

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
JANUARY 19, 2021 MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: Vice President Susan Pha at 7:00 p.m.

ROLL CALL PRESENT: Vice President Susan Pha, EDA Secretary Tonja West-Hafner, Treasurer Lisa Jacobson and Commissioners Boyd Morson, Terry Parks and Wynfred Russell. Staff: Executive Director Kim Berggren, Economic Development & Housing Director Breanne Rothstein, Development Project Coordinator Erika Byrd, EDA Attorney Jenny Boulton and Program Assistant Theresa Freund.

ABSENT/EXCUSED: None.

Vice President Susan Pha read the following statement: All members of the Commission will participate in the meeting by telephone or other electronic means pursuant to Minnesota Statutes, Section 13D.021 rather than in-person at its regular meeting place at City Hall. Members of the public can monitor the meeting by watching it on CCX Media Channel 16 or by livestreaming it at Northwest Suburbs Cable Communications Commission website. Members of the public who desire to give input or testimony during the meeting may do so by calling 763-493-8050 or by emailing the EDA Executive Director Kim Berggren at kimberly.berggren@brooklynpark.org or text Susan Pha at 763-600-1043.

2. PUBLIC COMMENT AND RESPONSE:
2. A Response to Prior Public Comment: None.
2. B Public Comment: None
3. APPROVAL OF AGENDA

MOTION RUSSELL, SECOND JACOBSON APPROVING THE AGENDA AS PRESENTED. MOTION PASSED UNANIMOUSLY.

II. STATUTORY BUSINESS:

4. CONSENT:

- 4.1 Consider Approving EDA Meeting Minutes.

MOTION PHA, SECOND WEST-HAFNER TO APPROVE THE AUGUST 24, 2020 EDA MEETING MINUTES. MOTION PASSED UNANIMOUSLY.

- 4.2 Consider Approving the Proposed 2021 EDA Meeting Calendar.

MOTION PHA, SECOND WEST-HAFNER TO APPROVE THE PROPOSED 2021 EDA MEETING CALENDAR. MOTION PASSED UNANIMOUSLY.

- 4.3 Consider Designating US Bank as the Official EDA Depository for 2021.

MOTION PHA, SECOND WEST-HAFNER DESIGNATING US BANK AS THE OFFICIAL EDA DEPOSITORY FOR 2021. MOTION PASSED UNANIMOUSLY.

- 4.4 Consider Approving the Renewal of the Consulting Agreement for the Home Energy Squad Program in The City of Brooklyn Park and Directing Staff to Enter into Related Contractual Agreements with The Center for Energy and Environment.

MOTION PHA, SECOND WEST-HAFNER TO WAIVE THE READING AND ADOPT RESOLUTION #2021-1 APPROVING THE RENEWAL OF THE CONSULTING AGREEMENT FOR THE HOME ENERGY SQUAD PROGRAM IN THE CITY OF BROOKLYN PARK AND DIRECTING STAFF TO ENTER INTO RELATED CONTRACTUAL AGREEMENTS WITH THE CENTER FOR ENERGY AND ENVIRONMENT. MOTION PASSED UNANIMOUSLY.

5. PUBLIC HEARINGS:

- 5.1 None.

6. GENERAL ACTION ITEMS:

- 6.1 Consider Election of Officers.

MOTION PHA, SECOND RUSSELL TO ELECT JACOBSON AS PRESIDENT OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY. MOTION PASSED UNANIMOUSLY.

MOTION PHA, SECOND JACOBSON TO ELECT PARKS AS VICE PRESIDENT OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY. MOTION CARRIES ON A ROLL CALL VOTE AS FOLLOWS: YES: PARKS, WEST-HAFNER, JACOBSON AND PHA. NO: RUSSELL & MORSON.

MOTION PHA, SECOND RUSSELL TO ELECT MORSON AS TREASURER OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY. *MOTION FAILS* ON A ROLL CALL VOTE AS FOLLOWS: YES: RUSSELL, MORSON & PHA. NO: PARKS, WEST-HAFNER & JACOBSON.

MOTION PHA, SECOND PARKS TO ELECT WEST-HAFNER AS TREASURER OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY. *MOTION FAILS* ON A ROLL CALL VOTE AS FOLLOWS: YES: JACOBSON, PARKS & WEST-HAFNER. NO: MORSON, RUSSELL & PHA.

MOTION PHA, SECOND WEST-HAFNER TO ELECT PHA AS TREASURER OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY. MOTION CARRIES ON A ROLL CALL VOTE AS FOLLOWS: YES: JACOBSON, RUSSELL, MORSON, WEST-HAFNER & PHA. NO: PARKS.

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

- 6.2 Consider Approving an Allocation of up to \$16,982.42 from the EDA General Fund to Windsor Gates Apartments as Part of the Homelessness Prevention Strategy Program.

MOTION PHA, SECOND WEST-HAFNER, TO WAIVE THE READING AND ADOPT RESOLUTION #2021-2 APPROVING AN ALLOCATION OF UP TO \$16,982.42 FROM THE EDA GENERAL FUND TO WINDSOR GATES APARTMENTS AS PART OF THE HOMELESSNESS PREVENTION STRATEGY PROGRAM. MOTION PASSES UNANIMOUSLY.

- 6.3 Consider Approving an Amendment to the Amended and Restated Consulting Agreement between the Brooklyn Park Economic Development Authority and the Center for Energy and Environment.

MOTION PHA, SECOND PARKS, TO WAIVE THE READING AND ADOPT RESOLUTION #2021-3 APPROVING AN AMENDMENT TO THE AMENDED AND RESTATED CONSULTING AGREEMENT BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND THE CENTER FOR ENERGY AND ENVIRONMENT. MOTION PASSED UNANIMOUSLY.

- 6.4 Consider Supporting Duffy Development Company's Application to Hennepin County for Grant Funding for a Development at 6900 85th Avenue North.

MOTION PHA, SECOND WEST-HAFNER TO WAIVE THE READING AND ADOPT RESOLUTION #2021-4 SUPPORTING DUFFY DEVELOPMENT COMPANY'S APPLICATION TO HENNEPIN COUNTY FOR GRANT FUNDING FOR A DEVELOPMENT AT 6900 85TH AVENUE NORTH. MOTION CARRIES ON A ROLL CALL VOTE AS FOLLOWS: YES: WEST-HAFNER, JACOBSON, RUSSELL, PARKS AND PHA. NO: NONE. ABSTAINING: MORSON.

- 6.5 Consider Approving the Undergrounding of Utilities and the Construction of Phase II of the Brooklyn Blvd Multi-Modal Trail Project and Amending the 2021 EDA TIF #3 Budget to include \$220,000 for Trail Construction.

MOTION PHA, SECOND JACOBSON, TO WAIVE THE READING AND ADOPT RESOLUTION #2021-5 APPROVING THE UNDERGROUNDING OF UTILITIES AND THE CONSTRUCTION OF PHASE II BROOKLYN BLVD MULTI-MODAL TRAIL PROJECT AND AMENDING THE 2021 EDA TIF #3 BUDGET TO INCLUDE \$220,000 FOR TRAIL CONSTRUCTION. MOTION PASSED UNANIMOUSLY.

- 6.6 Consider Authorizing submittal of a Grant Application in the amount of \$220,000 and Execution of Agreement with Hennepin County for Transit Oriented Development (TOD) Program Grant Funding.

MOTION JACOBSON, SECOND PARKS TO WAIVE THE READING AND ADOPT RESOLUTION #2021-6 AUTHORIZING SUBMITTAL OF A GRANT APPLICATION IN THE AMOUNT OF \$220,000 AND EXECUTION OF AGREEMENT WITH HENNEPIN COUNTY FOR TRANSIT ORIENTED DEVELOPMENT (TOD) PROGRAM GRANT FUNDING. MOTION PASSED UNANIMOUSLY.

III. DISCUSSION:

7. DISCUSSION ITEMS

7.1 Status Update – Kim Berggren highlighted the following:

- Staff has provided quite a lengthy summary on the status of the small business center project. We have been working on getting some consultants secured to help with the project proposal, the leasing strategy and the feasibility study. The steering committee which includes Commissioners Susan Pha and Lisa Jacobson will be meeting for the first-time next Monday. They will meet a couple times prior to bringing forward some recommendations to the EDA. Please take a few minutes to read through the update on the work and we look forward to presenting that information to you in a future meeting.
- Staff has also provided information about the business relief programs both from the county and the state. If commissioners know of businesses that are looking for resources, please direct them to these available programs. We are anticipating some additional information coming from the county and the state around rental assistance programs and how that will look like going forward.
- We have provided a recap of the 9th Annual Business Forward Forum, which we hosted on December 3rd virtually this year. We had good attendance and were able to celebrate the work that has happened in the business space and created opportunities for businesses to connect in a virtual environment.
- On page 3 you will find information on where BrookLynk is at. We welcomed a new team member to the BrookLynk team Nyoka Sewell. She was previously an intern for the EDA and was able to secure a permanent position. We are excited to have her join the BrookLynk team.
- We have included some information about economic inclusion and the conversations we have been having with outside networks.
- Previewing to you that the Community Development Block Grant Program. Staff will be bringing this forward in January and February to you with some recommended strategies for the allocation of those dollars. Right now, the nonprofit services program is available for our nonprofits to apply to. Staff has been promoting that among our network at the city. If commissioners know of folks that are seeking the use of CDBG grant funding now is the time for them to get their applications together. The information for that is in your packet.

7.2 Housing Update – Erika Byrd highlighted the following:

- The proposed Dominion senior project on 7849 West Broadway sought private activity bonds through the Minnesota Management and Budget and was not successful in securing the funds this round. They have indicated they will continue seeking those funds in subsequent rounds.
- Similarly, Cornerstone Village Bethesda's project was not successful in securing housing infrastructure bonds from Minnesota Housing this round. They will continue seeking that funding. They

recently received a \$2 million grant from the Met Council for the project.

- There are a few updates for Huntington Place. As a reminder the EDA approved a loan of \$5 million in January of 2020 to Aeon, the owner of Huntington Place to preserve the property as affordable housing. The apartment had been market rate before that. EDA staff and police have been working with Aeon around a camera installation plan. The camera switchover is now live and the project is wrapping up. Aeon had inherited 56 cameras that were leased. Those cameras have been replaced by 300 cameras that are new to the property both interior and exterior. Previously the cameras were just on the outside. Police worked very closely on placement of the cameras and access to the footage when there are crimes at Huntington. They have made the switch over to the new system. Huntington Place has also drawn on their first loan of the \$5 million. The EDA approved \$250,000 loan disbursement this fall to Aeon.

Staff has been talking to Aeon about some requests they would like to make of the board and their intent to bring them to you next month. The first is around the declaration of restrictive covenants. Currently Aeon has most of their units restricted as affordable but not all of them. They will be requesting as a subsequent action the EDA look at restricting all of the units so that they can access some tax benefits. They will also be requesting some amendments to the loan agreement to allow them to access funds in a different segmented order. Staff does not have the full context of that but will be working over the next month to get that ready for you.

- The Center for Urban and Regional Affairs Study on Brooklyn Park Housing. As most of you are aware, we contracted with the University of Minnesota and the Center for Urban and Regional Affairs to do a year long study on rental housing in Brooklyn Park focusing on our apartment communities. That currently is ongoing. In the fall they conducted some interviews with residents and apartment managers. They got through half of their goal of interviews. They have the remaining half to do. For the next five weeks they are doing more recruiting and more interviews in focus groups so they can reach their data collection goals. Staff from Community Engagement and Community Development are helping with that outreach, particularly to the property managers and their staff to get their input as well.

Commissioner Tonja West-Hafner stated I am excited to hear that Huntington has the cameras going and they worked with the Police Department. I am interested in updates on this project since we are very invested in it not only as the city but also because of the amount of EDA funding we have allocated to the project. Questions I have:

- Do we have an update on their next steps of spending down the \$5 million?
- Are we getting information on how changing to 4D helps them?
- What analysis have we done or will we be doing around what that affect has on the rents there and how that can maintain affordability?

Erika Byrd responded staff will bring back more detail as we go forward. We are still asking for clarity as well. We do know that they are operating right now as if all of the units were affordable at the same level because the rents are not any higher for those “market rate units.” It would not necessarily change the rents themselves. This would change their ability to have more cash flow to do more investments. As part of their quest to change anything in the loan agreement we are requiring them to give the EDA a budget and status update on all of these improvements. Staff has seen a draft of it.

Commissioner Lisa Jacobson stated since voting for the Dominion project I just need to state that I have received some additional information. Whatever happens I just want to make it a public notice right now that I cannot support that project. Certainly, I will give more details as time permits later on. I have also had great concerns about the things happening and not happening at Huntington so I am happy to get this update. I ask staff questions every now and then about what is happening and not happening there. The good people of Huntington deserve things better than they have been. I do understand with the pandemic it has been more difficult to get things done that we were promised.

Commissioner Boyd Morson stated I would like to piggyback onto Commissioner Jacobson’s concerns. She predates me and I am interested in her concerns about this project. Commissioner Lisa Jacobson responded I am concerned about the company, Dominion regarding some claims. One could google some lawsuits around wage theft. I have been in contact with one of the unions and that is the basis of my concern as it relates to Dominion the company. We do not have an action right now for Dominion’s senior project on West Broadway and 78th but if and when we do, I will not be supporting it.

Kim Berggren added that staff has heard some of the concerns expressed and we have a meeting set up with the attorney on Friday to talk through some of the concerns. We intend to have more information for commissioners prior to an action moving forward.

Vice President Susan Pha stated I have a concern right now about when the rental moratorium ends. What are we going to do when potentially hundreds of families are going to be homeless and they are not going to have a place to live due to their not being able to afford to pay their rent? I have heard that the majority of people are doing well, are able to pay their rent. and there has not been a huge number like we were afraid of when the pandemic started. There will be families that are going to be affected and I would like us to start thinking about housing now and prepare for when the rental moratorium ends. People will need housing programs. I would like us to look at what was done when the real estate market burst in 2009 and people were left in similar situations. People need safe and stable homes.

IV. WORK SESSION

8. WORK SESSION ITEMS:

- 8.1 Discuss COVID-19 Foreclosure and Eviction Housing Strategy – Breanne Rothstein, Economic Development & Housing Director stated thank you Commissioner Pha that is a great segway. To your point staff is thinking about the very same issues around housing. Tonight's item is to begin a conversation about potential housing strategies and does not need action tonight since this is a work session. Staff is seeking direction from the EDA on the level of involvement and any additional housing resources we want to prepare for over the next few months.

COVID is having an impact on both housing stability and workforce development. We have some information and data on that as well as some proposed strategies. Staff has received a lot of information from community organizations but we are interested in hearing from commissioners on what they are hearing from the community with regard to housing, workforce development and the impact COVID has had. We know that 2021 will be a year of significant COVID response from the federal and state level. We will probably be involved in the disbursement of that as well depending upon the program. As more information develops on that we will be including it in the housing update. Local government certainly has a role and to what extent the local role will be is up for discussion tonight.

Breanne Rothstein stated sobering facts regarding employment and labor force participation. Oftentimes what you see or hear in the news is about the unemployment rate which only tells part of the story. Both total employment and labor force participation tells more of the story. You can see here that these are Minnesota numbers. It is very hard to find Brooklyn Park specific numbers on this data. You can find it on a semi-annual basis but you cannot find it locally monthly like you can with Minnesota. Total employment is down, number of jobs are down 4% from this time last year. Labor force participation is down which means people who are looking for work or who have jobs. It excludes anyone who has stopped looking for work or has intentionally removed themselves from the labor force either retiring, choosing to stay home with family or people who are sick. You can see that overall labor force participation has stayed pretty flat between November 2019 and 2020. Labor force participation in the black community is down 6.5%. You can also see the number of Hispanic and white. This is notable because we have a large percentage of our community that is black.

The next data is about housing. Two earlier points about unpaid rent we have data on a national level that shows that unpaid rent is up about 50% from December 2019 to December 2020. Dominion does report on their whole portfolio and you can see their unpaid rent is up from 6% in May to 11% in December. Of the apartment communities that participated in our homelessness prevention strategy who applied of their portfolios in Brooklyn Park 8.7% of their units had unpaid rent at that time. Of course, we brought those into good standing as previously mentioned. Just as importantly is the level of confidence that people thought they could pay their rent. Again, this is national data but the census reported that in the December 2020 24% of those surveyed said that they had no or confidence that they would be able to pay their rent next month. Of those lower income folks 31% said that which is just the pulse of the confidence and is not really hard data but it shows that people are wondering how they are going to pay their rent in the future months.

Breanne Rothstein stated I am not going to go through each of the current COVID housing responses. This slide is the things that are related to housing and what we are currently doing. You can see the CARES funding allocations are on there as well as providing navigation and resource promotion and referral to the existing county rental assistance program as well as the state one that ended at yearend. We are continuing to work with our local partners at the county and state level to promote anything that is available. It can be very confusing because there are multiple different programs at multiple different levels. Just helping people with navigation has been one of the big things that we have done since CARES program has been done at the city.

We do also have a list of recommended strategies. To Commissioner Pha's point this is a listing of things we could be doing with regard to COVID housing response. You can see that many of these involve not only staff time and we are looking for your direction on what level of effort you want us to put into housing response based on what you are hearing from the community about the need. You will see the first one listed is a local rental assistance program. Certainly, we would not be bringing that back until we know more about the new allocation of dollars from the federal government, the county and how that impacts our community. Most of the other ones are just pivoting resources, existing staff resources from the EDA as well as Community Engagement to do a listing of more renter education, homeowner education and other resources.

Breanne Rothstein stated so this ends this piece about housing. What we are looking for is for you to provide direction to staff on how to move forward on housing response. Kim Berggren will facilitate the discussion and we will try to get this quick but we do want to give commissioners the opportunity to provide direction to us.

Kim Berggren stated her suggestion for the board is to spend fifteen minutes talking about the topic of housing and giving us some of your thoughts and then the same thing for the next topic on workforce. We have outlined a few questions to reiterate Breanne Rothstein's statements around:

- We are interested in what you are hearing on housing needs and what you believe in housing needs to be.
- What is your interest level in filling those gaps in housing services and assistance both with staff time and with the use of additional EDA funds or other resources from the EDA to do program response?

I will turn over the discussion to Vice President Pha to facilitate around the room.

Vice President Susan Pha stated let us try to keep this first discussion to fifteen minutes and then go to the next item for fifteen minutes. Commissioner Terry Parks left meeting (10:28 pm). We will go around and give everyone an opportunity to speak. Because this is a work session if something comes up if you could raise your hand. Vice President Pha called upon each commissioner to provide their input.

Commissioners asked questions, provided information on what they are hearing from the community on housing needs and their interest level in filling gaps in housing services.

Kim Berggren and Breanne Rothstein responded to questions as they arose from commissioners. In summary, Breanne Rothstein stated thank you for the direction. We will continue on the path of giving these more thoughts and putting some programs together for housing response.

- 8.2 Discuss 2021 COVID Workforce Development Response. Breanne Rothstein, Economic Development & Housing Director stated we do have several initiatives that we have undertaken both through BrookLynk as well as in partnership with our technical assistance providers and our partners in the community. We have received a lot of requests as part of the CARES Act funding the nonprofit program that we rolled out. We have received quite a few requests for assistance with workforce development training. Retooling people who have been unemployed due to COVID, retraining them or providing some skills, resume building, workshops and things. Some of them were not eligible to be funded under the Emergency Act funding. We have continued to have conversations. We are doing some grant funded work with BrookLynk, North Hennepin Community College and Hennepin Technical and is being led by EDA and Brooklyn Bridge Alliance around why youth do not go or drop out of college and community responses to that.

Breanne Rothstein stated we are working on the small business center which will be a place for businesses to invest in affordable workspace while they grow. We are also doing technical assistance contracts to help small business provide the resources to them that they need to grow and be successful in their businesses planning and financial planning.

The interesting part is that we have received a couple unsolicited proposals from community organizations or community members that have seen a need in the community. They are proposing to the EDA that we financially support their training efforts. One proposal we received is from the Liberian Business Association (LIBA) to do a small business training on QuickBooks. One of the things that we discovered as part of our CARES Relief Business grant program that we did is that many of the businesses that applied for our program did not have a standard bookkeeping procedure, a lot of the businesses were on Cash Ap and other sorts of informal financial tools. LIBA saw this as well when they were helping with technical assistance and developed a training for these small businesses to take advantage of. They are looking for the EDA to support that work.

The second one was a proposal from Paadio Consulting, which is a local business owner who owns a consulting company. He submitted a proposal to the EDA to help us develop a procurement policy, not just the city but other large employers in the city to find employers who are looking to diversify their supply chains or their vendor relationship and who they get services and goods from. Finding those services and matching them with local Brooklyn Park businesses who have those needs. It could be anything from marketing, accounting and other professional services or things like catering, janitorial services. It is really the gamut when you really start digging into larger organizations both public and private have a lot of vendor contracts. This has been an area that has been really a priority for

economic inclusion work on the regional level. It has also been identified by a small business owner in Brooklyn Park as a need. It was a really intriguing proposal, neither of these proposals are fully formed and ready for contract negotiation but staff wanted to float them at this EDA level and if there is interest, we can bring back formal contracts. The contracting process takes a lot of back and forth and a lot of time on both the business owner or the organization and staff level. Before we go through all the contracting, we wanted to just float these ideas and seek your direction on moving forward with more formalized relationship.

Breanne Rothstein stated the last one is our partnership with Career Force, which is the Department of Employment and Economic Development (DEED) there local workforce development center. Their lease is up at their current location on Boone Avenue at the end of June. They are looking for an alternative space in the community and a smaller space. In the community I mean generally in suburban Hennepin or Carver, which is their service area. We are working really closely with them to encourage them to stay in Brooklyn Park and move into the community along Brooklyn Boulevard. There are a ton of partnership opportunities there with Job Fair coordination, technical assistance referrals and things. We do recommend moving forward with more deepening relationship and partnership with Career Force.

Those are the three main workforce strategies. Certainly, there is a lot more we could be doing but we really wanted to start with the things that the community is driving and telling us that they need. Staff is looking for your reactions to those things and if there is interest in them, we would bring back those contracts for your review and approval at that time. There is some investment on both sides.

Breanne Rothstein stated we have similar questions:

- What are you hearing from the community regarding workforce?
- What is your interest in pursuing these two partnerships with the local organizations?

Vice President Susan Pha called upon each commissioner to provide their input. Commissioners asked questions, provided feedback and indicated their level of interest in pursuing partnerships with local organizations. Breanne Rothstein responded to questions from commissioners.

- 8.3 Discuss 2021 Legislative Policy Positions. This item was continued to the February 16, 2021 EDA Meeting.

V. ADJOURNMENT:
Meeting adjourned at 11:23 p.m.