jr.	
X	X	X	X	David Johnson	
X		X	X	Tonja West Hafner	resident
X		X	X	Wini Froelich	BPWDT
X	X	X	X	Kevin Brisky	resident
X	X	X	X	Wendy Brisky	resident
X	X	X		Dan Obermiller	resident
X				Peter Woods	
X	X	X	X	Dick Gunderson	Blondies / resident
X	X	X	X	Mary Ellen Vetter	
X		X		Diane Hughes	PICA Head Start
X	X	X	X	Dick Picquet	
X				Chris Fletcher	resident as of 4-1-08
X				Janet Fletcher	resident as of 4-1-08
X	X	X	X	Mike Richards	resident
	X			Marietta Richards	resident
X	X	X	X	Mike Vanderheyden	
X		X		Mike Trepanier	Brooklyn Park City Council
X		X	X	Mike Scully	
X		X	X	Carrie Scully	
X				Scott Robbie	
X				Jim Soderberg	Soderberg Apartment Specialists
X				Fay Holland	community member
X		X		Eugene Dix	African American Action Committee
		X		Lorraine Rhodes Dix	African American Action Committee
X	X	X	X	Margie Lindberg	
X	X	X		Sue Meyer	Huntington Place
X				Mekoms (?) Levy-Pounds	
X	X			Natalie Spray	Sun-Post
X				Rev Steven Larson	Redeemer Covonant Church, Bama Ministers
X				Lucille Sundquist	homeowner
X	X			Thomas Alfred Hanson	homeowner
X	X	X		Tony Bianco	homeowner
X	X	X	X	Steve Lampi	Brooklyn Park Mayor
	X	X	X	Jann Doss	
	X			Julie Spanlei	
	X	X		Mari Lecours	Community Stabilization Project
	X	X	X	Jim Seufert	
	X	X	X	Jon S Rohe	retired, interested citizen
	X	X		Curtis Holub	Brooklyn Lutheran Church
		X		Beth Strehler	

Wksp 1	Wksp 2	Wksp 3	Wksp 4	Name	Organization
		X		Brett Hildreth	resident
		X		Alan C Wilson	citizen
		X		Elmer Rosenving	
			X	Jeanette Meyer	City Council
			X	Terry Gearin	City Council
			X	Jeanne Peterson	
			X	Ray Klotz	
			X	Charles O. Sado	
				GUEST PANEL	
		X		Colleen Carey	The Cornerstone Group
		X		Mike Black	Royal Oaks Realty
		X		Ron Mehl	The Beard Group
		X		John Duffy	Duffy Development
		X		Mary Pat Black	Parks and Facilities Management
				STAFF	
X	X	X		Andrew Gillett	Hennepin County
X	X	X	X	Jason Aarsvold	Brooklyn Park
X	X	X	X	Kim Berggren	Brooklyn Park
X	X	X	X	Robert Schrier	Brooklyn Park
X	X		X	Cindy Sherman	Brooklyn Park
X	X	X		Kaydee Kirk	Brooklyn Park
				CHI TEAM	
X	X	X	X	Gretchen Nicholls	Twin Cities Local Initiatives Support Corporation
X	X	X		Andrew Dresdner	Cuningham Architecture Group
X				Michael Byrd	Formworks
X	X			Katie Thering	Metropolitan Design Center
	X	X	X	Barbara Raye	Center for Policy Planning and Performance
	X			Alan Arthur	Aeon

Attachment G: Evaluation Summary

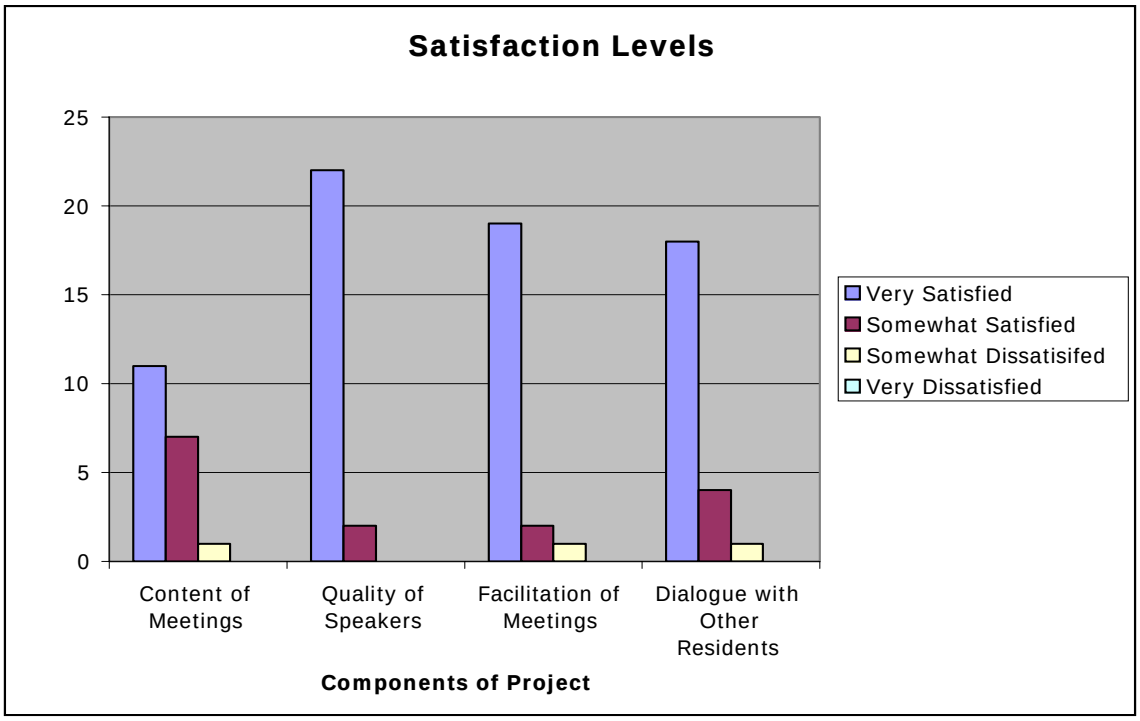
CHI/Brooklyn Park Evaluation

Twenty-three persons completed at least some of the questions on a final evaluation form distributed during the fourth meeting on April 15, 2008. The level of satisfaction with the process, content, dialogue, and facilitation was very high. Participants also agreed that the project will have some positive long-term impact and were glad that the City of Brooklyn Park participated in the project.

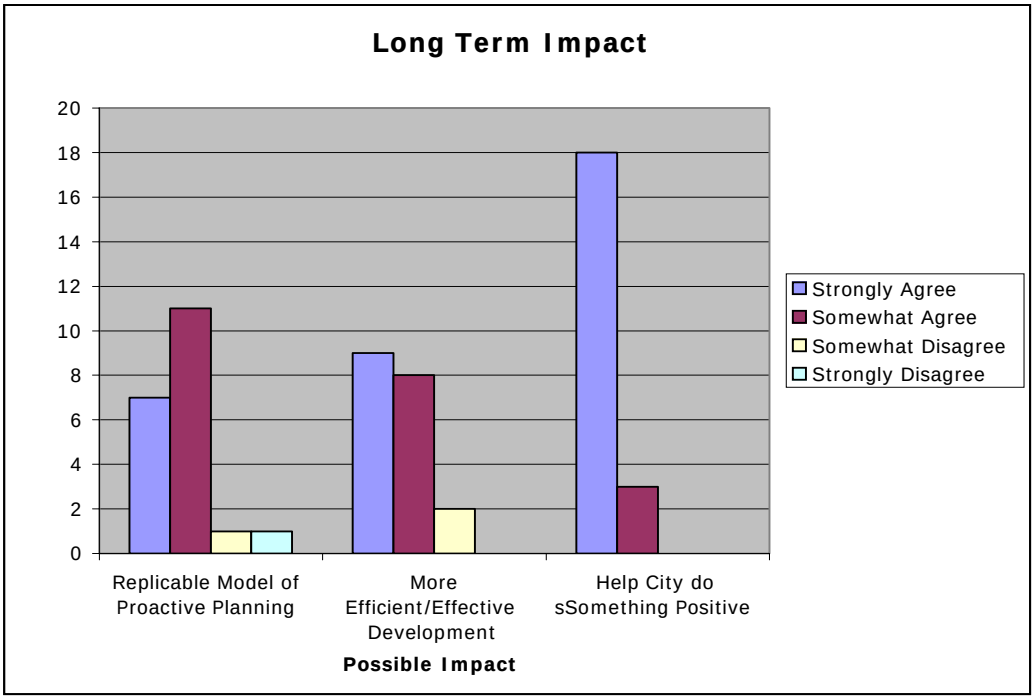
The majority of participants were residents and residential property owners in Brooklyn Park, but business and commercial property owners also participated. The majority has been in the area for over 20 years (14), but the range extended to those between 4-9 (4) and 10-19 (4) years as well. The majority identified themselves as white/Caucasian, adults and attended all four meetings.

Overall satisfaction was very high. Individual participants identified the strengths of the project to include: bringing in outside developers for a “real world” understanding, using a consensus process, the facilitation of meetings, email reminders, the open discussion in both small and large groups, letting everyone speak but still moving forward, the building block exercise, and having the City present but not leading the discussion.

Individual comments also suggested a few things that could be improved such there being a little too much “nit-picking”, getting the notes from the last meeting along with the email reminder notices, more information from the City about its thoughts on the site, an early agreement on terminology, a little more control of side conversations, a mission statement, and for one person the block exercise was potentially a duplication of what had been said in previous discussions.



The long-term impact of the project was also positive from the perspective of participants. The final comments included a thank you to the City for including the community in a very good program that supports involvement and a desire to be kept up-to-date on future development.



REGENT PROPERTY

BROOKLYN PARK, MINNESOTA
June 23, 2020

Introduction

Pulte Group's ("Pulte") company vision is ***"Building Incredible Places Where People Can Live Their Dreams."*** We are a large homebuilder with corporate offices in Atlanta, Georgia. We currently operate under three distinct brands of homebuilding throughout the country: Pulte Homes, Centex Homes, and Del Webb. Pulte's Minnesota Division has an office in Eden Prairie and will sell about 600 homes in the Twin Cities in 2020. The contact for Pulte is:

Pulte Homes of Minnesota, LLC
Paul Heuer, Director of Land Planning & Entitlement
7500 Flying Cloud Drive, Suite 670
Eden Prairie, MN 55344
https://www.pulte.com/
(contact information with City staff)

Pulte got its start in 1950 when 18-year-old William J. Pulte, with help from five of his high-school friends, built a five-room bungalow near the Detroit airport. He used a floor plan from the "Home of the Week" section of the Detroit Times and sold the home for $10,000. In the seven decades since, Pulte has been helping homebuyers across the United States build a better life. Today, Pulte operates in approximately 50 metropolitan areas throughout the country developing land and building homes for the public.

In the Twin Cities, Pulte has a strong reputation for taking on complicated redevelopment properties and returning these properties to the tax rolls. We commonly partner with cities to find a way to provide deeply needed housing in the community and to bring vitality back to areas in need.

Our Team

Pulte has a wide-ranging set of team members on staff with expertise in market research, home design, home decoration, land development, home building, sales, marketing, quality control, financing, mortgage, title, and customer care.

External members of our team for this property include Alliant Engineering (surveying, civil engineering, landscape architecture), Braun Intertec (environmental, geotechnical), and Larkin Hoffman (legal).

The Property

The property consists of parcel numbers 28-119-21-13-0021 and 28-119-21-13-0002 located at the intersection of Brooklyn Boulevard and Regent Avenue N/73rd Avenue N. See the below graphic.

The Project

We are proposing to build 41 detached villa homes targeted at empty nesters. See attached concept plan and rendering. It is our understanding that there is a desire to retain some property along Brooklyn Boulevard for potential commercial use in the future. We have carefully designed the villa neighborhood to allow for commercial uses in the future if such an opportunity should arise. We will coordinate with Inland Development Partners if commercial opportunities can be identified as feasible.

Key facts about the neighborhood:

- Current zoning = VR Village Zoning Redevelopment
- Guided land use = Mixed Use
- Residential area = 10.09 acres
- Number of homes = 41 homes
- Home width = 34 feet
- Lot width = 44 feet
- Front setback = 25 feet
- Side setback (internal) = 5/5 feet
- Side setback (corner) = 20 feet
- Rear setback = 20 feet
- Setback to creek = 80 feet
- Public right-of-way width = 50 feet
- Public street width = 28 feet back to back of curb

Comprehensive Plan

Section 4.6 (Housing Goals & Implementation Strategies) of the City's 2040 Comprehensive Plan outlines strong goals that this proposal directly addresses:

1. *"Increase senior housing options in the community, with a focus on affordability."*
2. *"Encourage housing with walkability, transit connections, and a mix of amenities."*

This application is highly consistent with the goals outlined in the City's Comprehensive Plan.

Schedule

Our proposed schedule is shown below:

Preliminary plat approval	Fall 2020
Closing	May 1, 2021
Site development work	Summer 2021
Construction of model home	Fall 2021
Begin home sales	February 2022
Build out of neighborhood	2023 or 2024

Market Research

Through extensive market research, Pulte has identified a strong need for affordably priced single level homes targeted to empty nesters in the Twin Cities metropolitan area. Particularly in older suburban areas, we find a high percentage of empty nesters that are ready and wanting to move into a more suitable home but cannot find one near where they currently live. Many empty nesters are searching for a home that has the following characteristics:

1. A smaller home. The kids have grown up.
2. Single level homes that are much easier to navigate with an aging body.
3. Homeowner association maintenance of the yard and snow removal. As they age, they no longer need to deal with these difficult and sometimes dangerous tasks.
4. Living among other empty nesters for the social aspects. They are commonly retired and have the time and inclination to socialize more.
5. Something close to where they currently live so they can continue to easily see their friends and family and to remain an active part of their community (church, schools, civic, etc.).

Pulte has recently built “villa” homes in similar “infill” areas in Fridley, Chaska, Maple Grove, and Plymouth. We have found that there is a strong need for this type of housing which enables residents to stay in their community and to live independently as long as possible.

We have completed a market analysis of the potential demand for this type of housing in this area. The below facts demonstrate a strong need for this type of housing in this area.

- **Strong Aging Population Growth –** 9.6% five-year 55+ household growth rate.
- **Qualified Households –** High concentration of 55+ households with approximately 29,000 55+ households in the City of Brooklyn Park. 53% of all households only have 1-2 people living in the home.
- **Historical Low Months of Supply –** Historical low average months of supply of 0.9 for one-story single-family and detached townhomes product, which is well below equilibrium (4 to 6 months).

In the older parts of Brooklyn Park such as this area, it is very difficult to find a home as described above. This is one of the data points which leads us to conclude that this particular property would be an ideal location for this type of owner-occupied housing. The above market research and our experience in other similar infill areas lead to the same conclusion.

Our Homes

Pulte plans to build homes from the well-known and iconic Del Webb brand of active adult homes from Del Webb age-restricted neighborhoods across the country. You may have heard of some of these popular neighborhoods such as Sun City and Anthem. This neighborhood will not be large enough to support the amenities that a Del Webb neighborhood would have and therefore will be branded as a Pulte neighborhood that will not be age restricted.

The homes will be 34-feet wide and range in size from 1,300 to 1,700 square feet (see attached example elevations and floor plans). There will be five different floor plans to choose from. The homes have two bedrooms and a two-car garage and are built slab on grade (no basements). These homes are targeted squarely at empty nesters who are seeking an affordable home and lifestyle that are more fitting for their current stage of life. Home prices are expected to range from the high $200k's to the mid $300k's.

Neighborhood Design

We have carefully studied the market, the City's Comprehensive Plan, the property, the surrounding uses, and have worked diligently to create a concept plan that is ideally suited for this property. We are very pleased about how our vision and plans have come together.

We have utilized the following design strategies in preparing the concept plan:

1. We retained land along Brooklyn Boulevard for potential future development as a commercial use by others.
2. The villa homes are up against Shingle Creek and the associated trail which will provide a natural amenity for a residential neighborhood.
3. Open space was created adjacent to Shingle Creek and the associated trail to enable easy access to these amenities.
4. Separate access points have been designed for residential and commercial uses to avoid conflicts.
5. Pedestrian connections have been designed for all directions from the neighborhood.
6. Open space was also created on both sides of the neighborhood entrance to create a feeling of beauty, security, and spaciousness.

Public Benefit

The City of Brooklyn Park will benefit in the following ways from this project:

1. <u>Providing housing that City residents desire</u> - This is a challenging property from the standpoint of finding adequate demand. We have identified one land use that is in very high demand and which will serve a strong current need for existing Brooklyn Park residents.
2. <u>Stability</u> - All housing will be owner-occupied. This greatly aids in creating stability in an area.
3. <u>Tax revenue</u> - As a primarily self-financed entity we can move quickly and with minimum financial assistance. We do not rely upon receiving aid from outside agencies apart from the EDA. This simple and expedited approach will result in bringing homes onto the tax

roll quickly. Our schedule (see below) anticipates all homes being occupied and paying real estate taxes by the end of 2024.

4. Diversity of housing – This type of housing will create a diversity in housing types in this area of Brooklyn Park.

Financial

Recent Comparable Land Purchases

The most accurate and common measure of land value is by obtaining other similar land purchases. We are fortunate that there are many recent northern suburb comparable land sales. They are summarized in the table below.

Recent Comparable Land Prices in the Northern Suburbs

Number	Neighborhood Name	City	Builder	Housing Type	Price/Lot	Year Closed	Comments/Comparison
1	Oak Village	Brooklyn Park	DR Horton	3-story attached townhomes	$9,200	2019	Stronger northern Brooklyn Park submarket
2	Eastbrook Estates	Brooklyn Center	Centra	single family homes	$10,000	2019	Larger single family lots*
3	Avesbury	Brooklyn Park	Lennar	3-story attached townhomes	$11,000	2018	Stronger northern Brooklyn Park submarket
4	Midtown Village	New Brighton	Pulte	3-story attached townhomes	$15,000	2019	Stronger submarket (Mounds View schools)
5	**Regent site**	**Brooklyn Park**	**Pulte**	**44' wide villa lots**	**$15,000**		
6	?	New Hope	SVK	single family homes	$15,800	2019	Larger lots*
7	Pemberley	Brooklyn Park	Pulte	2-story attached townhomes	$17,185	2019	Stronger northern Brooklyn Park submarket
8	Bellwether	Corcoran	Pulte	44', 50', 60' wide villa lots	$17,249	2018	Larger lots*
9	Locke Pointe	Fridley	Pulte	50' wide villa lots	$25,000	2018	Larger lots*

* Larger lots have greater value than smaller lots

Accounting for the size of the lots, the average value of the Regent lots appears to be in the range of $11,000 to $15,000 per lot.

Housing Values & Demographics

Ultimately, the value of residential land in an area is based on how much home buyers are willing to pay for homes in that area. We have completed market research on housing values and demographics as a check on the above comparable land values.

When home buyers shop for a home, they compare “values.” Typically, the things that we measure value on are:

1. Size of home
2. Age of home
3. Livability of home – this is subjective, but important; it may include the desire for an open floor plan for entertaining, having neighbors of similar age living nearby, etc.
4. Suitability of home – this covers a range of topics such as single level with no stairs, no steps to enter showers, easier door handles, brighter lighting, adaptability as they age, storage, etc.
5. Homeowners association maintenance – for the empty nester, this is sometimes an important factor due to the strain and danger particularly associated with snow removal, but also lawn maintenance.
6. Energy efficiency of home – although not a primary decision point for most, this is becoming more important to some buyers.

We began our analysis by researching capabilities of area buyers to purchase new homes and area home values:

- **Lower Median Home Values & Household Income –** Brooklyn Park's median home values is 11.4% below the median home values of the Minneapolis-St. Paul MSA. Brooklyn Park median household income is 11.7% below the median household income of the Minneapolis-St. Paul MSA.
- **Limited Market at Higher Price Points –** Only 10% of resale transactions transact above $350k.

Demographic Snapshot

2019 Demographic Estimates	City of Brooklyn Park
Total Population	81,961
Total Households	28,549
Percent of households over 55+	37.1%
Percent of households with only 1 or 2 people	53.0%

Source: Experian

Household Data Snapshot

2019 Estimates	City of Brooklyn Park	Minneapolis-St. Paul MSA
Median Home Value Estimate (1)	$ 259,895	$ 289,487
Estimated Home Values Above $400k (2)	11.7%	23.2%
Median Household Income (2)	$ 68,793	$ 76,843

Sources: (1) Zillow (2) Experian

Resale Market Summary

City of Brooklyn Park Resale	One-Story Single Family & Detached Townhomes	Townhomes	Single-family
Number of Transactions LTM	170	267	833
Average Resale Price	$ 261,706	$ 201,425	$ 298,340
Average Sq. Ft	1,945	1,544	2,256
Average PPSF	$ 134.53	$ 130.43	$ 132.26
Average Days on Market	27.7	28.0	27.4
# Active Listings	13	19	37
Months of Supply	0.9	0.9	0.5
Percent of resale transactions over $350k	10%	3%	10.5%

Source: MLS

The cost of building new homes is dramatically higher than the value of older existing homes. This is due to several factors, most of them pertaining to regulations added over the past decades. Some of these regulations have been very valuable and expensive such as protecting wetlands and surface waters. There have also been many newer regulations related to energy efficiency, erosion control, engineering standards, etc. The result is that there is a large gap between the price of a new home and an existing home in an infill area such as in this part of Brooklyn Park. We can continue to sell homes that are priced moderately higher than existing

area homes due to the perceived value of new homes as described above. However, we have learned if this gap is too large, we won't be able to sell the new homes.

Sources & Uses Budget

We have completed a detailed Sources & Uses Budget (see attached). The budget outlines costs in the following categories:

1. Land – This is the cost of the land.
2. Land preparation – These are "above and beyond" costs which bring the property back to a greenfield status.
3. Site development – These are the "hard" costs associated with preparing the site for building of homes. It includes grading, utilities, streets, sidewalks, private utilities, and landscaping.
4. Soft costs – This category of costs includes those services and financing necessary for homes to be built.
5. Home building – These costs are associated with building the homes.

Demonstration of Need

In order to succeed in delivering this highly desired type of home in this location, we believe that we need to sell the homes for no higher than an average sales price (after owners choose various options) of **$319,000**. This equates to a price per square foot (PPSF) of $224.20. This is 67% above the PPSF of existing homes (see below table). Above this threshold, we believe the price difference is greater than buyers are willing to accept.

Brooklyn Park New vs Resale	Average Selling Price	Square Feet	PPSF
Resale*	$ 261,706.40	1,945	$ 134.53
Projected New ASP	$ 319,040.00	$ 1,423	$ 224.20
Spread	22%	-27%	67%

*One-Story Single-family & Detached Townhomes

To reach this price point and be successful in this location, we will rely upon paying $15,000 per lot for the land. We are requesting financial assistance in the follow areas and for the following reasons:

1. Land – The gap between new and existing housing in this area is greater than in most areas of the Twin Cities. This varies depending on the age and condition of the existing housing supply as well as other perceptions about the submarket. In order to reach the prices per square foot outlined above, the value of the land for this type of housing in this location is $11,000 to $15,000 per lot. We are willing to pay $15,000 per lot for the land.
2. Land preparation – These are "above and beyond" costs which bring the property back to a greenfield status. They include the dealing with remnants from the previous development on the property. We may encounter demolition debris and/or contaminated soils that would need to be excavated and hauled away. We also may encounter loose soils that need to be excavated and recompacted at a density which would eliminate settlement of homes in the future. It also includes removal of existing sewer and water lines from the old development. The actual scope and amount of these costs cannot be

known until construction is underway. It should be noted that this is the only potential "out of pocket" cost for the EDA associated with this request for financial assistance. It would be reasonable and fair for the EDA to only be responsible for those actual costs incurred.

3. Soft costs – In order to further close the gap, we request that impact fees not be assessed to this property a second time. These fees were presumably paid once for this property when development occurred initially. The impact fees we are referring to are park dedication, trunk water fee, trunk sewer fee, and trunk storm sewer fee. Perhaps you were not planning to impose these fees a second time on the same property. However, we included this request for the sake of clarity.

We thank you for consideration of this request. We have worked hard with Inland Development Partners and with City/EDA staff to get to this point. We are willing to take a market risk on this property to provide needed housing. We are seeking assistance to bring that risk in line with typical market expectations.

Paul Heuer
Director of Land Planning & Entitlement
Pulte Homes of Minnesota

This submittal includes:

- *This narrative*
- *Concept Plan*
- *Rendered Concept Plan*
- *Home front elevation renderings*
- *Sources & Uses Budget*

SOURCES AND USES BUDGET

Regent property - Pulte Homes

June 23, 2020

SOURCES OF FUNDS					
Category	Source #	Funding Description	Original Budget		Comments
	1	Pulte Group financing	9,774,000	-	
	2				
	3				
	4				
	5				
	TOTAL SOURCES OF FUNDS		**9,774,000**		
USES OF FUNDS					
	Use #	Funding Description	Original Budget	Request for Financial Assistance	Comments
Land	1	Acquisition	2,800,000	2,800,000	See narrative. This value is shown in appraisal, but is inaccurate.
	2	Broker fee	50,000		
Land preparation	3	Buried demolition debris, contaminants, compact loose soils, etc.	50,000	50,000	Unknown scope.
	4	Utility removals	45,000	45,000	
Site development	5	Clearing	21,000		
	6	Grading	218,000		
	7	Sanitary sewer	200,000		
	8	Water main	287,000		
	9	Storm water system	292,000		
	10	Streets	294,000		
	11	Sidewalks	59,000		
	12	Sediment and erosion control	33,000		
	13	Electric, gas, street lighting	49,000		
	14	Irrigation	15,000		
	15	Landscaping	59,000		
	16	Curb, sidewalk, landscaping repairs	36,000		
	17	Entrance monument; mailboxes	32,000		
	18	Site development contingency	179,000		
Soft costs	19	Legal	8,000		
	20	Recording fees	11,000		
	21	Park fees	184,000	184,000	It is likely that park fees had been paid when development first occurred.
	22	Impact fees	151,000	151,000	It is likely that impact fees had been paid when development first occurred.
	23	Surety, escrow	162,000		
	24	Engineering, surveying, LA	63,000		
	25	Final engineering, staking, inspection	116,000		
	26	Geotech, Phase I, SWPPP	24,000		
	27	Compaction & material testing	30,000		
	28	Letters of credit	64,000		
	29	HOA documents	17,000		
	30	Real estate taxes	60,000		
	31	Overhead and warranty	63,000		
Home building	32	Home building costs (average), sales costs	7,200,000		Not fixed. Home buyers choose a variety of options which impact prices.
	33	Lot dirt balancing during home building	132,000		
	TOTAL USES OF FUNDS		**13,004,000**	**3,230,000**	
	EXCESS / (NEGATIVE) FUNDS		**(3,230,000)**		
		Gross revenue ($319,000/home)	**12,760,000**		
		Gross profit	**(244,000)**		
		Gap to meet internal underwriting requirements	**3,230,000**		

Financial assistance is being requested in these areas.

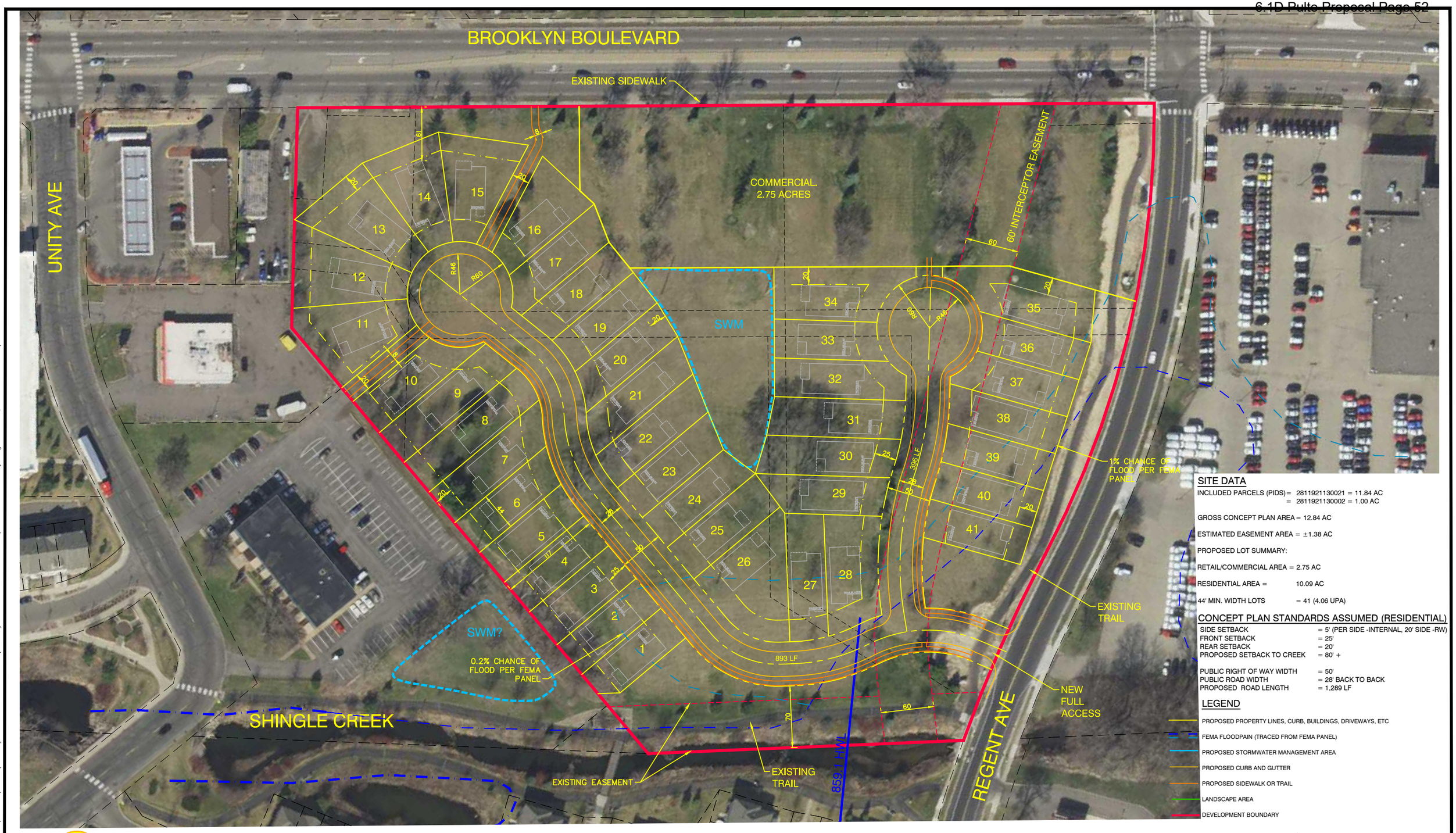
Blue Rock

Discover

Noir Hill

Passport

Trailblazer



SITE DATA

INCLUDED PARCELS (PIDS) = 2811921130021 = 11.84 AC
= 2811921130002 = 1.00 AC

GROSS CONCEPT PLAN AREA = 12.84 AC

ESTIMATED EASEMENT AREA = ±1.38 AC

PROPOSED LOT SUMMARY:

RETAIL/COMMERCIAL AREA = 2.75 AC

RESIDENTIAL AREA = 10.09 AC

44' MIN. WIDTH LOTS = 41 (4.06 UPA)

CONCEPT PLAN STANDARDS ASSUMED (RESIDENTIAL)

SIDE SETBACK	= 5' (PER SIDE -INTERNAL, 20' SIDE -RW)
FRONT SETBACK	= 25'
REAR SETBACK	= 20'
PROPOSED SETBACK TO CREEK	= 80' +
PUBLIC RIGHT OF WAY WIDTH	= 50'
PUBLIC ROAD WIDTH	= 28' BACK TO BACK
PROPOSED ROAD LENGTH	= 1,289 LF

LEGEND

- PROPOSED PROPERTY LINES, CURB, BUILDINGS, DRIVEWAYS, ETC
- FEMA FLOODPAIN (TRACED FROM FEMA PANEL)
- PROPOSED STORMWATER MANAGEMENT AREA
- PROPOSED CURB AND GUTTER
- PROPOSED SIDEWALK OR TRAIL
- LANDSCAPE AREA
- DEVELOPMENT BOUNDARY

Pulte Homes

BROOKLYN BOULEVARD / REGENT AVE - CONCEPT 12

BROOKLYN PARK, MINNESOTA

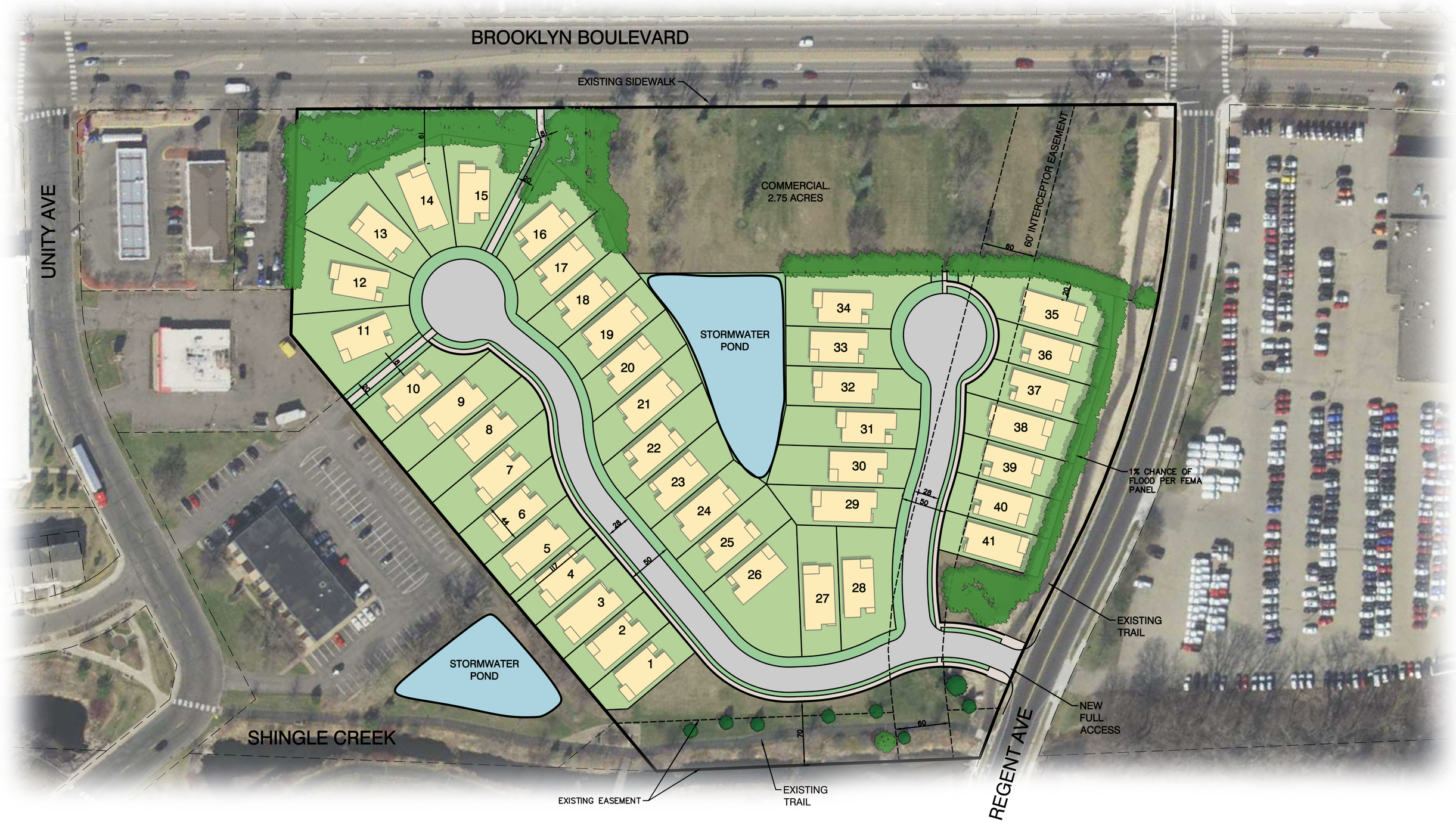
N

0 25 50 100
SCALE IN FEET

DATE: 6-16-2020 MPR - Update

ALLIANT ENGINEERING
733 Marquette Ave, Ste 700
Minneapolis, MN 55402
612.758.3080 MAIN
612.758.3099 FAX
www.alliant-inc.com

Drawing name: P:\Alliant\Pulte\Brooklyn Park - Inland Site\Brooklyn Park - Inland Concept 12 - Res Only.dwg Jun 16, 2020 - 2:04pm



REGENT AVENUE CONCEPT

BROOKLYN PARK, MN

0' 50' 100' 2"

ALLIANT

6-23-2020

ITEM 7.1

MEMORANDUM

DATE: July 16, 2020

TO: EDA Commissioners

FROM: Kim Berggren, Executive Director

SUBJECT: Status Update

BUSINESS DEVELOPMENT

Welcome to Brooklyn Park Miyabi Grill!
Brooklyn Park welcomed a new restaurant, Miyabi Grill, on July 15! Miyabi is a locally owned, fast causal hibachi grill now located at 7607 West Broadway Ave. The restaurant is open for take-out only from 11am-9pm every day of the week. The Brooklyn Park Communications Team did small piece on Instagram and Facebook welcoming Brooklyn Park's newest neighbor. Miyabi is now one of over 100 restaurants in the City, many of which are locally owned.

Greater Minneapolis-St. Paul Regional Economic Framework
The Regional Economic Framework provides a shared vision for the Twin Cities region to lead the world in inclusive economic growth by welcoming all voices, empowering talent, and igniting innovation. The framework is a collaborative effort between the Metropolitan Council, Greater MSP, and the Center for Economic Inclusion to position the region to be eligible for funding from the U.S. Economic Development Administration

The Met Council and its partners are seeking feedback on the draft Regional Economic Framework. Staff will provide feedback on this framework and will look for opportunities to apply for federal funds under this program.

Business Focus Groups
City staff conducted the first of at least three small business focus group discussions on July 15 via Zoom. The meetings including five to six businesses who give staff feedback on their currently business space, challenges they have had finding space in Brooklyn Park, and amenities they would include in their ideal business space. The intention of these programs is to inform the ongoing discussions related to a potential small business center-incubator space project. The first session included business owners from Top2Bottom Men's Fashion, Chef Flo K's, Midwest Select Contracting, and Bahsco Global Inc. Some of the highlights from the conversation included; business owners would like nice buildings with store front so customers can see the businesses, affordability is key, business owners are interested in owning space and might be comfortable paying a higher monthly amount if they eventually owned their space, and business generally like being in Brooklyn Park because of the diversity and close proximity to Minneapolis and Saint Paul. The next meeting is scheduled to be held Thursday July 23 from 4pm-5pm.

Brooklyn Park Development Corporation Loans
The Brooklyn Park Development Corporation (BPDC) held its quarterly meeting on July 7. At the meeting, the Board approved changes to the two existing loan programs. The goal of the changes to both programs is to increase their flexibility while providing a favorable financing tool for businesses in Brooklyn Park. The changes to both programs are captured below.

REVOLVING LOAN PROGRAM CHANGES		
	Existing	**New**
Minimum loan amount	$150,000	$25,000
Maximum loan amount	$250,000	$300,000
Interest rate	Variable	Prime -1
Term	Variable	7 to 15 years
Match requirement	50% of project must be financed by a private source or through borrower equity	- $25,000-$100,000 loans: no private source match, equity match of 10% of requested loan amount required, - $100,000-$150,000 loans: equity match 10% of $100,000 of the loan, remaining amount of the loan must have a private match of at least 50% of the amount over $100,000 (ex. for a $150,000 loan must have $10,000 in equity and $25,000 in financing from another source) - $150,000-$300,000: 50% of project must be financing through a private source
Eligible uses	Fixed asset purchases and land or real estate acquisitions	Fixed asset purchases, land or real estate acquisitions, energy efficiency improvements, limited debt refinancing

SMALL BUSINESS MICROLOAN PROGRAM		
	Existing	**New**
Minimum loan amount	$5,000	$5,000
Maximum loan amount	$50,000	$25,000
Interest rate	10%	- $5,000-$10,000 loans: 0% - $10,000-$25,000 loans: prime -1 (if prime is 6% or higher the interest rate is prime -2)
Term	3-5 years	- $5,000-$10,000 loans: 3-years - $10,000-$25,000 loans: 10-years
Match requirement	50% of project must be financed by a private source or through borrower equity	No private financing match required but encouraged. If no private match exists borrower must provide an equity match in the amount of 10% of the total loan amount requested
Eligible uses	Working capital, inventory purchases, real estate or land acquisition, purchases of equipment and machinery	Working capital, inventory purchases, real estate or land acquisition, purchases of equipment and machinery

Since 2000, BPDC has provided funding for six loans including one current loan with Design Ready Controls through the Revolving Loan fund program and five loans through the Small Business Microloan. The modest changes to the Revolving Loan Fund do not affect the structure or underwriting criteria for the program. The Central Minnesota Development Corporation (CMDC) currently underwrites the program and services the loan and staff expect that will continue.

The changes to the Small Business Microloan program are more substantial and represent a more aggressive attempt by the BPDC Board of Directors to fill a gap created by the private financing system. Currently, it can be difficult for new and small businesses, particularly those owned by immigrants or people of color to access favorable funding resources through the banking system. There are several reasons this gap exists including: lack of bank history, lack of access to capital, an outweighed emphasis on credit in determining loan worthiness and discriminatory lending practices in the industry. In conversations with businesses and community organizations that work closely with businesses, staff has heard that small business owners and entrepreneurs need access to small, low interest loans that are often difficult to obtain through private financing. The Small Business Microloan removes credit as the primarily indicator of loan worthiness and uses other indicators to determine a borrower's ability to pay back a loan such as history of rent or mortgage paid, utility bill payments, student loan payment history, and more. Businesses interested in obtaining this loan will work with City staff and the loan's underwriters to provide the following information:

For existing businesses:

- An executive summary with an overview of the project the loan will be financing and a brief summary of the business and its history
- 2 years of:
  - Balance sheets (with projection for current year)
  - Cash flow
  - Income statements
- Previous year's tax return documents
- Estimated budget for how funds will be used
- Proof of equity match

For new businesses or start-ups:

- A business plan which includes:
  - Detailed sources and uses for the project
  - 12-24 months of cash flow projections
  - 12-24 months of income statement projections
  - 12-24 months balance sheet projections
- Evidence of equity match for the project
- Estimated budget for how funds will be used

The Metropolitan Consortium of Community Developers (MCCD) currently underwrites the small business loan. Staff is exploring whether to continue that relationship including the ability to underwrite smaller loans in house. Staff is also working on a marketing plan for both loan programs.

Hennepin County Business District Initiatives Funds

On July 13, 2020, staff was notified that the Edinburgh Centre business district at the northwest corner of Highway 252 and 85th Avenue (see map) was awarded a grant for marketing and technology assistance through the Hennepin County Business District Initiative. The County established this fund using Coronavirus Aid, Relief and Economic Security (CARES) act dollars from the federal government.

The goal of the initiative is to provide eligible business districts, as determined after Cities in Hennepin County were asked to submit Letters of Interest (LOI), to provide district wide assistance. Assistance includes procuring personal protective equipment (PPE), marketing, technology, or creation of shared outdoor space to help businesses navigate regulations and restrictions brough on by the COVID-19 outbreak. Staff identified this district as a priority because of the number of small and locally owned businesses located in the district including Mi Sant Banh Mi, Tacos El Pariso, Kim Anh, and Lemon Grass. The City will work with the County to establish the appropriate request for proposal (RFP) criteria to help select a consultant. The consultant will then work with Cities, businesses, and the County to provide the established deliverables. The County has not determined the final amount of funding that will be allocated to provide consulting work in each City but the total amount of the fund which will be used to assist around 16 business districts around the County is $250,000.

Staff also requested funds for the business districts at Zane and Brooklyn Boulevard and West Broadway and Brooklyn Boulevard, but were not awarded funds for these locations. Although these areas did not directly receive funding the County is working with consultants to ensure that final deliverables could be modified to work for other business districts in the City.

WORKFORCE DEVELOPMENT

BrookLynk was awarded $15,000 through Boston Scientific's emergency COVID Relief Community Grant. This grant will fund the development of the online training series that was designed to provide a summer work experience to youth not matched to a traditional internship. The online training series launched on July 8th and will take youth through a 6-week series covering topics such as resume writing, networking, and diversity. During this series youth will also have the opportunity to hear from panels of professionals, attend live webinars, and complete the StrengthsFinder. In addition to key work readiness activities we have added a financial literacy component through a partnership with Cummins Power Systems and Junior Achievement to expand participants' knowledge of debit and credit, saving & investing, and creating budgets. Youth will end the series with a completed resume, certificate of completion, and a stipend.

OTHER

Nonprofit Emergency Grant Funds

In March, the City Council established a Nonprofit Emergency Grant fund to distribute direct services in response to the additional need in Brooklyn Park. Through this program, five nonprofit organizations – Avenues for Youth, Community Emergency Assistance Program (CEAP), Minnesota African Task Force Against Ebola (MATFAE), Organization of Liberians in Minnesota (OLM) and West African Family & Community Services (WAFCS) – received grant funds to provide food, cleaning supplies and rental assistance to Brooklyn Park residents. Over 2,000 residents were served via this program and the grantees were effective in providing culturally specific services and supplies to residents who needed them across Brooklyn Park.

Livable Community Development Act Pre-Development Grant for Business Incubator
On June 24, the City of Brooklyn Park's grant application to the Metropolitan Council's Livable Community Development Act (LCDA) pre-development fund was approved. Staff submitted an application requesting $100,000 of LCDA funds to assist with the pre-development work associated with a business incubator- small business center project in Brooklyn Park. The grant will fund market research, business outreach, space identification and analysis, proforma and capital improvement financial analysis, architectural renderings, pre-lease work, and lease negotiation. The grant required a match of $33,000 from the EDA which was budgeted for in the 2020 budget. Staff is currently working with a tenant representative to scope out the full work, and we expect procurement of professional services for completion of this work to occur in September. A task force will guide the delivery of this work, and staff is looking for interested EDA members to attend three task force meetings. The preliminary project schedule includes an EDA check-in in October, with EDA consideration of the proforma and operating financial plan in December 2020.

Metro Transit
Join Metro Transit on July 22, 2020 at 9:00 am for a live panel discussion on transit-oriented development (TOD), financing tools available and the challenges presented for development of the unique places along the proposed Bottineau Light Rail Transit corridor. Our panelists will present:

- Defining TOD and the opportunities it offers
- The conundrum presented by opportunities versus public and private needs versus available resources
- Community and developer strategies for financing TOD projects
- Monitored Q&A opportunity for attendees

This webinar is intended for public sector, developer or financial institution participants with an interest in development dynamics along major transit lines such as the Bottineau Light Rail Transit Corridor.

ITEM 7.2

MEMORANDUM

DATE: July 16, 2020

TO: EDA Commissioners

FROM: Erika Byrd, Development Project Coordinator

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

SUBJECT: Housing Update

This memo provides an update to the Economic Development Authority (EDA) on housing-related items. In addition to updating the EDA, this memo serves to keep interested stakeholders informed of this work.

NEW HOUSING DEVELOPMENT PROJECTS

Enclave Apartments Proposed (55XX 96th Ave N)
The EDA has received a proposal from Enclave Companies to build 174 market rate apartment homes with an affordability component of nine units to be compliant with the City's Mixed Income Housing Policy. Enclave Companies has selected the strategy of 10% of the units to be affordable to households earning 30% of area median income or less and is seeking EDA financing assistance for the project to achieve this affordability. EDA staff is seeking direction on using the EDA general fund reserves as a source of gap financing. The EDA will hold a work session about this topic and other development opportunities on July 20.

Pulte Group Detached Villa Housing Proposal (7475 Brooklyn Blvd)
At its July 20 meeting, the EDA will consider a Term Sheet for the sale of EDA-owned land at 7475 Brooklyn Boulevard. Pulte Group is proposing 41-home association-maintained detached homes aimed at seniors with 2.75 acres reserved for future commercial use along Brooklyn Boulevard.

Village Creek Apartments (7621 Brooklyn Boulevard)
The EDA approved a term sheet to provide tax increment financing for George Group North at its June 15 meeting. George Group North plans to develop a mixed used project on the EDA-owned land at 7621 Brooklyn Boulevard North. The proposal includes 83-units of mixed-income housing and a 10,000 square foot commercial component. The EDA first considered this project in 2018. The project has since received a Metropolitan Council's Livable Communities Development Account grant to assist with project costs.

Dominium's Brooklyn Park Senior Project (West Broadway and 78th Ave)
Dominium has proposed developing approximately 240 units of affordable senior apartment housing near 7849 West Broadway. In May the City of Brooklyn Park gave preliminary approval for conduit bond issuance of private activity bonds for the project. Following that action, the City applied to Minnesota Management and Budget (MMB) for bonding authority. As anticipated, MMB was oversubscribed for its July allocation and the project was not awarded an allocation this round. Dominium plans to seek a bonding allocation in a subsequent application round.

Cornerstone Village by Bethesda Lutheran (9450 Decatur Ave)
At its June 15 meeting, the EDA approved use of a deferred loan and tax increment financing (TIF) for Bethesda Lutheran Communities to develop housing for seniors and individuals with intellectual or development disabilities. Their project, Cornerstone Village, will be a mixed income, multifamily apartment building consisting of 130 units. In addition to TIF and an EDA deferred loan, sources of funding being sought by the developer include Housing Infrastructure Bonds from Minnesota Housing, 4% Low-Income Housing Tax Credits (LIHTC), and a Metropolitan Council grant. If Bethesda is successful in being obtaining this funding, the EDA would then act to consider a development agreement (late 2020 at the earliest).

6900 85th Avenue North Development (NHCC Site)
At its May 18 meeting, the EDA approved the selection of Duffy Development for the development of 6900 85th Avenue North. Duffy has proposed building a mixed income apartment development and a cooperatively owned day-care on the site. The developer will be working with staff on a letter of understanding, and engagement and site plan. The EDA had previously solicited qualifications for the development of this vacant land and approved entering into an option agreement with Minnesota State Colleges and Universities for the purchase of the site for development purposes. This vacant parcel is currently part of North Hennepin Community College (NHCC) campus but designated as surplus to be sold for development.

APARTMENT RE-HABILITATION PROJECTS

Brooks Landing and Brook Gardens Rehabilitation
The main rehabilitation work at Brooks Landing and Brook Gardens is now complete. The completed scope of work at both properties involved extensive exterior and interior renovations. Interior renovations at both communities included new electrical and plumbing fixtures; kitchen cabinets, countertops, and sinks; and new appliances, toilets, blinds, flooring, windows and doors. Brook Gardens has new exterior siding and shingle replacement, along with updates to water service and heating lines. All the work was done without displacing any of the current residents.

Before Exterior – Brook Gardens

After Exterior – Brook Gardens

Brooks Landing and Brook Gardens are apartment communities that serve low-income households and have received project-based Section 8 rental assistance since 1978. The EDA provided a $400,000 rehabilitation loan toward the project. The loan serves as one source in a project with just over $30 million in total refinancing and re-habilitation costs. The rehabilitation project kicked off in August 2019 and is expected to be completed this October. The parking lot repair is currently underway. The landscaping and stormwater retrofitting phase will begin this July. This will include the installation of rain gardens, native plantings, picnic tables, raised community gardens and sidewalks. The funding for this phase is mainly funded by grants from

Single Creek Watershed Commission, Hennepin County, Met Council, ACER, State of Minnesota, Boisclair Corporation, Blue Cross Blue Shield, and the City of Brooklyn Park EDA.

Autumn Ridge Apartments Rehabilitation
Rehabilitation work at Autumn Ridge Apartments has been completed. The work involved interior and exterior repairs. In 2016, the EDA contributed a loan of $1.2 million to assist Sherman Associates in the re-investment and rehabilitation of the property while maintaining long-term affordability. Last year, the EDA approved an extension of the loan for Sherman Associates to complete additional rehabilitation upgrades that include the installation of the key fob system, security cameras and exterior lighting. The installation of the key fob system and security cameras is currently underway and is expected to be done this July. The management is also presently seeking a contractor to install exterior lighting around the property. Additionally, planning for Phase 3 of the landscaping and stormwater retrofit project is underway. The project partners include Sherman Associates, Autumn Ridge residents, African Career Education and Resource (ACER), City of Brooklyn Park, the Shingle Creek Watershed Management Commission, and Hennepin County.

Transitional Housing Facility Re-habilitation
Over the past 2 years, the EDA has invested about $220,000 into the capital needs of the EDA-owned transitional housing 4-plex to upgrade its structural integrity and living conditions, mostly using federal Community Development Block Grant (CDBG) dollars. Some repairs originally identified in the scope of work were deferred to 2020 due to weather conditions, budget, and prioritization. The final phase of this rehabilitation, which is expected to be completed this July, includes the patching, paving and resurfacing the parking lot. Funding for these repairs comes from the facility's operational budget. Since the mid-90s, the EDA has owned this 4-plex apartment property located at 7600 69th Avenue North that has operated as a transitional housing facility for families experiencing 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.

Huntington Place Purchase and Re-habilitation
Aeon, a Twin Cities-based nonprofit developer and manager of affordable apartment homes, purchased Huntington Place Apartments on January 30, 2020. The EDA approved a development agreement between Aeon and the EDA for the acquisition and re-habilitation of Huntington Place Apartments in January 2020. Aeon will maintain affordable rents for the long-term. The EDA is contributing a $5 million loan to fund physical reinvestments into the apartment community with a focus on improving safety and security. Aeon has not yet drawn on the EDA loan funds. Aeon recently hired a project manager to lead the design and construction at Huntington Place and related efforts. Aeon plans to begin camera upgrade work in August. EDA staff met with the new construction project manager on July 15 and are working to ensure the project remains in compliance with the EDA's requirements.

HOUSING PROGRAMS

Homeowners Housing Programs Update
Since the revision of Brooklyn Park's housing loan program guidelines and the introduction of the four additional programs in April of 2019, loan utilization rates have significantly increased with 23 loans already closed in the first and second quarters of 2020 totaling over $350,000. The most popular programs are the Senior Deferred and the Down Payment Assistance. Both these programs were allocated $150,000 and $100,000 respectively for 2020. The funds for senior deferred loan and down payment assistance have already been exhausted. Seniors as well as first time homebuyers are being directed to other available products including Minnesota Housing and Hennepin County for the rehabilitation and emergency loan products, respectively. The

revolving loan program that used to close one loan per year previously, has 7 loans currently closed and another 8 in process of being approved.

HOUSING NEWS AND UPDATES

CURA Brooklyn Park Housing Research Project

The Center for Urban and Regional Affairs (CURA) research project into Brooklyn Park housing is on hold through summer 2020 due to COVID-19 and staffing changes. CURA is conducting a year-long research project in Brooklyn Park to investigate the issues of community building (including tenant-management relations and tenant-tenant community building), increasing renter and management knowledge of their rights/responsibilities, and concerns surrounding safety/security. The project is led by Dr. Brittany Lewis and Dr. Shana Riddick and is being funded by the Brooklyn Park Economic Development Authority (EDA), Hennepin County, and Minnesota Housing. Dr. Lewis and Dr. Riddick will continue to lead the research project, which will resume work by September.

Eviction Moratorium

On March 23 Governor Walz issued Executive Order 20-14 suspending eviction filings, lease terminations, and Writs of Recovery for the duration of the COVID-19 peacetime emergency. The peacetime emergency has been extended several times, most recently with Executive Order 20-78, which extends the peacetime emergency period (and thus the suspension of evictions) through Wednesday, August 12th. The Minnesota legislature could terminate this extension by majority vote of both bodies, but as of this date only the Senate acted to block the extension, so the order remains in effect. Nationally, the Federal Government has suspended evictions for non-payment of rent and late fees in properties that have federally backed loans or that participate in certain federally assisted rental housing programs until July 25th.

Some cities across the region and housing advocates have also been contemplating local government eviction moratoria. There is debate about whether cities in Minnesota have legal power to impose temporary eviction moratoria during a pandemic as part of local emergency orders. Although some cities continue to explore the possibility, EDA staff are not aware of any that have enacted such local eviction moratorium measures.

COVID-19 Emergency Rental Assistance

Hennepin County is providing emergency rental assistance funding for low-income residents throughout Hennepin County who have been financially harmed by the COVID-19 pandemic. Application and program information is available at: www.hennepin.us/residents/human-services/emergency-rental-covid19. In addition to this County-wide program, the Brooklyn Center based nonprofit organization Community Emergency Assistance Programs (CEAP) has CARES Act funds to provide COVID-19 related rental assistance in the northwest suburbs (https://www.ceap.org/housing-assistance).

EDA staff recently conducted a rental assistance program survey among the 16 large multifamily apartments in the community to get a sense of the rent payment and the effectiveness of the COVID-19 rental assistance programs. The survey was conducted via telephone conversation with property managers. The following observations were made:

- Of the 16 apartment communities who provided estimates on how many residents were behind on rent, approximately 463 residents or 12% of the total units were late on payments
- 81% of apartment communities had heard of the rental assistance program (now they are all aware of the program)
- 61 residents in 12 apartment communities have received rental assistance
- The most frequent feedback that property managers heard from residents on the program was that it was helpful, with others reporting website navigation difficulties, slow response times, and too much paperwork

EDA staff also met with CEAP and Hennepin County staff to discuss rent assistance and community needs. Staff learned that there is plenty of rent assistance funding remaining, but that applicants are not always eligible, often due to reporting their income was not impacted by COVD-19. Also, applications from mid-May are still in process of being fully reviewed. The EDA staff is working with County and CEAP staff to ensure those who are eligible continue to receive their rental assistance, particularly when the extra unemployment benefit expires at the end of July. Over the past month, the City has publicized rental assistance resource information through social media, emails and calls to property managers and landlords, and by distributing the information to student service departments at local colleges. In upcoming weeks, the City will do social media boosts specifically targeting the Zane Avenue corridor area.

Metro HRA Payment Standard Changes

The Metropolitan Council's Housing and Redevelopment Authority, known as Metro HRA, has updated its Housing Choice Voucher (Section 8) Payment Standards. Metro HRA administrates the Housing Choice Voucher Program in nearly 100 communities, including Brooklyn Park. The program partners with private rental market landlords to provide affordable housing opportunities for households in the region. Participants pay a minimum of 30% of their income toward their rent and Metro HRA pays the remaining to the property owner.

On July 1, Metro HRA implemented a pilot program of Payment Standards by zip code using Small Area Fair Market rents to better reflect market conditions and improve housing choice options. A payment standard is the rent limit used to determine unit affordability and rent portions. The Brooklyn Park payment standard changes are summarized in Figure 1.

Figure 1: Current Payment Standard by Zip Code (as of July 1, 2020)

# of Bedrooms	Previous Standard (City-wide)	55428	55429	55430	55443	55444	55445
0BR	$763	$780	$780	$810	$890	$850	$1,160
1BR	$940	$920	$930	$960	$1,050	$1,010	$1,380
2BR	$1,165	$1,150	$1,160	$1,200	$1,310	$1,260	$1,720
3BR	$1,570	$1,630	$1,650	$1,700	$1,860	$1,790	$2,440
4BR	$1,845	$1,920	$1,940	$2,000	$2,190	$2,100	$2,870

For people who live in areas with a decreased payment standard, the current payment standard will continue to be used as long as the tenants remain in their current unit. The decreased payment standard will only be used once the existing tenant moves. For renters who live in an area with an increased payment standard, the new payment standard will be effective at annual recertification or move, whichever comes first.

New Housing Policies in the Region

The Saint Paul City Council approved a new ordinance for tenant protections on July 8th, which will go in effect next year. Key components of the ordinance include tenant screening criteria, “just cause” lease nonrenewal requirements, advance notice of sale (of affordable properties), and move in deposit and information requirements. The full ordinance can be found here: https://stpaul.legistar.com/LegislationDetail.aspx?ID=4386792&GUID=CAC11254-88C1-4CE0-BBF5-FE35D52366E8&FullText=1

OVERVIEW OF RECENT EDA HOUSING POLICY, PROGRAMS, AND PROJECTS

Items completed or underway:

- Mixed-Income Housing Policy (2017)
- Apartment Action Plan 2.0 (2018 - current)
- Autumn Ridge Apartments Rehabilitation Project (2018-current)
- Transitional Housing Facility Rehabilitation (2018-current)
- Homeowner Programs (April 2019 - current)
    - Senior Deferred Loan Program established
    - Down Payment Assistance Program established
    - Code Correction Loan Program established
    - Revolving Loan Program updated
- Fair Housing Policy (May 2019)
- Naturally Occurring Affordable Housing (NOAH) Preservation Program (July 2019)
- Brooks Landing and Brook Gardens Rehabilitation Project (September 2019 – current)
- Tenant Notification Ordinance (October 2019)
- Huntington Place Apartments purchase by Aeon, including physical improvements (January 2020 - current)
- Rental Rehabilitation Loan Program (for 1-16 unit rental properties. Details available at https://www.mncee.org/services/financing/brooklynpark/-1/) (April 2020)
- Community Environmental Sustainability Program (approved, currently being established)
- Brooklyn Park Housing Research Project by CURA at UMN (on hold)
- EDA-owned former Park and Ride site at 4201 95th Ave N (planning through Corridor Development Initiative partially complete and on hold)

City of Brooklyn Park
EDA WORK SESSION

Agenda Item No:	8.1	**Meeting Date:**	July 20, 2020
Agenda Section:	Work Session	**Prepared By:**	John Kinara, Housing and Redevelopment Specialist
No. of Attachments	3	**Presented By:**	Breanne Rothstein, Economic Development and Housing Director
Item:	Housing Development Opportunities Discussion		

Overview:

In April of 2019, the Economic Development Authority (EDA) identified the development of EDA-owned sites in the Village Creek/Welcome Avenue Opportunity Zone area as a strategic priority. Since then, staff has worked to recruit developers and projects for EDA consideration. In the past several months, several housing development opportunities for the development of a total of over 400 housing units (senior, affordable, and market rate) across the city have been brought forward. These include Bethesda Senior Housing, Dominium Senior Housing, Devean George Village Creek Apartments, and Pulte Patio Homes. There are a series of steps each of these projects must go through to obtain financing and refine site plans and architectural details which require several future EDA/City actions and significant investment in staff time and financial investment from developers.

The purpose of this work session is for the EDA Commissioners to provide direction to staff on whether to proceed with the next steps in two additional projects, based on a preliminary analysis of EDA financial support requested and proposed development visions. No formal action is needed tonight, and more detail will be needed in evaluating each financial framework. It is anticipated that several, incremental EDA/Council actions will be needed in future months to advance these proposed projects.

Background:

Enclave Apartments Proposal
The EDA has received a proposal from Enclave Companies to build 174 market rate apartment homes north of 610 West Apartments with an affordability component of nine units to be compliant with the Mixed Income Housing Policy. Enclave Companies has selected the strategy of 10% of the units to be affordable to households earning 30% of area median income or less and is seeking city financing assistance for the project to achieve this affordability. Staff is seeking direction on using the EDA general fund reserves as a source of gap financing because TIF funds cannot be used unless at least 20% of the units are affordable. The next step is for the developer to schedule a required neighborhood meeting.

Welcome Avenue (2) Project Proposal
Riverfront Development Partners has expressed preliminary interest in constructing a mixed use, market rate/mixed income multi-family development with two- and three-bedroom loft style apartment homes next to the Devean George project on the Welcome Avenue site (called Welcome Avenue (2) site). The proposed development would require significant PAYGO TIF and a cash TIF payment to provide gap funding. The next step is for the developer to schedule a required neighborhood meeting.

Primary Issues/Alternatives to Consider:

- **What is the EDA direction needed?**

In line with the City of Brooklyn Park's mixed income housing policy for all new residential developments, EDA staff is seeking direction from the EDA Commissioners on the desire to continue to move discussions forward on the proposed developments for Enclave and the Welcome (2) site, and the use of EDA general funds, tax abatement, and/or TIF to finance development gaps in the proposed development projects.

- **What are the benefits to the city?**

The proposed developments are consistent with several of the Brooklyn Park stated community goals including access to healthy and safe housing, contributing to a thriving economy, and the creation of beautiful spaces. Additionally, there is a strong interest from the development community in Brooklyn Park for the construction of a variety of housing types, levels of affordability, and across geographic areas. Developing these projects would put vacant, EDA owned parcels back on city tax rolls and fill a need for this type of housing in the area.

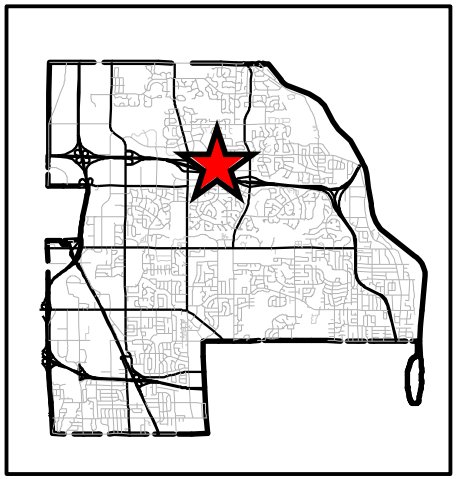
Attachments:
8.1A ENCLAVE APARTMENTS LOCATION MAP
8.1B WELCOME AVENUE 2 APARTMENTS LOCATION MAP
8.1C DEVELOPMENT PROJECTS SPREADSHEET, UPDATED

Enclave Companies Location Map 55XX 96th Ave N

Brooklyn Park Community Development

Spring 2018 Air Photo

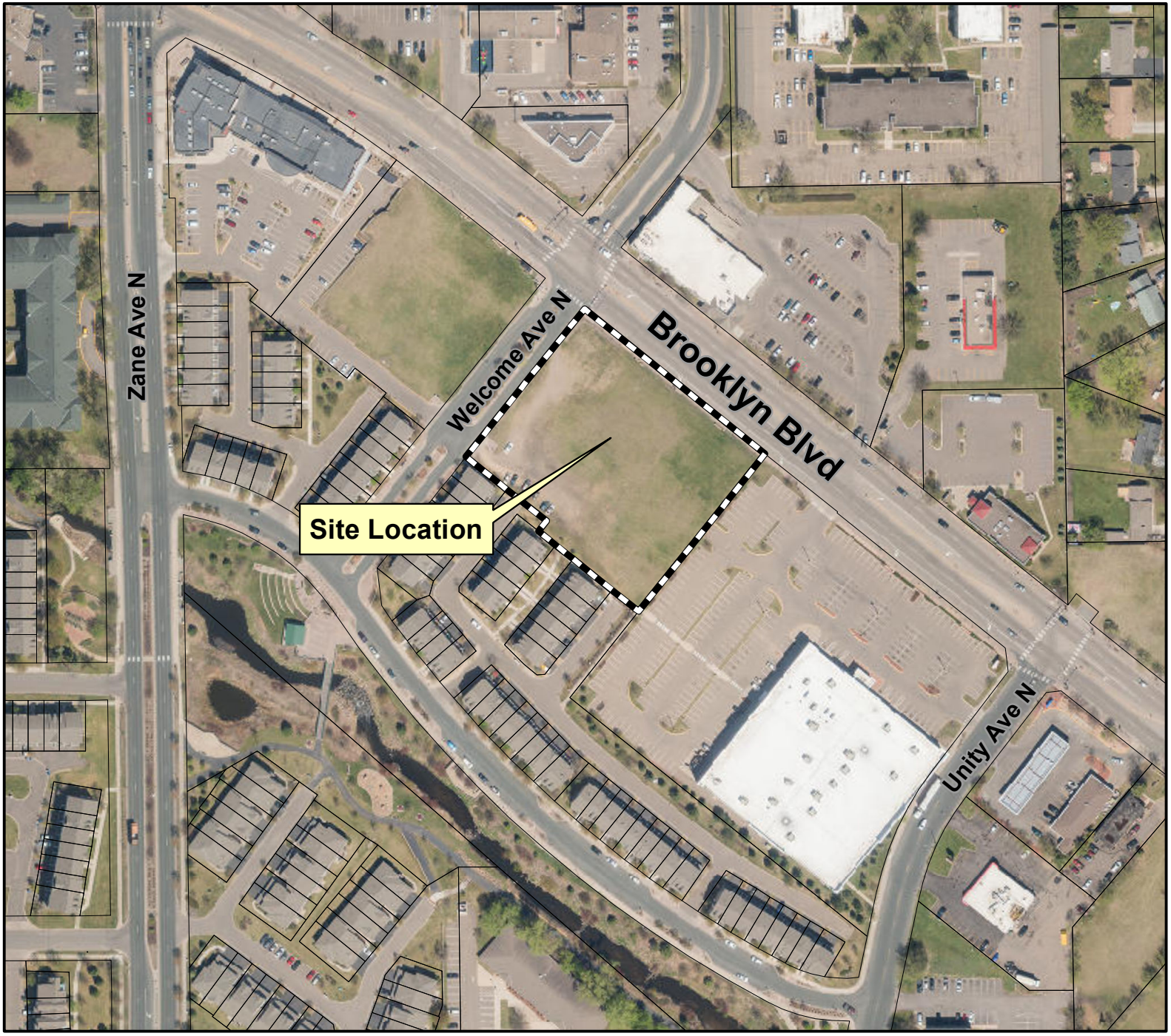
100 Feet



Map Date July 15, 2020

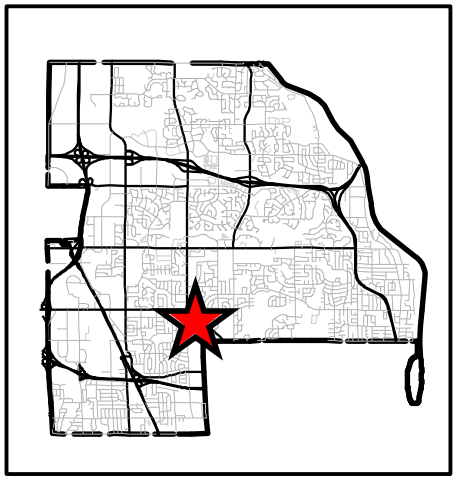
Riverfront Development Partners 7601 Brooklyn Blvd. N.

Brooklyn Park
Community Development



Spring 2018 Air Photo

100 Feet



Map Date July 15, 2020

Project Location	Project Type	Unit Breakdown	Developer	Total Per Unit EDA $ Request	TIF Request	Deferred Financing	Tax Exempt Bonds	MN Housing Request	Land Request	Other	Status/Next Steps
Jefferson Parkway	Market Rate Senior/ Affordable Family (50% AMI)	130 (106 senior, 24 for adults with IDD, 80 total affordable)	Bethesda	$25,500	$2,200,000	$1,000,000	Serve as conduit for tax-exempt bond request to MMB	4% Low Income Housing Tax Credits; Deferred Financing; Housing Infrastructure Bonds	None	$1.7M LCDA application; County AHIF/HOME Funds; FHLB Loan; 4d tax benefit	City Council approved term sheet in June; Application to MN Housing for HIB Bonds
Revive Church site (West Broadway)	All Senior Affordable (60% AMI)	240 affordable senior	Dominium	$17,800	$4,270,000	deferred developer fee	Serve as conduit for tax-exempt bond request to MMB	4% Low Income Housing Tax Credits	None	4d tax benefit	City Council conduit bond issuance - MMB NOT funded in May 2020; to re-apply in November
Welcome Site	Mixed Income/mixed use	83 units. 17 affordable and 66 market-rate housing units affordable commercial	Devean George	$36,000 per unit (housing) $750,000 for commercial	$3,750,000	deferred developer fee	No	No	Land writedown of $370,000	Secured $852,000 LCA grant; 4d tax credit on affordable portion	Term sheet approved in June; To make land use applications in Fall 2020
Regent Site (Village Creek)	Market Rate Detached Townhomes; owner occupied	41 townhomes	Pulte	$0	No	No	No	No	$615K purchase price		Term Sheet consideration in June
Enclave at 610	Market Rate Apartments	175 units, 8 at 30% AMI	Enclave	$8,500 per unit		NA	NA	NA	NA	$1M to $1.5M in tax abatement	
Welcome Site 2	Mixed Income/mixed use	95	Riverfront Development		$5 to $6M				Land writedown		
NHCC Site	Mixed Income/mixed use	200	Duffy Development	TBD	TBD	TBD	NA	9% LITHC		LCDA Application	