

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
OCTOBER 19, 2020 MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: President Jeff Lunde at 7:01 p.m.

ROLL CALL PRESENT: President Jeff Lunde, Vice President Susan Pha, EDA Secretary Tonja West-Hafner and Commissioners Mark Mata, Terry Parks and Wynfred Russell, Staff: Executive Director Kim Berggren, Economic Development & Housing Director Breanne Rothstein, Development Project Coordinator Erika Byrd, Business Development Coordinator Daniela Lorenz, EDA Attorney Jim Thomson and Program Assistant Theresa Freund.

ABSENT/EXCUSED: Commissioner Treasurer Lisa Jacobson.

2. PUBLIC COMMENT AND RESPONSE:

2. A Response to Prior Public Comment at August EDA meeting from Steven Marsolek, 7800 Colfax Ave. N. regarding Plaza Park located at the intersection of West Broadway Ave. and 85th Ave. N.

Kim Berggren stated that Mr. Marsolek had also raised his questions during a City Council meeting. The City Council discussed the Plaza Park mural and indicated their support for the artwork. I would also note that while there were a few concerns raised, we have had overwhelming positive response.

2. B Public Comment: None

3. APPROVAL OF AGENDA

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

II. STATUTORY BUSINESS:

4. CONSENT:

- 4.1 Consider Approving EDA Meeting Minutes.

MOTION LUNDE, SECOND RUSSELL TO APPROVE THE MAY 18, 2020 EDA MEETING MINUTES. MOTION PASSED UNANIMOUSLY.

- 4.2 Consider Accepting 2020 Grants and Donations on Behalf of the Economic Development Authority.

MOTION LUNDE, SECOND RUSSELL, TO WAIVE THE READING AND ADOPT RESOLUTION #2020-13 ACCEPTING 2020 GRANTS AND DONATIONS ON BEHALF OF THE ECONOMIC DEVELOPMENT AUTHORITY. MOTION PASSED UNANIMOUSLY.

5. PUBLIC HEARINGS:

5.1 None.

6. GENERAL ACTION ITEMS:

6.1 Consider Approving First Amendment to Limited Partnership Agreement of Brooklyn Park Development Fund Limited Partnership.

MOTION LUNDE, SECOND PARKS TO WAIVE THE READING AND ADOPT RESOLUTION #2020-14 APPROVING FIRST AMENDMENT TO LIMITED PARTNERSHIP AGREEMENT OF BROOKLYN PARK DEVELOPMENT FUND LIMITED PARTNERSHIP. MOTION PASSED UNANIMOUSLY.

III. DISCUSSION:

7. DISCUSSION ITEMS

7.1 2021 EDA Budget Introduction – Kim Berggren, Executive Director reported to commissioners that this item is the introduction of the budget and staff is not asking for action on this tonight. We are introducing it to you early so that you will get a preliminary look, have time to provide feedback on the strategic initiatives and other elements of the budget. Staff will then incorporate those changes into an action. We would be bringing that forward to you next month.

The budget timeline and process:

- In August, the EDA and HRA levies were set. We were able to propose flat levies for this year.
- Tonight, we are introducing the budget.
- Bring to the EDA in November for approval
- December it goes to the Council for approval.

This schedule will give you time to suggest adjustments as you learn more about both the EDA and city's budgets.

Kim Berggren stated staff wanted to provide a little bit of a review of work that the EDA has been doing in 2020. There has been a big focus on housing and policy, workforce development and career pathways, we have also been working on the small business investment strategies. You just heard about the revamping of the BPDC programs and the CARES programs, both are in this space supporting our small businesses. Staff has also been working on the business incubator project which we will talk about a little bit later tonight. For housing development, we have had several projects that are continuing to proceed as you are aware in different phases of the development cycle.

We have been working on these longer-term strategic initiatives like the Center for Innovation and the Arts project, continuing to support the advancement of the BLRT project, which is a huge economic development opportunity for the community and then other transportation projects.

This is just a reminder of the work we have been doing this year. We have also included in your packet the 2019 Annual Report. I know that it is a little bit dated, but it is the most recent information we have in terms of packaged up on our work for you to recall the work of the EDA.

Going forward into 2021 of course COVID has had a huge impact on the economic status of our community and businesses. We are continuing to think about how that will impact our work going into 2021. Hopefully, we will be in a recovery phase of the pandemic.

At this point we are recommending the following big picture items in 2021:

- Continue to focus on our small business growth and development. Also, strategies around how we can make sure that our residents are connected to the economy today and going into the future.
- Development will also continue to be the focus of the EDA advancing strategic development opportunities.
- We have talked a lot about housing stability over the last few years. Staff imagines it will be even a more of a prime conversation as we come off the moratorium on the evictions of renters and other things that are brewing right now in our community.
- As always one of the roles of the EDA will be to continue to promote the brand of Brooklyn Park to the business community, the investment community within the region and beyond.

We have provided you with a look back on our levy history. I will say that the numbers in your packet are inaccurate in a table so please refer to the numbers shown on your screen instead. We have old numbers listed and I apologize for that. As you can see, we are proposing to maintain a levy that would match the \$2.1 million levy the city adopted back in December of last year. For many years, the EDA / HRA levies were adopted at the maximum levy amount. In recent years we have been making a substantial reduction of what could be adopted to what you are now adopting. You can see that the levy amount has been decreased from the maximum levy.

One of the things that the EDA has a long history of doing is leveraging outside resources to support the community. We have highlighted this again as we think about the budget. Depending on how you look at the numbers the EDA's staff and the EDA as an organization has brought in millions of dollars of grant revenue to support community activities. One of the easy ones to look at is the \$8 million dollars the state has allocated to Second Harvest Heartland and staff continues to administer as an example. Listed are other grants that are common for the EDA.

With that introduction to the EDA budget. There are five main areas that the EDA spends money on:

- Staffing.
- Development costs for predevelopment and planning.
- Neighborhood and housing programs.
- Investments in workforce development and small business.
- Direct development costs that typically come through as tax abatement or tax increment financing projects that the EDA oversees.

Staff is suggesting that we continue a lot of the ongoing work of the EDA. We have listed what those investments will look like. We are also carrying forward projects from 2020 that did not have an opportunity to advance this year given the situation with the pandemic. We are suggesting carrying forward those costs into 2021. We are also proposing a series of new initiatives. We talked about these a little bit at our EDA meeting in August during the work session and staff got some preliminary feedback. We have tried to take that preliminary feedback and incorporate what we heard support for and incorporate that into the budget. I would be happy to talk about any of these new initiatives today to answer your questions tonight or bring back more information at the November meeting.

I do want to call attention to our staffing and discuss how the EDA is staffed as part of the budget process. We are suggesting that we maintain our staffing levels. We are however, suggesting that the vacant Senior Project Manager that we have kept open due to budget constraints be filled. We would like to transition it to be operated out of the city's Administration Department. We are suggesting that those dollars would be used in part to support the community engagement staff that we already have. The EDA does call on those staff to assist with some of our initiatives and we typically try to use the chargeback system to account for those staff hours that would be allocated to the EDA. A portion would do that and another portion would fund a proposed position that would replace the FTE for a Diversity, Equity and Inclusion position. I have highlighted the four activities that position might do.

Staff is bringing this to you as an idea at this time. More information will be coming on this proposal. Wokie Freeman-Gbogba the Director of Administration will be able to share more information about the position later through the budgeting process, particularly at the November work session discussion. I would be happy to try to answer any preliminary questions on the proposal as well. This would keep our staffing at the same level and we would anticipate that if this role is funded out of the EDA, we would have a strong connection to the work. This position would spend substantial time working on economic inclusion work on behalf of the EDA, helping with the strategies we are developing and with some of the deployment of the work. We are trying to maximize the ability to do our work effectively while not adding staffing to the organization given the budget constraints that we have.

That is all I have for you in terms of a presentation. I would be happy to go back on any of the strategic initiatives and talk through them more if you have questions. Staff will be bringing this information back to you in November.

Commissioners present asked questions and gave staff feedback on the budget introduction.

- 7.2 Status Update – Kim Berggren highlighted the following noting that the EDA did not have a September meeting:
- The city celebrated Restaurant Week mid-September. This was another good push to celebrate the restaurants that are continuing to find ways to survive through this interesting time.

- Staff is continuing to work on the small business center project. We will be convening that advisory committee later this year to advise on the next steps of the small business center project. It has been delayed with the focus on the CARES Relief spending, but we will continue to move that forward later this year.
- I wanted to make sure that you are all aware of the governor's visit to the Corridor Management Committee meeting recently where he indicated his strong support to advance the BLRT project. We are continuing to plan for that project to move ahead. There will be outreach efforts that will be coordinated by the Met Council and Hennepin County with help from some nonprofit organizations to look at the alignment, which is mostly outside of Brooklyn Park along the southern area of the line coming out of Minneapolis going up through Golden Valley into Robbinsdale. Our five stops are likely not to be impacted by the realignment conversations except for the station at 63rd Avenue North. The best guess at this point is that that station would be moved to the center of highway 81 rather than being on the west side of the road as it was currently designed. The realignment conversations will likely have very little impact on Brooklyn Park, but it is going to be a conversation point for the other communities over the next coming months.
- There was celebration of the Plaza Park at the end of the summer. We are continuing to plan to activate the Plaza Park with Park and Recreation Department. They do most of the activation work, programming side of the Park Plaza which is located at 85th Avenue North and West Broadway.
- We are also continuing to move ahead with the Center for the Innovation of the Arts (CITA) planning effort. We did not receive the bonding funding from this last cycle though that was largely anticipated given the situation. Staff is coordinating with North Hennepin Community College (NHCC) to advance the hiring of the position that was funded out of the EDA budget this year. The position will most likely not get hired until early 2021. That number was shown in the EDA budget tonight. That position would be initially responsible for fund raising for the project in coordination with NHCC and the other partners. There is an advisory meeting for CITA tomorrow and we have a few commissioners that are sitting on that advisory board and we are hoping you will be able to make it to the virtual meeting.

Commissioner Susan Pha stated I want to say how wonderful Restaurant Week was. I have been home not eating out and this gave me an excuse to go out and eat. I do want to say that the restaurants I was at they were all excited about being part of Restaurant Week and they were very happy. They told me they got an uptick in business because of it which is great. One restaurant El Loro, a Mexican restaurant for some reason on our website it does not have a phone number that does not go to the Brooklyn Park one. I called in an order to pick up, two orders of street tacos and a fajita, and I went in to pick it up. They did not have my order because the phone number we had listed for some reason went to a different location – Bloomington maybe. I did get my order. I got so much feedback. I went to Thai Fusion, El Loro and Mandarin over the week. It was so good. I think we should definitely continue, include more restaurants and do it as often as we can. Our restaurants really appreciate it.

Commissioner Mark Mata stated if we are going to invest time and energy into Restaurant Week, we should do something that will give back to all the restaurants. We should contact all the restaurants and have them tell us if it was successful. We need some way to measure success.

Kim Berggren stated she wants to give credit to the Communications Team. Has been a big part of the program not just the Economic Development Team. We have great staff that put together the thinking of how to coordinate with the restaurants and the Communications Team getting the word out. There is a large part of the program that is defined around making sure residents know that we great restaurants and that might be a hard indicator to measure. We will certainly take the feedback and look at how we are measuring the success of that program.

President Jeff Lunde I do appreciate Ms. Sherman's update on the bus route engagement. I continue to believe the engagement was not that good and we did not reach people. I will keep asking the staff at the Met Council because they made this big deal about engagement two days before they started and told no one. I know they do not know our community like we do to get something like that done we would know better. I am curious because I have a feeling that no matter what the engagement comes back, they are just going to do what they were planning to do anyway. I worry about that route. It goes through the heart of some areas that we have spent time and money trying to support the community and we do not need a bus route that is less stops.

President Jeff Lunde stated I would like to know if this winter is a repeat of last spring due to COVID, what would be the financial impact be on our restaurants and if would affect tax valuations. Do we have plans to go out and survey? Kim Berggren replied in Brooklyn Park we have our own Environmental Health staff which is not always true for other cities. One of the advantages of that is that our staff are very connected to the restaurants because they do their annual health inspections. I was just talking to Alex Kim who is one of our full-time inspectors and he was commenting about how the drive-thru restaurants are doing great. In the conversations we had today with D'Amico they were speaking more from the sit-down restaurant type and the concern without the patio experience over the winter it is going to be hard on a number of restaurants. There is a lot of variation and we will try to keep a pulse on the experience of restaurants. We have had five or six close and a few of them were not for COVID reasons. There is always a lot of turnover in the restaurant business. We will propose strategies as we have ideas on supporting them. Staff has seen several restaurants come through the small business support grants that we are working on with the CARES Relief.

President Jeff Lunde stated that the feedback he has received from restaurants is that they have fewer staff, some half of the staff they had before and they are making less money. Now might be the time to reach out to them.

Catrice O'Neal, Program Manager of BrookLynk shared highlights of successes of their 2019-2020 program year. BrookLynk is a youth workforce development program currently directed by the cities of Brooklyn Park and Brooklyn Center. It has become a viable solution to our communities' workforce needs providing early employment experiences and work readiness training opportunities to youth and young adults ages 14-21.

In 2020 BrookLynk welcomed an all-new staff including me. Paul Vang our Program Coordinator and Dan-neya Yancey who is our newest hire as a temporary Job Coach. This team has fearlessly taken on the many new challenges brought on by the pandemic and they are looking forward to many more successes into the new program year.

During a typical BrookLynk program year we delivers: Get Ready! Youth and supervisor training, regional youth job fair, summer internships and additional professional and development opportunities through our alumni network. In 2020 like most youth development programs BrookLynk was forced to pivot its program model in response to COVID19 to include online programming which resulted in a hybrid program model.

For the spring and summer staff redesigned the existing program introducing several online offerings and shifting us to offer both in person and online opportunities, including an online Get Ready! Youth and supervisor training, in person and virtual summer internships and an all new paid six-week online training series.

This fall and winter we are excited to be able to also add a virtual job fair and two additional work readiness workshops for alumni. In addition to the changes in programming three of our funders including our two state DEED grants and Hennepin County extended our funding through the end of the year allowing us to provide the previously mentioned programs and new services. This additional pivot in funding provided increased access to BrookLynk programs and services and extended programing through the fall and winter for youth in our community.

2020 had a significant impact on youth and families in our community. This year BrookLynk and our many employer partners were committed to innovation and creativity to ensure that youth had positive experience in our summer internship program and beyond. Here you can see our success in numbers:

- With 224 youth completing Get Ready! in person or online.
- 112 youth applied for either summer internship or the newly offered 6-week online training series.
- 104 youth or 93% successfully completing paid summer work experiences.
- Of the 11 employer partners that remained after the onset of COVID, 7 including the City of Brooklyn Park and Brooklyn Bridge Alliance for Youth offered summer internships and another 5 sponsored over \$20,000 in youth stipends for youth completing the 6-week online training series. Of those employers that supported the 6-week online training series were Cummins Power Systems and the City of Brooklyn Center. We also received a COVID Relief Grant from Boston Scientific in the amount of \$15,000 that aided in

the development of the new online hybrid programming and 6-week online series.

In addition to these successes, I am happy to report that amidst the many challenges we faced since this spring BrookLynk served more than 328 youth March through August. This is a 10% increase from 2019 in participation and we placed 35 alumni in jobs over the last year.

7.3 Housing Update – Erika Byrd, Development Project Coordinator highlighted the following:

- The Duffy Development project at 6900 85th Avenue North, which is the North Hennepin Community College (NHCC) site. I would like to note that EDA staff and Planning staff have been in communication with Duffy Development quite a bit over the last month working on a site plan and preliminary design concepts. I will be meeting with Duffy Development talking with students at NHCC this week to get some feedback. We are also planning in the next month or two to do some neighborhood engagement work and then we are hoping to bring some of our findings and incorporate them into the plans and bring them forward to the EDA. Stay tuned for more on that very soon.
- I would like to highlight Brooks Landing and Brook Gardens. In your packet you will see some photos from an event that Brook Gardens had on October 1st. Council Member West-Hafner I believe you were there. I heard it was a great turnout for that celebration and was really well received. Brooks Landing and Brook Gardens have completed their rehab work for their buildings. This is a separate project that is focused on stormwater and landscape work. It has quite a few partners, including the EDA funding it along with resident support and community organization support. Part of the work the EDA is doing to help promote beautification in the community. Some of the grant funds are going into the project along with money from the state, Hennepin County and watershed district.
- The research project that the Center for Urban and Regional Affairs at the University of Minnesota is doing on rental housing. As Ms. Berggren had talked about earlier, we are working to get that up and going again. We had quite a few meetings. I just went today talking about how we do engagement with renters and the landlords because we want to bring both sides in for interviews and focus groups. We are looking at doing at electronic for mostly the staff of the apartments and doing the hybrid model for the residents to give them multiple opportunities and ways to engage. We are looking at November and December for collecting that data from the last quarter of the year.
- In the rental and housing assistance space related to COVID19 there has been a lot of work at the city and in the region. Staff has spent quite a bit of time working to promote rent and housing assistance at the state and county programs directly to our residents. Some of that has involved staff going out to our apartment communities and doing direct one on one work with residents to help sign them up. Hennepin County has also engaged a number of community organizations to help do this rental outreach and application help assistance. I would also like to point out that Hennepin County is acknowledging that they have some money

and are not having difficulty spending it but looking at potential ways to get it distributed more quickly and more efficiently. One of the things they have done right now is issued an RFP for an administrator to help with some direct assistance to the apartment communities. Hennepin County will be looking to deploy CARE funds more quickly through property owners who can apply for assistance and they would be looking for an administrator to do that. So, the RFP is open right now and we anticipate in the next month that that could be a program that would help get some money out into our community.

- City staff is also thinking about how we will get ahead of eviction and mortgage moratorium heading into 2021. We have been doing some planning and we plan to bring some strategies and ideas forward to the EDA in the next couple of meetings. In fact one of the ideas we are thinking about in a shorter term is using some of the unused CARES funds to directly support stability and homelessness prevention. Maybe in the rental space as well but there is quite a bit, we will have to figure out in the next week around that. I wanted to preview that those are the conversations we are having and trying to bring forward to you.

Commissioner Terry Parks stated I am looking at the second page of the report on Autumn Ridge Apartment's landscaping and beautification. The snow fence is not beautification. Have we gotten the snow fence removed? It was supposed to be a temporary fence and it has been there for two to three years. Erika Byrd responded that the fence at Autumn Ridge has come down. This is a new installation that has happened just earlier that month so the fencing is around it to protect it for the first year. The plan is that as those plants mature the fences come down.

Commissioner Tonja West-Hafner reported I was able to go to the open house that they had at Brooks Landing and got a tour before the owner started working on all of them through my day job. I got to see if after the fact and it is night and day. I am really excited about the interior and exterior work they have done there. That particular project is right by the creek there so they have a lot of water and runoff. The ingenious way they did the plants around the drainage, nature play and some of the other things they have done. They are also going to be working, if I remember correctly, on the other end in the middle courtyard area that has some trees that have to come out. I heard very clearly from some of the kids that they need a soccer field there or they want to keep the soccer field there. This was their soccer field there where they planted all of these little things which is why there is a snow fence there to keep the little kids out of there. I was really happy to be able to be there and see our investment and the owners' investment in the community.

Commissioner Tonja West-Hafner stated they had mentioned that they were going to be doing some kind of open house at Brook Gardens soon too. They are also doing some of this work there, some community gardens and other things. Erika Byrd responded yes; the plan is to do open houses at both. I think the senior apartment one takes a little bit more coordinating with the interior space and I think that was delayed. I will check on that. Commissioner Tonja West-Hafner stated they have a lot of community space on that first floor that was underutilized and I am excited about

seeing how they reused that. They were also doing some exterior work like this and creating some community gardens.

Commissioner Tonja West-Hafner commented anything we can do that helps keep people out of homelessness or out of our shelters and in their housing is super important. Whether that is directly helping the residents or figuring out a way to help the residents help themselves by working with the landlords that makes a lot of sense to me. The more we can do the better off we will all be. Not just for our community but every other community that has any rental projects in their city. I am happy that CURA has started up again. It is important to me to understand what they are seeing and what we are hearing. Also, their viewpoint on where we could be doing anything better in that space as well.

Commissioner Tonja West-Hafner stated is Autumn Ridge done now with their phase three? They have it up for sale and that was a concern of mine that everything stays in place. It is always concerning when people who do this work want to sell to someone who may or may not understand what they are buying and who lives there so they can properly manage that portfolio of projects. Erika Byrd responded that phase one of Autumn Ridge repairs was done. We approved a phase two for some additional common space, cameras, doors and exterior lighting. Exterior lighting is still incomplete because when they bid it out it was way over costs. Staff has been asking them to rebid that. I do not know if that is going to happen given that it is for sale. We have not deployed loan funds to cover those costs of that unmade repair related to the exterior lighting. As you referenced the project has to stay affordable and they would have to either payback the loan or we would have to take an action to approve restructuring with the new owner. They would have to pay back that loan if they were just going to sell it and not seek out EDA approval.

Breanne Rothstein, Economic Development & Housing Director added that she had just spoken to the owner Chris Sherman on Friday. We had a great meeting with him and they are uncertain if they are going to sell at this point. They have assured us that all of the work will be completed before sale and that the loan would be repaid if they did sell. The second aspect is that the people they have talked to who have potential interest are all very experienced developers and managers in affordable housing. I felt a lot more confident at the end of the conversation. First of all, if they do sell it will have to be a very good environment for them and second the people, they are talking with have a lot of experience within this space. I just thought I would interject that here since it was a hot off the press call.

Commissioner Tonja West-Hafner asked what is happening at Huntington? They have not tapped into our funds either which means some of that work that we all thought was pretty important to get done is not getting done. Erica Byrd responded regarding Huntington Place we have been working with Aeon to go over the scope and what is in the contract. They have proposed a camera installation plan which there was sticking points on the access the police would have to that. We are still going through those conversations. The President of Aeon met with our police chief last week to talk through that and staff will be back in communication with them. Our contract requires an approved camera plan. That was the first investment and it got held up because of these details on how the IT works and what access would look like.

Commissioner Mark Mata stated the cameras are going up for their purposes too, which means so their management can see what is going on and hold people accountable who live there. Aeon is the property owner. Whether there is an agreement on how far the police can look at something sounds all secondary. This should not affect camera installation or the bids to get it in. This money was put forward to clean the place up, to get better living conditions for our tenants, to make sure that when they walk out the door with garbage, they make it to the dumpster surround and people are free and clear to walk through the parking lot to get to their cars. We are looking at giving Aeon \$7 million and we can't have them come before us and say why there is a slowdown. Do we want to wait five years and then we can figure out the crime situation going on over there? I would start charging for every police call going on over there. I bet you that will get the cameras up really quick.

Commissioner Mark Mata suggested that for projects like Brooks Landing we put a split rail fence that will eliminate someone from walking through the landscaping. It is fairly cheap and that becomes a focal piece rather than the orange snow fence.

Commissioner Mark Mata stated with the apartments and rent since we know who all the apartments are and we know every place that has a rental license, could we have someone make phone calls to them. Inform them you reside inside our city and our goal is to keep our taxes low to you. Can we ask you that you tell us from the previous month (so it is a month lookback) rent that was not paid? The tenant will first have a problem and then the management company will have a problem. The governor's order not to evict will not last forever, it will come off and when it comes off somebody should have a grasp of reality of what it is going to be.

Commissioner Susan Pha asked was there a completion date that Autumn Ridge was supposed to have all the improvements and construction done by? I know that they extended the timeline and loan period once or twice. Erika Byrd responded the date is February of 2022, roughly a little over a year left on the completion date of the extension that we last issued. There is only the exterior lighting there other two major items were completed. Commissioner Susan Pha stated that if they ask for an extension again tell them no and to get their stuff done. I have been on the Council for four years and I remember them starting this work before I came on. Tenants have called me and said my unit is still not done.

Commissioner Mark Mata suggested when the EDA does large loans like Autumn Ridge, we put something in the contract that says you need to retain ownership of it for say two years after Brooklyn Park determines completion of the project or there is some type of payback. Erika Byrd responded that this is an interest-bearing loan and Sherman Associates is paying it back on a schedule and they are currently making payments. They will have to pay the entire balance if they sell.

IV. WORK SESSION

8. WORK SESSION ITEMS:

8.1 None.

V. ADJOURNMENT:

Meeting adjourned at 8:47 p.m.