Economic Development Authority
City Hall (Council Chambers)
5200 85th Ave N, Brooklyn Park, MN 55443

Monday, April 17, 2023
6:00 p.m.

REGULAR EDA MEETING – AGENDA #4

President Hollies Winston, Vice President Nichole Klonowski, Treasurer Boyd Morson,
Commissioners Christian Eriksen, Xp Lee, and Maria Tran,
Executive Director Kim Berggren, Assistant Executive Director Jay Stroebel, and Secretary Josephine Thao.

If you need these materials in an alternative format or reasonable accommodations for an EDA meeting, please provide a 72-hours' notice to Josephine Thao by calling 763-493-8059 or emailing Josephine.Thao@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 Brooklyn Park 2025 Goals:

• A united and welcoming community, strengthened by our diversity • Beautiful spaces and quality infrastructure make Brooklyn Park a unique destination • A balanced economic environment that empowers businesses and people to thrive • People of all ages have what they need to feel healthy and safe • Partnerships that increase racial and economic equity empower residents and neighborhoods to prosper • Effective and engaging government recognized as a leader

I. ORGANIZATIONAL BUSINESS

1. CALL TO ORDER/ROLL CALL

2. PUBLIC COMMENT AND RESPONSE

Provides an opportunity for the public to address the EDA on items which are not on the agenda. Public Comment will be limited to 15 minutes *(if no one is in attendance for Public Comment, 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 members of the public. Questions from the EDA will be for clarification only. Public Comment will not be used as a time for problem-solving or reacting to the comments made but, rather, for hearing from members of the public for informational purposes only.

2A. RESPONSE TO PRIOR PUBLIC COMMENT

2B. PUBLIC COMMENT

3A. APPROVAL OF AGENDA

3B. PUBLIC PRESENTATIONS

3B.1 None.

II. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION

4. CONSENT

4.1 Consider Approving the 2023 EDA Meeting Minutes
- **A.** MARCH 20, 2023 DRAFT REGULAR MEETING MINUTES

4.2 Consider Election of Secretary

4.3 Consider Directing Staff on the Loan Forgiveness for Aeon's Perimeter Security Project at Huntington Place
- **A.** LETTER FROM AEON

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 Real Estate Equities for a Housing Development on the Western Portion of 9500 Decatur Drive – North Building; and Approving the Term Sheet Between the Brooklyn Park Economic Development Authority and Real Estate Equities for a Housing Development on the Western Portion of 9500 Decatur Drive – South Building

- **A.** RESOLUTION – NORTH BUILDING
- **B.** RESOLUTION – SOUTH BUILDING
- **C.** PRELIMINARY TERM SHEET – NORTH BUILDING
- **D.** PRELIMINARY TERM SHEET – SOUTH BUILDING
- **E.** REE RESPONSE TO PROPOSED MORATORIUM
- **F.** CASE STUDIES OF REE PROJECTS
- **G.** LOCATION MAP

6.2 Consider Approving a Professional Services Agreement with I Alexander Agency for Operations of the Small Business Center Project; and Approving Second Amendment to Management and Leasing Agreement with Wellington Management for the Small Business Center Project

- **A.** RESOLUTION
- **B.** RESOLUTION
- **C.** DRAFT PROFESSIONAL SERVICES AGREEMENT
- **D.** DRAFT SECOND AMENDMENT TO MANAGEMENT AND LEASING AGREEMENT

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. 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. Items requiring excessive time may be continued to another meeting.

The Brooklyn Park Economic Development Authority's agenda and packet is posted on the City's website.
To access the agenda and packet, go to www.brooklynpark.org.
The next scheduled EDA meeting is Monday, May 15, 2023.

City of Brooklyn Park
Request for EDA Action

Agenda Item:	4.1	**Meeting Date:**	April 17, 2023
Agenda Section:	Consent	**Prepared By:**	Josephine Thao, Project Facilitator and Seng Moua, Program Assistant
Resolution:	N/A	**Presented By:**	Kim Berggren, Executive Director
Attachments:	1		
Item:	Consider Approving the 2023 EDA Meeting Minutes		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO APPROVE THE MARCH 20, 2023 EDA MEETING MINUTES.

Overview: N/A

Primary Issues/Alternatives to Consider: N/A

Budgetary/Fiscal Issues: N/A

Attachments:

4.1A MARCH 20, 2023 DRAFT REGULAR MEETING MINUTES

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
MARCH 20, 2023 MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: President Winston at 7:05 p.m.

ROLL CALL PRESENT: President Hollies Winston, Vice President Nichole Klonowski, Treasurer Boyd Morson and Commissioners Christian Eriksen, and Maria Tran. Staff: Executive Director Kim Berggren, Economic Development and Housing Director Breanne Rothstein, EDA Secretary Josephine Thao, EDA Attorney Jenny Boulton, Housing and Redevelopment Coordinator John Kinara, and Development Project Coordinator Sarah Abe.

ABSENT/EXCUSED: Commissioner XP Lee.

2. PUBLIC COMMENT AND RESPONSE:

2. A Response to Prior Public Comment: None.

2. B Public Comment received: None.

3. APPROVAL OF AGENDA

Commissioner Morson expressed concern with approving the 2022 minutes.

Commissioner Eriksen stated that links were provided to those meetings in order to review the recordings and President Winston repeated it out loud for the audience to hear.

MOTION MORSON, SECOND KLONOWSKI, APPROVING THE AGENDA AS PRESENTED. MOTION PASSED UNANIMOUSLY.

II. STATUTORY BUSINESS:

4. CONSENT:

4.1 Consider Approving 2022 EDA Meeting Minutes.
- A. February 22, 2022 Draft Regular Meeting Minutes
- B. March 21, 2022 Draft Regular Meeting Minutes
- C. July 11, 2022 Draft Special Meeting Minutes

4.2 Consider Approving 2023 EDA Meeting Minutes
- A. January 23, 2023 Draft Regular Meeting Minutes
- B. February 21, 2023 Draft Regular Meeting Minutes

4.3 Consider Amending the 2023 Adopted Budget for BrookLynk to Incorporate Brooklyn Center's ARPA Funds
- A. Resolution

4.4 Consider Authorizing Staff to Purchase Gift Cards for the Real Estate Forum Door Prizes
A. Resolution

MOTION MORSON, SECOND ERIKSEN, TO APPROVE THE CONSENT AGENDA. MOTION PASSED UNANIMOUSLY.

5. PUBLIC HEARINGS:

5.1 Consider Approving a Modification to the Development Program for Development District No. 1 Establishing Tax Increment Financing District No. 1-28 (a housing district) Therein, Approving a Tax Increment Financing Plan Therefor, and Authorizing the Execution of Certain Documents Related Thereto
A. Resolution
B. Location Map
C. First Amendment to Purchase Agreement
D. TIF Development Agreement
E. LCDA – TOD Loan Agreement
F. LCDA – Subrecipient Funding Agreement
G. LCDA – Combination Mortgage and Security Agreement
H. LCDA – TOD Note

Development Project Coordinator Sarah Abe provided background information on the 6.2-acre site at 6900 85th Avenue North and the proposed from Duffy. She stated that Duffy proposed a two-phase development of two 71-unit apartment buildings with commercial on-site. She stated that the housing component would be similar for both phases and reviewed the proposed mix of units for phase one. She reviewed the considerations before the EDA tonight. She also provided an overview of the community engagement that has been completed for this site and related to this proposal. She reviewed the project benefits as well as public partners for the project and related financing. She provided additional details on the proposed unit mix and related rents. She reviewed the proposed site plan and provided additional details on the proposed TIF agreement, and LCDA loan agreements. She reviewed the next steps, anticipated construction timeline, and action before the EDA tonight.

Commissioner Morson asked for more details on why zero percent interest would be proposed.

Development Project Coordinator Sarah Abe provided additional clarification on the LCDA grant, noting that the funds are awarded to a grant to the City and then structured as a zero percent long-term loan to the developer so that it does not show as income for the developer and impact other funding sources.

Commissioner Klonowski thanked the developer for their interest in Brooklyn Park and asked if a contractor has been selected.

Jeff Von Feldt, Duffy Development, replied that they have a contractor that is well selected although they have not finalized the contract. He noted that they would finalize those contracts after the City plans have been fully approved.

Commissioner Klonowski stated that her concern would be with how subcontractors hire and treat their employees. She stated that they do not want to see workers treated unfairly and referenced the addendum that was added to hold Duffy responsible to ensure those things are not happening. She asked how Duffy would be ensuring those things do not happen.

Mr. Von Feldt stated that he is aware of the addendum which will be included in all subcontracts. He stated that while they may not be able to prevent that, they could make changes should that occur. He stated that he was not aware of any past issues.

Commissioner Klonowski stated that there are some known subcontractors and those should be avoided.

Mr. Von Feldt agreed. He asked if the City has a list of non-allowed contractors.

Executive Director Kim Berggren replied that the City does not have a list but provided additional details on how they can identify those subcontractors that should be avoided.

Commissioner Morson asked if the developer should be requiring that information from the subcontractors.

Mr. Von Feldt commented that the addendum should cover that as that would be included in contractor and subcontractor contracts. He stated that additional language could be added that any notification to the subcontractor or contractor about unfair labor processes be reported to the contractor and developer.

Commissioner Tran commented that she supports these statements as they want to make sure that these funds are used appropriately and not towards labor exploitation.

Commissioner Klonowski asked if the developer has requested to see certified payroll from contractors.

Mr. Von Feldt replied that they have not required that in the past.

Commissioner Klonowski noted that could help the developer to ensure there are not unfair labor practices.

President Winston opened the public hearing.

No comments.

President Winston closed the public hearing.

MOTION MORSON, SECOND KLONOWSKI, TO WAIVE THE READING AND ADOPT RESOLUTION #2023-05 APPROVING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1, ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 1-28 (A HOUSING DISTRICT) THEREIN, APPROVING A TAX INCREMENT FINANCING PLAN THEREFOR AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS RELATED THERETO. MOTION PASSED UNANIMOUSLY.

6. GENERAL ACTION ITEMS:

6.1 Consider Directing Staff as it Relates to Economic Development Authority Involved Development Projects
A. Resolution

Executive Director Kim Berggren provided background information on this item which has been discussed in two different worksession meetings. She noted that the proposed resolution has been drafted using the input of those EDA discussions.

Commissioner Eriksen asked for input on the items related to certain sites and whether conversations should be restricted to those parties within the document rather than being open to other conversations as well.

President Winston asked if this language would be restrictive or simply mentions that there would be conversations with those parties.

Commissioner Eriksen stated that if the intent is to have a six month pause and engage in communications, and the EDA did not take action to move forward with those parties, he was concerned that this would be seen as preferential treatment.

Executive Director Kim Berggren stated that the six month pause does not include the mentioned sites. She stated that it was the understanding of staff to determine whether the developers could adjust their proposals to determine if that should continue to be explored. She stated that it is not a commitment but allows staff and the EDA to continue to have those discussions. She stated that if the EDA wanted to start over on the RFP process, that would be an option as well. She commented that it would be a low-risk action but if the EDA does not want staff working on those projects, efforts would be focused elsewhere.

President Winston commented that given the work that those developers have put into the process, he would be open to continuing those discussions.

Commissioner Klonowski agreed, noting that it is low risk. She acknowledged that there is a financial cost the developers put into their proposals. She asked the developer for input on the financial cost for the proposal to provide the EDA with that knowledge.

Damaris Hollingsworth replied that over $20,000 has been put into the Regent Site with about $15,000 for the park and ride site.

Commissioner Klonowski recognized the work that has gone into these processes and believed that it is worthwhile to determine if they could work together further to adjust the concept. She stated that anything that comes forward would still be voted on by the EDA.

Executive Director Kim Berggren confirmed that this would simply direct staff to work with those parties to determine if something could be developed that would better align with the vision.

MOTION KLONOWSKI, SECOND MORSON, TO WAIVE THE READING AND ADOPT RESOLUTION #2023-06 DIRECTING STAFF AS IT RELATES TO ECONOMIC DEVELOPMENT AUTHORITY INVOLVED DEVELOPMENT PROJECTS. MOTION PASSED UNANIMOUSLY.

6.2 Consider Accepting the Master Program Development, Project Design, Implementation, and Budget Planning for the Brooklyn Park Wayfinding Project

A. Resolution
B. Program Development
C. Design Intent
D. Implementation
E. Budgeting Planning

Housing and Redevelopment Coordinator John Kinara reviewed the intent of wayfinding signs in a community. He stated that this plan incorporates the existing City efforts and changing of efforts that would come with the LRT wayfinding. He provided additional background information on the wayfinding project and the intent for the project. He provided information on the planning process and content development as well as public input received.

Mike Haug, AVIA Design Group, explained the process that is followed noting that they first determine the messaging to ensure the design that is chosen could accommodate that messaging. He provided examples of different types of signage and related emblems that could be added. He also identified the proposed phasing for the trail wayfinding signage, beginning more regionally and then more locally. He also reviewed similar phasing for vehicle wayfinding. He noted that a QR code could be placed on each sign that would allow users to connect that information to their mobile device.

Housing and Redevelopment Coordinator John Kinara reviewed the project budget noting that the project would be implemented over the next five years. He reviewed the next steps and the action before the EDA tonight.

Commissioner Morson asked the life expectancy of the materials.

Mr. Haug replied that they reviewed a number of different materials to find a balance between lifespan and cost. He stated that most materials last at least ten years. He provided examples of some easy maintenance that can be done.

Commissioner Morson asked if the ongoing maintenance would be the responsibility of the City of the outside firm.

Mr. Haug replied that his firm is just involved in the design.

Housing and Redevelopment Coordinator John Kinara confirmed that ongoing maintenance would be the responsibility of the City.

Commissioner Morson noted the annual maintenance estimate of $50,000 and asked for examples of what that cost would cover.

Housing and Redevelopment Coordinator John Kinara provided examples such as refacing signs or repainting pavement graphics.

Mr. Haug noted that would also cover updating materials in the kiosks or responding to damage.

Commissioner Morson asked if staff has been in contact with the 252 project.

Mr. Haug replied that they have deferred the placement of any signage to closer to when that project would occur. He stated that currently the State would allow these types of signs but once that changes to a freeway the signs would no longer be allowed.

President Winston stated that part of the requested action would be to begin the project as funding allows. He asked the pieces that would be prioritized for this project to be successful if funding is tight.

Housing and Redevelopment Coordinator John Kinara replied that the implementation is proposed to be phased over the next five years. He stated that each phase includes a budget planning process which outlines the details and estimated cost.

President Winston asked if this would be prioritized by year and whether there would be options that could be selected in years when there are lesser funds available.

Housing and Redevelopment Coordinator John Kinara replied that there is a team working on this that will make decisions on what is implemented based on the resources available.

Executive Director Kim Berggren stated that this is a planning tool. She stated that the project phasing does provide prioritization on which things should be implemented first. She noted that each year they would reevaluate the prioritization. She recognized that budgeting is a complicated discussion, but this will be a tool that can be used to determine the level of investment the City wants to make.

Commissioner Morson referenced the total estimated cost of $1,700,000 noting that cost could increase in coming years.

Housing and Redevelopment Coordinator John Kinara stated that each year they would do a request for proposals for pricing as they determine which elements to implement. He confirmed that this is an estimate.

President Winston commented that whatever is chosen will be constrained within whatever budget is chosen for the item in coming years.

Commissioner Morson commented that even if that is the case, costs will continue to increase each year with inflation.

President Winston stated that would apply to any project presented to the City because inflation exists. He again noted that the Council controls the budget and projects are subject to cost increases, providing examples of recent projects and equipment purchases that have had higher costs. He did not want staff to try to guarantee costs when all departments have been subject to rising costs.

Commissioner Klonowski suggested leading with the chart that shows the phasing and estimated costs.

MOTION KLONOWSKI, SECOND ERIKSEN, TO WAIVE THE READING AND ADOPT RESOLUTION #2023-07 ACCEPTING THE MASTER PROGRAM DEVELOPMENT, PROJECT DESIGN, IMPLEMENTATION, AND BUDGET PLANNING FOR THE BROOKLYN PARK WAYFINDING PROJECT. MOTION PASSED UNANIMOUSLY.

6.3 Consider Approving Terms for Contractors Related to the Small Business Center and Authorizing the Executive Director to Negotiate and Prepare Agreements

A. Small Business Center Budget

Economic Development and Housing Director Breanne Rothstein presented a request to consider approval of terms for three different contracts related to the Small Business Center (SBC). She reviewed the values of the SBC and project schedule from fall of 2021 through June of 2023. She provided a project management update noting that staff is

seeking direction and term approval on three contracts tonight. She noted that a number of additional contracts will continue to come before the EDA in the coming months. She reviewed the contract proposals for technical assistance, fiscal agent, and operations/staffing.

Commissioner Eriksen stated that the EDA discussed this during the worksession in depth.

MOTION ERIKSEN, SECOND KLONOWSKI, TO WAIVE THE READING APPROVING TERMS FOR CONTRACTORS RELATED TO THE SMALL BUSINESS CENTER AND AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND PREPARE AGREEMENTS.

FURTHER DISCUSSION: COMMISSIONER KLONOWSKI THANKED THE STAFF THAT PUT SO MUCH WORK INTO THIS. SHE ALSO THANKED THE PREVIOUS COUNCIL AND MAYOR FOR ITS VISION ON WHAT THIS SITE COULD BE. SHE ALSO THANKED LIBA AND THE OTHERS INVOLVED TO GET THE PROJECT TO THIS POINT.

MOTION PASSED 4 AYES – 0 NAYS - 1 ABSTAIN (TRAN).

President Winston also thanked the previous Council for its vision and to staff and all involved for their dedication and efforts in this project. He commented that it was great to see the facility and see the vision coming to fruition. He stated that while people speak of supporting small businesses, this is an example of how Brooklyn Park is actually supporting its small businesses.

III. DISCUSSION:

7. DISCUSSION ITEMS

7.1 Status Update

Executive Director Kim Berggren provided an update on loans that were provided to relocated businesses. She provided highlights from the other items included in the status update and upcoming events and activities.

7.2 Housing Update
- A. Apartment Survey Results for 2022
- B. Homeowner Loan Programs Update
- C. Loan Program Guidelines
- D. Homeowner Programs Matrix
- E. Home Rehabilitation Deferred Loan Program Guidelines

Housing and Redevelopment Coordinator John Kinara provided a highlight of the housing report noting assistance that is available for homeowners experiencing hardships in making their mortgage payments. He provided a summary of the rental survey results and rental housing landscape. He highlighted the changes in

the rental market and provided an overview of the City's home improvement loan programs. He explained the purpose of providing this financial resource program and how it benefits the community and property values. He noted that Stonybrook HOA received about $1,200,000 in housing improvement area loan for reinvestment in that property.

Commissioner Morson asked if these programs are adequately funded to meet the needs of residents and/or potential residents. He stated that it is his understanding that there is a list of about 200 people waiting to buy homes.

Housing and Redevelopment Coordinator John Kinara confirmed that there is a waiting list in Hennepin County for homeowners waiting to be funded. He stated that the County grant is funded through CDGB which is a limited financial resource. He stated that the demand is high because that is a grant that does not need to be paid back and they can only serve people based on the available budget. He noted that some of the residents on the waiting list can access other loans and some may have received other financing. He stated that the EDA contributes up to $1,000,000 in loan programs and the down payment assistance is one of the most popular programs. He noted that there are other agencies that provide similar funding for first time homebuyers.

Commissioner Morson stated that his concern would be for those that want to purchase property into Brooklyn Park. He recognized the contribution towards the program from the EDA but wondered if it should be more because there is such a large waiting list. He stated that if more funds were provided into that program, the City would see that return through property taxes.

Housing and Redevelopment Coordinator John Kinara replied that homebuyers on the waiting list are not first time homebuyers. He stated that the first-time homebuyers have a long approval process. He stated that there are homeowners that have qualified for funding but the housing stock is not available. He noted that when homes are listed for sale, they sell immediately, often for more than the listing price.

Commissioner Morson stated that it was his understanding that the waiting list was first time homebuyers.

Executive Director Kim Berggren stated that anytime there are programs that provide funding in a grant format, they are in high demand. She stated that the level of funding is up to the EDA.

Commissioner Tran referenced the funding that Stonybrook received and noted that the improvements were all exterior and asked how that would be repaid.

Housing and Redevelopment Coordinator John Kinara replied that the loan program is repaid through a special assessment assessed to the HOA property owners.

Commissioner Tran commented that these improvements will increase the value of the HOA property and asked if those residents within the HOA were involved in

the decision. She stated that it would seem those improvements only benefit the HOA, not the residents that live there.

Housing and Redevelopment Coordinator John Kinara stated that there is an elaborate process for reviewing and approving those types of funds. He stated that for the HOA funding, it was an almost year long process for review and approval and the improvements will occur this spring. He stated that the residents that live within the HOA own their properties and therefore those residents will receive an increase in the value of their properties as a result of the project.

Commissioner Morson commented that through the process, the HOA asked its residents whether or not to accept the loan and the residents within the HOA voted in support of the loan and improvements.

Commissioner Tran asked the number of residents that were involved in that process.

Housing and Redevelopment Coordinator John Kinara replied that there are 352 homeowners within Stonybrook and petitions were received from about 56 percenter of those homeowners. He noted that state statute requires over 50 percent of the homeowners to support the loan.

Commissioner Tran commented that it appears that many homeowners did not provide an answer.

Commissioner Morson commented that although there were some homeowners that did not respond, the number of responding homeowners outweighed that percentage.

President Winston stated that perhaps staff could follow up to provide the information Commissioner Tran would like to review.

7.3 2022 Economic Development Authority Annual Report
A. 2022 Year End Activity Summary

Executive Director Kim Berggren thanked the staff that put together the report, which was included for the EDA to review. She noted that it includes a summary of the work completed by the EDA in 2022.

President Winston stated that given the time, the EDA can review the document and provide any questions to staff via email.

Commissioner Morson referenced the emergency loan program for the 7710 and 7714 buildings and asked if that could become a standing program to provide funds for struggling businesses.

Executive Director Kim Berggren stated that funding is provided through BPDC. She noted that Commissioners Morson and Lee are members of that Board and could bring those considerations to that group.

Commissioner Morson apologized to Mayor Winston for comments he made at a previous meeting relating to whether or not Mayor Winston had a relationship with MID. He stated that he made the comment without evidence and apologized for that.

Mayor Winston appreciated that noting that he had checked with City staff prior to that time to ensure there was not a conflict. He hoped that in the future, questions could be addressed prior to meetings if there are any.

IV. ADJOURNMENT:
Meeting adjourned at 9:00 p.m.

City of Brooklyn Park
Request for EDA Action

Agenda Item:	4.2	**Meeting Date:**	April 17, 2023
Agenda Section:	Consent	**Prepared By:**	Seng Moua, Program Assistant
Resolution:	N/A	**Presented By:**	Kim Berggren, Executive Director
Attachments:	0		
Item:	Consider Election of Secretary		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO ELECT SENG MOUA AS SECRETARY OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY.

Overview:

The officers of the Authority shall consist of a President, a Vice President, a Secretary, a Treasurer, and an Assistant Treasurer. The President, the Vice President, and the Treasurer shall be members of the Board and shall be elected annually. No Commissioner may serve as President and Vice President at the same time. The offices of Secretary and Assistant Treasurer need not be held by a Commissioner.

The role of the secretary is to keep or cause to be kept minutes of all meetings of the Board and shall maintain or cause to be maintained all records of the Authority. Traditionally the office of Secretary is held by the Executive Director's Assistant. On January 23, 2023, Josephine Thao was elected as the interim Secretary while the Executive Director's Assistant position remained vacant. Seng Moua was hired on March 27, 2023 as the Executive Director's Assistant.

Seng will assume the administrative responsibilities of the Executive Director's Assistant including the coordination and preparation of the agenda packet.

Primary Issues/Alternatives to Consider: N/A

Budgetary/Fiscal Issues: N/A

Recommendation:

The Executive Director of the EDA recommends approval.

Attachments: N/A

City of Brooklyn Park
Request for EDA Action

Agenda Item:	4.3	**Meeting Date:**	April 17, 2023
Agenda Section:	Consent	**Prepared By:**	Breanne Rothstein, Economic Development and Housing Director
Resolution:	N/A	**Presented By:**	Breanne Rothstein, Economic Development & Housing Director
Attachments:	1		
Item:	Consider Directing Staff on the Loan Forgiveness for Aeon's Perimeter Security Project at Huntington Place		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO DIRECT STAFF TO PROCEED WITH LOAN FORGIVENESS FOR AEON'S PERIMETER SECURITY PROJECT AT HUNTINGTON PLACE.

Overview:

The purpose of this action is to direct staff to proceed with loan forgiveness to Aeon for their perimeter security improvements. The balance of the loan is $500,000 and was originally structured as a forgivable loan, subject to certain conditions. One condition was that the work was completed by December 31, 2022. The loan agreement provides discretion for the Borrower to determine "timely completion." The full scope of the work was completed April 12, 2023, as verified by a site visit and full written summary of the improvements. All other terms and conditions have been met.

Background:

In late 2021, Aeon requested $1M from the EDA and City of Brooklyn Park to complete a significant investment in perimeter security. This request came as a result of a significant uptick in criminal activity and a decrease in the livability of the property in 2020 and 2021, caused largely by people who were not residents of Huntington Place. Aeon sought to substantially limit the access to the property to residents and their guests and proposed a series of improvements to implement this. They hired a security firm and worked with the Police Department to develop a plan for reducing access to the property. These improvements included more substantial fencing around the entire perimeter of the site (4,500 lineal feet), a 24 hour a day staffed security booth, an automatically operated gate/vehicle access arms, and a series of traffic calming measures within the property. Supply side and part shortages delayed Aeon from completing the project by December 2022. Aeon staff also spent a large amount of time coordinating and testing the exact equipment and operations with both the Fire and Police department to ensure easy access during an emergency, which added time and cost to the project.

The perimeter security appears to have met its stated purpose as reported crime is down and resident and police perception of safety has increased.

Budgetary/Fiscal Impacts:

Because this loan was intended as forgivable, this action does not have a budget impact beyond the original approval of the $1M investment in the perimeter security. At that time, $500,000 of the investment was allocated from ARP grant funds and $500K was allocated from the EDA Housing Set Aside, the latter of which is subject to the forgiveness request.

Recommendation:

The Executive Director of the EDA recommends approval.

Attachments:

4.3A LETTER FROM AEON

Huntington Place Secure Perimeter narrative and timeline

Aeon embarked to complete a secure perimeter installation in fall of 2021. The components of the work at that time were to install an 8' high steel fence around the perimeter of the site, a secure guard-manned vehicle checkpoint near the clubhouse, a pedestrian gate near the playground, and swing gate at Unity Ave entry.

Due to material lead-times, Aeon installed a temporary checkpoint in the Visitor parking lot to restrict vehicle entry. Over the coming months, scope was changed to include automatic gate at Unity Ave, fobbed control to the Zanewood pedestrian gate, and a Radio Frequency Identification (RFID) controlled resident access lane.

Originally scheduled for completion by December 2022, material delivery delays, weather impediments, and ongoing plan improvements resulted in delayed completion of the project. As of April 13, 2023, perimeter security at Huntington Place is fully in place.

As the below detailed overview of the work outlines, good faith work was underway throughout the timeline. The project scope also flexed as items were finalized and reviewed with residents, staff, police and fire. Some items were not identified as part of scope until entire project almost at completion.

OVERALL TIMELINE

Fence design and scope	Aug 21 – Mar 22
Bidding	Aug – Sept 21
Contracting	Sept 21
Permitting	Mar-Apr 22
Installation Temporary checkpoint	Nov-Dec 21
Installation fence and permanent entry check point (ECP)	May 22 – Mar 23
Installation permanent booth and final gate controls	Apr 13

Long lead for permanent booth; final controls installation weather dependent

DETAILED TIMELINE

Temporary checkpoint

Included temporary guard booth, barrier arm gate, site work, speed bumps, signage, security cameras, electrical and low voltage wiring

Temporary Barrier arms

Ordered	Oct 21
Installation	Dec 21

Temporary booth

Design, shop drawings	Sept – Oct 21

Contract	mid Nov 21
Material delivery and installation	Dec 21
Cameras and gate implementation	Dec 21

Fence, ECP gates and controls

Contract signed and fence material orders	Oct 21
Pivot gate shop drawings approved and ordered	Dec 21
Majority of fence material delivered.	May 22

Long lead due to supply chain issues. Unknown at the time but delivery was short several key items like adequate supply of fasteners and pickets.

Fence installation begins	May 22
Fence installation substantially complete	Aug 22

Delayed due to reorder of missing materials and connections to ECP elements, delayed by gates and controls.

Pivot gate delivery complete	Sept 22

Long lead time, then Controllers delayed due to operator boards backorder.

Custom controls console – design	Jul – Aug 22
Order	Sept 22

Very long lead, delivered nonfunctioning product, refabricate

Console delivery, refabricated	End of Jan 23
Installation	Feb 23
Fence at North side completion	Mar 23

Requires all gate and controls work to be complete.

RFID Resident Access Lane

Decision to implement resident lane and RFID system	late Jun 22

Non-resident entry was unduly delaying resident entry. Thus late decision to add an RFID entry for residents.

Order 2nd barrier arm and RFID components	Jul 17, 22
Installation	Jan 23

Waiting to install all gates at one time. Console was biggest hold up for gate installs

Commissioning and implementation	Mar – Apr 23

ECP (Entry Checkpoint) Site work (just the concrete asphalt, etc)

Create new layout for traffic at ECP. Includes demo, concrete sub/gutter sidewalks, grading, adjust water lines, asphalt paving and speed bumps

Design	Nov 21 – May 22
Site work	Jul – Aug 22

Delays due to weather and contractor availabilities.

Zanewood gate with fob entry

Gate material ordered *with fence*	Oct 21
Installation *with a padlock initially*	May 22
Discussions with city requirement for fob access	Sept – Oct 22
Contract and order fob hardware	Nov 22
Conduit and wiring installed	Nov 22
Lock arrived, *determined to be incorrect spec*	mid Dec 2022

Lock reordered, *delivery delayed due to availability and storms*	Dec 22
Arrived, installed, implemented	Jan 23

Unity gate for emergency services

Swing gate ordered with fence	Oct 21
Swing gate installed	July 22

After installation, police and fire indicated a desire for motorized. Specs and plans changed accordingly.

Discussions with BPFD and BP EDA regarding requirement for automated entry	Feb – Apr 22
Coordination on appropriate controlling system – Opticom and Tomar	May – Oct 22
Tomar system testing	Nov 17, 22
Order to convert swing gate to motorized, add Tomar controller	Nov 28, 22
Electrical conduit	Nov 22
Electrical wiring	Jan 23
Material delivery	Jan 23
Gate modifications and Controller installation	Feb 23
Final Tomar testing and request from BPPD for keyless entry.	Mar 1, 23
Specifying and pricing keyless entry for BP police	Mar 23

This was another new scope of work, after police review of operations

Keyless entry installed	Apr 23

Final approval from BPFD to operate all gates at ECP Mar 7, 23

Unit this point, BPFD restricted gate use to one at a time (e.g barrier arm OR pivot), in case emergency service access was required.

Permanent Booth

Design and Shop Drawings	Jul 22 – Jan 23

Protracted design process due to funding uncertainty and material customization. Were prepared to use temporary booth indefinitely, but other items came in under budget and permanent booth could be included in work. Unable to make this decision until the bulk of work was complete, per budgeting issues.

Contract and Order	Dec 22

Long lead item for custom booth

Shipping	Apr 3
Delivery	Apr 5
Installation	Apr 10-13

City of Brooklyn Park
Request for EDA Action

Agenda Item:	6.1	**Meeting Date:**	April 17, 2023
Agenda Section:	General Action Items	**Prepared By:**	Sarah Abe, Development Project Coordinator
Resolution:	X	**Presented By:**	Breanne Rothstein, Economic Development and Housing Director
Attachments:	7		
Item:	Consider Approving the Term Sheet Between the Brooklyn Park Economic Development Authority and Real Estate Equities for a Housing Development on the Western Portion of 9500 Decatur Drive – North Building; and Approving the Term Sheet Between the Brooklyn Park Economic Development Authority and Real Estate Equities for a Housing Development on the Western Portion of 9500 Decatur Drive – South Building		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2023-_____ APPROVING THE TERM SHEET BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND REAL ESTATE EQUITIES FOR A HOUSING DEVELOPMENT ON THE WESTERN PORTION OF 9500 DECATUR DRIVE – NORTH BUILDING.

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2023-_____ APPROVING THE TERM SHEET BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND REAL ESTATE EQUITIES FOR A HOUSING DEVELOPMENT ON THE WESTERN PORTION OF 9500 DECATUR DRIVE – SOUTH BUILDING.

Overview:

Since late 2021 the Brooklyn Park City Council and Economic Development Authority (EDA) have supported through various actions a two-phased multifamily housing proposal from Real Estate Equities (REE), a Twin Cities based developer. Actions previously taken by the City Council and EDA include supporting two resolutions to apply for tax-exempt bonds through Minnesota Housing in June and December 2022 and two term sheet approvals in February and November 2022. REE has modified its proposal several times, including adding 9 units to each building at rents affordable to households no more than 30% of the area median income (AMI) based on direction from the EDA in 2022. Most recently REE received unanimous approval at the Planning Commission for its 350-unit proposal and its land use approvals at the City Council meeting on April 10, 2023.

The action before the EDA tonight is to consider two new term sheets, one for each phase of the revised development, before REE submits an application for bonding authority to Minnesota Management and Budget (MMB). Should the application to the State be successful future actions from the City Council and EDA will include creation of a Tax Increment Financing (TIF) district and consideration of a full development agreement.

Background:

Real Estate Equities was founded in 1972 in Saint Paul, Minnesota. The majority of the properties REE owns are in the Twin Cities. It also owns properties in other areas of Minnesota, Wisconsin, Indiana, and soon to be Arizona. In the past few years, REE has developed four housing projects in the Twin Cities using this type of financing, totaling 1,048 units. Real Estate Equities has a primary focus on multifamily housing and its portfolio today includes over 4,000 units of luxury, traditional, affordable, artist lofts and senior apartments. Recent 4% Low Income Housing Tax Credit (LIHTC) developments include The Quill in Hastings, Sonder Pointe/Sonder House in Brooklyn Center, Spring House in Coon Rapids, and others in Saint Paul, West St. Paul, Eagan, and Rochester.

Primary Issues/Alternatives to Consider:

- **What is the proposed development?**

Real Estate Equities is proposing a multifamily housing development with two "phases" totaling approximately 350 units consisting of 1-bedroom, 2-bedroom, and 3-bedroom apartment homes, located at 9500 Decatur Drive. This project will use income averaging and have an average affordability to families making 60% of the area median income.

The preliminary site plan for this project proposes two nearly identical 4-story buildings with an approximate unit mix of 80 1-bedroom, 180 2-bedrooms, and 90 3-bedrooms and 659 parking spaces, or approximately 1.9 spaces per unit. The proposed unit and affordability mix for the total project is included in the table below (Table 1).

Table 1: Proposed unit mix – both buildings

Bedrooms	70% AMI units	70% AMI rent	60% AMI units	60% AMI rent	30% AMI units	30% AMI rent	Total units
1	18	$1,540	56	$1,320	6	$660	80
2	18	$1,848	156	$1,584	6	$792	180
3	18	$2,135	66	$1,830	6	$915	90
Total	**54**		**278**		**18**		**350**

**This table uses 2022 income and rent limits for the Twin Cities from the U.S. Department of Housing and Urban Development (HUD)*

Each building will include interior and exterior common area amenities, management offices, and structured and surface parking. The development will also include amenities such as clubrooms, playgrounds, dog parks, and fitness centers. All units will be equipped with granite countertops, high quality cabinetry, laundry equipment, and luxury vinyl plank flooring.

- **How will this project contribute to tax base?**

This project will develop a currently vacant piece of privately owned land located in the north part of the city. It is estimated that the construction value of both phases of this development will exceed $100M. The estimated market value will be based on income generation of the project. According to the City assessor and financial consultant, Ehlers, the Estimated Market Value (EMV) for similar units can range from $175,000 - $200,000 which would result in a total EMV for this project of $61.2M - $70M. Sonder House, another workforce housing development in neighboring Brooklyn Center developed by REE, has an EMV of $200,000 per unit ($25M for 127 units).

With the proposed TIF financing for this project, 95 percent of annually available tax increment will go toward supporting the project cost for no more than 15 years. This project will be eligible for 4D tax classification, which will reduce the amount of taxes owed as long as the project maintains affordability. After the note is fully paid, the City Council could de-certify the district, or keep it open through 26 years and collect increment to fund future affordable housing.

- **How would this development be financed?**

REE is beginning the steps needed to secure funding for this project. REE is proposing to finance the development with tax increment financing (TIF) and a repayable loan from the EDA's Housing Set Aside Fund, an allocation of tax-exempt bonds from MMB, an allocation of 4% federal Low Income Housing Tax Credits from Minnesota Housing, and funding from Hennepin County, as shown in Table 2. The developer plans to submit both phases together for their tax-exempt bonding application and will proceed with construction in November of 2023 for one or both phases, based on the allocation of tax-exempt bonds.

The financing proposal for this development includes. $1.45 million in TIF and a $1 million loan for each building/phase of the project, totaling $4.9M in financial request from the EDA. The requested assistance is approximately 5% of the total development cost and $14,000 per unit.

Table 2: Proposed sources and uses (total project)

Sources		Uses	
Tax-Exempt First Mortgage	57,100,000	Acquisition Costs	2,775,000
Taxable First Mortgage	5,250,000	Construction Costs	81,709,661
TIF Note	2,900,000	Professional Services	2,478,000
Brooklyn Park Housing Set Aside	2,000,000	Financing Costs	10,213,830
Tax Credits	33,846,918	Developer Fee	9,948,000
Deferred Developer Fee (64% of Total Fee)	6,333,073	Cash Accounts/Escrows/Reserves	2,305,500
Other Public Sources	2,000,000		
TOTAL SOURCES	**109,429,991**	**TOTAL USES**	**109,429,991**

- **What are the reasons to consider EDA financing for this project?**

This future use for this site is envisioned as mixed use and is an area of the city where there are fewer rental multifamily properties. This development would hold rents below market rate for a minimum of 30 years in an area of the city where workforce housing does not currently exist and supports the integration of attainable units across Brooklyn Park.

According to the Metropolitan Council's affordable housing assessment, only 35% of the housing units in Brooklyn Park are affordable and attainable to households making less than 60% of the area median income. This development could bring new, well-constructed development to northern Brooklyn Park, which is needed and in-demand both in Brooklyn Park and in the larger Hennepin County area.

- **What are the next steps?**

If the EDA approves the term sheets for this project, REE would continue to pursue the development by applying for additional funding sources. There are many additional steps for the highly competitive state tax credits that are needed for this project to move forward, including additional applications for competitive funding sources such as LIHTC. If the project is successful at obtaining full funding for each proposal, the following steps will still be needed for each phase:

  - Request for approval and establishment of a TIF district (Public Hearing, City Council)
  - Request for approval for State bond issuance (Public Hearing and City Council)
  - Request for approval of a development agreement (EDA)

- **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 quality housing for all incomes integrated throughout the community.

Budgetary/Fiscal Issues:

The $2.9 million in TIF assistance is proposed to be financed from PAYGO TIF, which is an annual cash payment generated from the development's own annual tax payments as they are paid. This proposal would create a new TIF district and increased tax revenue from this project would be paid to the developer for up to 15 years.

The $2 million loan from the Housing Set Aside Fund would be an up-front payment repayable upon the sooner of sale, re-syndication, or 25 years.

Additionally, per TIF laws the city could capture remaining TIF proceeds for up to 26 years and use the excess funds (estimated amount ranges from $1.5-3 million) for future affordable housing projects.

Recommendation:

The Executive Director of the EDA recommends approval.

Attachments:

6.1A RESOLUTION – NORTH BUILDING
6.1B RESOLUTION – SOUTH BUILDING
6.1C PRELIMINARY TERM SHEET – NORTH BUILDING
6.1D PRELIMINARY TERM SHEET – SOUTH BUILDING
6.1E REE RESPONSE TO PROPOSED MORATORIUM
6.1F CASE STUDIES OF REE PROJECTS
6.1G LOCATION MAP

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

RESOLUTION #2023-_____

RESOLUTION APPROVING THE TERM SHEET BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND REAL ESTATE EQUITIES FOR A HOUSING DEVELOPMENT ON THE WESTERN PORTION OF 9500 DECATUR DRIVE – NORTH BUILDING

WHEREAS, Real Estate Equities (the "Developer"), proposed to develop an approximately 175 -unit multifamily rental housing facility and related amenities, on the western portion of 9500 Decatur Drive (address subject to final plat of the property) (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 and amenities 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.

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

RESOLUTION #2023-_____

RESOLUTION APPROVING THE TERM SHEET BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND REAL ESTATE EQUITIES FOR A HOUSING DEVELOPMENT ON THE WESTERN PORTION OF 9500 DECATUR DRIVE – SOUTH BUILDING

WHEREAS, Real Estate Equities (the "Developer"), proposed to develop an approximately 175-unit multifamily rental housing facility and related amenities, on the western portion of 9500 Decatur Drive (address subject to final plat of the property) (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 and amenities as set forth in the Preliminary Term Sheet between the EDA and the Developer (the "Preliminary Term Sheet").

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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 – Real Estate Equities, North Building

This Term Sheet, dated as of April 17, 2023, 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: Real Estate Equities, 579 Selby Ave, Saint Paul MN 55102, a Minnesota corporation (or a limited partnership or other entity to be formed thereby or affiliated therewith)

2. Property: Western portion of 9500 Decatur Drive (PID: 0711921320005), subject to a final plat of the Property.

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

4. EDA Conditions, as determined to date:
   a. Establishment of a new Housing TIF District subject to approval after all proceedings required by law
   b. EDA approval of Construction Plans
   c. City Council approval of Planning Application
   d. Execution of one or more Development Agreements

5. Minimum Improvements: Improvements to the Property will include the construction and equipping of a multifamily rental housing facility with approximately 175 units (the "North Building") with a mix of 1, 2 and 3-bedroom units. Common area amenities will include a fitness center, community room, tot lot, dog run, as well as an outdoor grilling area/patio.

6. Construction Schedule: Commence construction on the building by December 31, 2024 and substantially complete construction by July 31, 2026. 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(s) 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 North Building as follows:
   a. in the form of a pay-as-you-go (PAYGO) note for a period of up to 15 years in the anticipated amount of $1.45 million bearing simple, non-compounding interest at a rate per annum of up to 5.35% (the lesser of 5.35% or actual rate of financing). The PAYGO note will be payable from 95% of the tax increment generated from the North Building, as determined by the EDA.
   b. in the form of a loan in the amount of up to $1 million from the EDA's Housing Set Aside Fund with a deferred interest rate of 1% and principal and interest repayable upon the sooner of sale, re-syndication, or 25 years.

The PAYGO note will be issued and the loan will be advanced upon completion of the North Building and proof of expenditure of Qualified Costs for such building.

"Qualified Costs" means costs of construction of the North Building, including without limitation, site improvements, utilities, building construction and parking and any other expenses incurred by the Developer in connection with construction of the North Building and eligible for payment in accordance with the TIF Act.

8. Mixed-Income Housing: The Developer agrees the Minimum Improvements will conform in all respects to the City of Brooklyn Park's Mixed-Income Housing Policy and Minnesota Statutes, Section 469.174 through 469.1794, as amended (the "TIF Act") as follows:
   a. At least 80% of the rental units must be occupied by or available for rent to persons whose income does not exceed 60% of the area-wide median family income for the standard metropolitan statistical area which includes Brooklyn Park, Minnesota, as that figure is determined and announced from time to time by HUD, as adjusted for family size ("AMI"); and the average income of the residents of 100% of the units (i.e. all of the 175 units) shall not exceed 60% of the AMI (as calculated in accordance with Section 42(g)(1)(C) of the Internal Revenue Code of 1986, as amended);
   b. At least 5% of the units (i.e. 9 units in the North Building) must be rented to households whose incomes do not exceed 30% of AMI;
   c. Those units will also be subject to rent restrictions such that rents shall not exceed 30% of 60% of AMI or 30% of 30% of AMI, as applicable;
   d. The restrictions will remain in place for 30 years;
   e. Income certifications will be obtained from each qualifying tenant annually and retained for the longer of 30 years or 2 years after the decertification of the TIF District;
   f. A household that was income eligible at initial occupancy may be treated as qualifying for additional rental periods as long as the income of the household does not exceed 140% of the applicable AMI; thereafter the first available unit must be rented to a household meeting the applicable income limitation;
   g. The restrictions will be set forth in a Declaration of Restrictive Covenants recorded against the applicable portion of the Property and restricting subsequent owners of the North Building;
   h. The Developer shall not concentrate qualifying tenants in any floor or any area of any building in the facility. The units occupied by qualifying tenants shall reflect the unit mix of the whole facility and shall be located throughout the facility.

9. Fees: On May 18, 2022, after the EDA approved a term sheet dated February 23, 2022 for a project proposed to be constructed by the Developer on portion of the property located at 7849 W Broadway (the "Prior Term Sheet"), the EDA received a deposit of Ten Thousand Dollars ($10,000.00) from Real Estate Equities. The EDA and the Developer acknowledge and agree that the project contemplated by the Prior Term Sheet will not proceed and the Prior Term Sheet is hereby rescinded and superseded by this Term Sheet. To the extent that there remain funds deposited by the Developer with the EDA under the Prior Term Sheet, such funds will now be applied to pay the reasonable out-of-pocket legal, financial consultant and administrative fees associated with the transactions contemplated by this Term Sheet. At the end of the project, 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.

10. Labor and Contracting Requirements:
    a. The Developer shall prepare, and utilize in its contract with the General Contractor and all subcontracts, a sub-contractor addendum, acceptable to the EDA, which outlines fair labor law compliance, and allows general contractor to withhold payment or cancel contract if violations are discovered (the “Subcontract Addendum”).
    b. Developer shall prohibit use of all disqualified contractors on state "disqualified" list; review list prior to construction commencement with respect to each subcontractor; remove any subcontractor added to the list.
    c. Developer and all contractors and subcontractors shall comply with all federal, state, and local labor laws.
    d. If a third party files a claim with the Minnesota Department Labor regarding any contractor or subcontractor doing work on the Property, Developer shall fully cooperate with the Department, including taking any action required by the Department or that Developer otherwise elects to take. Developer shall also fully enforce the contracts with the General Contractor and subcontractors, including enforcing and requiring the General Contractor to enforce the Subcontract Addendum.
    e. General Contractor will use and enforce the Subcontract Addendum (or a substantially similar addendum) with all subcontractors, and the General Contractor shall, and shall require all subcontractors to, cooperate with the Department of Labor regarding any claim filed with the Department, including taking any action required by the Department or that Developer otherwise elects to take.
    f. Developer shall certify to the EDA that proper payments to all contractors, subcontractors, and project laborers have been paid prior to the issuance of a Certificate of Completion as a prerequisite to receipt of PAYGO Note or other assistance.
    g. Failure to comply with the above points will be an event of default under the development agreement and could result in a penalty such as non-issuance of PAYGO Note and non-payment of other assistance, or, if the PAYGO Note has already been issued, delaying, reducing and/or ceasing PAYGO Note payments.

11. Miscellaneous:
    a. Transfer of the Property or of the Development Agreement or PAYGO note payments 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. Developer will agree to accept Section 8 vouchers.
    d. Developer must keep all units in compliance with local codes and other applicable state and local building codes to ensure the units are decent, safe, and sanitary at all times.
    e. Developer and its agents must adhere to Equal Opportunity, Affirmative Marketing, and Fair Housing practices in all marketing efforts, eligibility determinations and other transactions. The Equal Housing Opportunity logo or statement (“We do business in accordance with the Federal Fair Housing Law. It is illegal to discriminate against any person because of race, color, religion, sex, handicap, familial status, or national origin.”) must be used in all advertising of vacant units.
    f. Additional conditions of assistance remain under consideration.

The Developer acknowledges that except for Section 9 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 obligations 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.

REAL ESTATE EQUITIES

By: _____
Its: _____

Preliminary Term Sheet – Real Estate Equities, South Building

This Term Sheet, dated as of April 17, 2023, 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: Real Estate Equities, 579 Selby Ave, Saint Paul MN 55102, a Minnesota corporation (or a limited partnership or other entity to be formed thereby or affiliated therewith)

2. Property: Western portion of 9500 Decatur Drive (PID: 0711921320005), subject to a final plat of the Property.

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

4. EDA Conditions, as determined to date:
   a. Establishment of a new Housing TIF District subject to approval after all proceedings required by law
   b. EDA approval of Construction Plans
   c. City Council approval of Planning Application
   d. Execution of one or more Development Agreements

5. Minimum Improvements: Improvements to the Property will include the construction and equipping of a multifamily rental housing facility with approximately 175 units (the "South Building") and related amenities with a mix of 1, 2 and 3-bedroom units. Common area amenities will include a fitness center, community room, tot lot, dog run, as well as an outdoor grilling area/patio.

6. Construction Schedule: Commence construction on the building by December 31, 2024 and substantially complete construction by July 31, 2026. 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(s) 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 South Building as follows:
   a. in the form of a pay-as-you-go (PAYGO) note for a period of up to 15 years in the anticipated amount of $1.45 million bearing simple, non-compounding interest at a rate per annum of up to 5.35% (the lesser of 5.35% or actual rate of financing). The PAYGO note will be payable from 95% of the tax increment generated from the South Building, as determined by the EDA.

b. in the form of a loan in the amount of up to $1 million for the South Building from the EDA's Housing Set Aside Fund with a deferred interest rate of 1% and principal and interest repayable upon the sooner of sale, re-syndication, or 25 years.

The PAYGO note will be issued and the loan will be advanced upon completion of the South Building and proof of expenditure of Qualified Costs for such building.

"Qualified Costs" means costs of construction of the South Building, including without limitation, site improvements, utilities, building construction and parking and any other expenses incurred by the Developer in connection with construction of the South Building and eligible for payment in accordance with the TIF Act.

8. Mixed-Income Housing: The Developer agrees the Minimum Improvements will conform in all respects to the City of Brooklyn Park's Mixed-Income Housing Policy and Minnesota Statutes, Section 469.174 through 469.1794, as amended (the "TIF Act") as follows:
   a. At least 80% of the rental units must be occupied by or available for rent to persons whose income does not exceed 60% of the area-wide median family income for the standard metropolitan statistical area which includes Brooklyn Park, Minnesota, as that figure is determined and announced from time to time by HUD, as adjusted for family size ("AMI"); and the average income of the residents of 100% of the units (i.e. all of the 175 units) shall not exceed 60% of the AMI (as calculated in accordance with Section 42(g)(1)(C) of the Internal Revenue Code of 1986, as amended);
   b. 5% of the units (i.e. 9 units in the South Building) must be rented to households whose incomes do not exceed 30% of AMI;
   c. Those units will also be subject to rent restrictions such that rents shall not exceed 30% of 60% of AMI or 30% of 30% of AMI, as applicable;
   d. The restrictions will remain in place for 30 years;
   e. Income certifications will be obtained from each qualifying tenant annually and retained for the longer of 30 years or 2 years after the decertification of the TIF District;
   f. A household that was income eligible at initial occupancy may be treated as qualifying for additional rental periods as long as the income of the household does not exceed 140% of the applicable AMI; thereafter the first available unit must be rented to a household meeting the applicable income limitation;
   g. The restrictions will be set forth in a Declaration of Restrictive Covenants recorded against the applicable portion of the Property and restricting subsequent owners of the South Building;
   h. The Developer shall not concentrate qualifying tenants in any floor or any area of any building in the facility. The units occupied by qualifying tenants shall reflect the unit mix of the whole facility and shall be located throughout the facility.

9. Fees: On May 18, 2022, after the EDA approved a term sheet dated February 23, 2022 for a project proposed to be constructed by the Developer on portion of the property located at 7849 W Broadway (the "Prior Term Sheet"), the EDA received a deposit of Ten Thousand Dollars ($10,000.00) from Real Estate Equities. The EDA and the Developer acknowledge and agree that the project contemplated by the Prior Term Sheet will not proceed and the Prior Term Sheet is hereby rescinded and superseded by this Term Sheet. To the extent that there remain funds deposited by the Developer with the EDA under the Prior Term Sheet, such funds will now be applied to pay the reasonable out-of-pocket legal, financial consultant and administrative fees associated with the transactions

contemplated by this Term Sheet. At the end of the project, 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.

10. Labor and Contracting Requirements:
    a. The Developer shall prepare, and utilize in its contract with the General Contractor and all subcontracts, a sub-contractor addendum, acceptable to the EDA, which outlines fair labor law compliance, and allows general contractor to withhold payment or cancel contract if violations are discovered (the “Subcontract Addendum”).
    b. Developer shall prohibit use of all disqualified contractors on state "disqualified" list; review list prior to construction commencement with respect to each subcontractor; remove any subcontractor added to the list.
    c. Developer and all contractors and subcontractors shall comply with all federal, state, and local labor laws.
    d. If a third party files a claim with the Minnesota Department Labor regarding any contractor or subcontractor doing work on the Property, Developer shall fully cooperate with the Department, including taking any action required by the Department or that Developer otherwise elects to take. Developer shall also fully enforce the contracts with the General Contractor and subcontractors, including enforcing and requiring the General Contractor to enforce the Subcontract Addendum.
    e. General Contractor will use and enforce the Subcontract Addendum (or a substantially similar addendum) with all subcontractors, and the General Contractor shall, and shall require all subcontractors to, cooperate with the Department of Labor regarding any claim filed with the Department, including taking any action required by the Department or that Developer otherwise elects to take.
    f. Developer shall certify to the EDA that proper payments to all contractors, subcontractors, and project laborers have been paid prior to the issuance of a Certificate of Completion as a prerequisite to receipt of PAYGO Note or other assistance.
    g. Failure to comply with the above points will be an event of default under the development agreement and could result in a penalty such as non-issuance of PAYGO Note and non-payment of other assistance, or, if the PAYGO Note has already been issued, delaying, reducing and/or ceasing PAYGO Note payments.

11. Miscellaneous:
    a. Transfer of the Property or of the Development Agreement or PAYGO note payments 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. Developer will agree to accept Section 8 vouchers.
    d. Developer must keep all units in compliance with local codes and other applicable state and local building codes to ensure the units are decent, safe, and sanitary at all times.
    e. Developer and its agents must adhere to Equal Opportunity, Affirmative Marketing, and Fair Housing practices in all marketing efforts, eligibility determinations and other transactions. The Equal Housing Opportunity logo or statement (“We do business in accordance with the Federal Fair Housing Law. It is illegal to

discriminate against any person because of race, color, religion, sex, handicap, familial status, or national origin.”) must be used in all advertising of vacant units.

f. Additional conditions of assistance remain under consideration.

The Developer acknowledges that except for Section 9 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 obligations 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.

REAL ESTATE EQUITIES

By: _____
Its: _____

REAL ESTATE EQUITIES

March 2, 2023

Breanne Rothstein
City of Brooklyn Park
Economic Development and Housing Director
5200 85th Avenue N
Brooklyn Park, MN 55443

RE: City of Brooklyn Park Development "Moratorium"

Ms. Rothstein,
Thank you for discussing with REE the potential actions the EDA is considering regarding a "moratorium" or pause on EDA funded projects and other development throughout the city of Brooklyn Park.

We appreciate the discussions we have had with City staff dating back to October 2021 regarding our vision of bringing high quality affordable housing to the City of Brooklyn Park to help address a serious housing shortage. Similarly, we have appreciated the opportunity to go before the prior EDA/Council on four different occasions and the discussions that followed.

We are concerned that after 16 months of work by our company, staff, and the prior Council/EDA that our development is potentially going to lose support of the City's elected officials. We believe the EDA should exempt our proposed development from this moratorium, and continue to support our development, for the following reasons:

1) **Consistency with 2040 Comprehensive Plan**
    a. While we are asking for certain land use approvals (rezone, CUP, preliminary/final plat), these requests are consistent with the 2040 land use guidance of Mixed-use, which allows for up to 50 units per acre. Our development is approximately 45 units per acre, consistent with the land use guidance.

    We are not requesting to change the previously established vision of the City, but rather are intending to carry it out.

2) **Maximization of developable land**
    a. Density (Units/Acre)
        i. At 45 units per acre, the proposed development is at the high end of what the comprehensive plan allows, effectively maximizing density.

    b. Unit Mix
        i. In addition to the high density of housing units, our development is approximately 77% comprised of 2 and 3 bedroom units, which differs from typical housing stock in Brooklyn Park that contains a large amount of 1-bedroom units. This unit mix better serves families living in the city.

3) Consistency with prior Council actions and discussions.

a. General discussions regarding the property's land use

i. In the original 2040 comprehensive plan, both this property and the two neighboring eastern parcels were all guided Mixed-Use.

In 2021, a request was made to change the entire area from Mixed-Use to Business Park to allow for a large industrial development. This request was denied due to the incompatibility with the comprehensive plan to provide mixed-use development on the site.

On July 25, 2022, a compromise was presented to the Council for a comprehensive plan amendment to Business Park for only the two easternmost parcels, to allow the industrial development to move forward while maintaining the ability for housing to be developed on the remnant parcel (i.e the REE parcel). The resolution for the land use change failed due to concerns that the remaining parcel would not be developed as housing, and therefore would not conform to the City's vision established in the 2040 plan.

On August 22, 2022, the business park development was revisited by the Council. At this meeting REE was present to discuss its proposed development on the westernmost parcel, to help give Council members who denied the previous motion comfort that the remaining parcel had a pending housing development. At this meeting, the motion for a comprehensive plan amendment passed.

We feel that us moving forward with our development would realize the vision of a) the original 2040 comprehensive plan and b) the prior Council's desire to see this site developed as housing, as evidenced through Council discussions throughout 2021 and 2022.

b. Prior approvals and actions taken on REE's Proposal

i. On November 21, 2022, the EDA approved preliminary term sheets for providing financing for the project (both Tax Increment Financing and a loan from the City's Affordable Housing Set-aside fund).

ii. On December 12, 2022, the City Council approved a preliminary resolution for the issuance of conduit bonds for the development.

c. Council preference for deeper affordability

i. Our current rent/income range has been strongly influenced by input from the previous Council/EDA, in particular that they wanted to see 30% AMI units. It is concerning that after working with the city on specifics of our development, that a change of course is being considered.

4) Need for Affordable Housing

a. MetCouncil demand estimate

i. According to the 2021-2030 MetCouncil Allocation of Affordable Housing Need, Brooklyn Park needs 710 units of affordable housing. Our development provides 350 affordable units ranging from 30%-70% AMI, with an average at the 60% AMI level:

1. 1-Bedroom estimated rental range: $570-$1,464
2. 2-Bedroom estimated rental range: $682-$1,754
3. 3-Bedroom estimated rental range: $787-$2,025

b. Comparison to recently completed market rate developments in the surrounding area:
   i. The proposed rental range of the property serves a wide range of incomes, all at rental rates significantly below new market rate housing. Below are rental ranges from newly constructed properties, and their variance to our highest AMI level:
      1. Kipling Apartments
         a. 1-Bed: $1,716 **($252 above estimated 70% rent**)
         b. 2-Bed: $1,992 **($238** above estimated 70 % rent)
         c. 3-Bed: NA

      2. Urbana Court Apartments:
         a. 1-Bed: $1,623 **($159** above estimated 70% rent)
         b. 2-Bed: $2,105 **($251** above estimated 70% rent)
         c. 3-Bed: NA

      3. Caliper Apartments:
         a. 1-Bed: $1,673 **($209** above estimated 70% rent)
         b. 2-Bed: $1,956 **($202** above estimated 70 % rent)
         c. 3-Bed: NA

      4. 5 Central Apartments:
         a. 1-Bed: $1,611 **($147** above estimated 70% rent)
         b. 2-Bed: $2,051 **($297** above estimated 70 % rent)
         c. 3-Bed: $2,668 **($643** above estimated 70% rent)

5) County Partnership

a. On February 9, 2023, REE submitted an application to the Hennepin County affordable housing RFP, in which REE requested $2M for this development. The County looks at a number of factors when evaluating what developments to partner on and what amount of assistance to provide, but a key factor is the likelihood of a development moving forward (i.e, the County does not want to set-aside funds for a project that doesn't ultimately come to fruition).

   We explained in our application to the County that we had submitted a planning application and expected to be before the Council on March 27 for entitlements. We fully expect the County to follow-up with us at that time regarding where we are at in the entitlement process. We fear that if we do not have positive news to share, the County is unlikely to move forward with assisting with our project. Given current market conditions, County funds are needed in order for this development to be feasible.

In closing, we want to reiterate our commitment to bringing a high quality development to the City of Brooklyn Park, in accordance with the vision of the comprehensive plan. We've appreciated the discussions with City staff over the last year and a half, and look forward to a continued partnership with the City of Brooklyn Park.

Regards,

Patrick Ostrom
Managing Development Partner
Real Estate Equities

THE WINSLOW APARTMENTS

AFFORDABLE SENIOR | WEST ST. PAUL, MN

The Winslow is a 62+ restricted 172 units apartment building. The site, 1631 Marthaler Lane, is in the heart of West St. Paul. The property was formerly a parking lot for DARTS Transportation Company, who became an investor partner in this project as part of their mission, with Real Estate Equities.

This site was unique in that it would provide a large amount of residential housing on a site that was surrounded by commercial, retail, and office buildings. With that, we wanted to give residents a feeling that they were in their own residential community but not feel too distant from the activity of West St. Paul's Robert Street. To accomplish this, we situated the building on site in a "C" shape, creating almost a courtyard-like experience in the middle for parking, paths, recreation, and landscape features. Rather than tuck all the common spaces within the building we pulled them out into this courtyard space in their own one-story component that is connected to the greater building. This makes these interior amenity spaces feel more connected to the outdoor ones, giving it more of a "clubhouse" feel that you might find at larger campuses of apartments. The flat roof and large windows of this space bring this it down in scale while making it more transparent and inviting.

With this being a building for seniors and with many of them downsizing from single-family homes, we wanted this project to still feel that way for them architecturally. A pitched roof was chosen to create that residential distinction compared to the more flat-roofed commercial buildings surrounding the site. We also did not want the building to feel too out of character for the area, so brick was chosen as a base material making the first floor of building more in-line with many of the nearby one-story, masonry office buildings. Above the brick elements, a combination of Fiber-Cement lap, panel, and shake siding was used in a palette of earthy colors with a bolder red accent. Different

combinations of these materials create variety along the longer facades of the building.

Amenities
- Clubroom with fireplace and kitchen
- Crafts room, theater, and salon
- Game room and fitness center
- Conference room
- Patio with grilling and three season porches
- In-unit washer and dryer
- Granite countertops
- Additional storage
- Underground parking

Financing
- HUD 221(d)4 Mortgage
- Tax Exempt Bonds
- Tax Increment Financing
- Low-Income Housing Tax Credits
- HOPE Funds

team & data

OWNER: Real Estate Equities

ARCHITECT: Kaas Wilson Architects: Petro Megits, principal in charge; Christian Borgan, lead designer; Dave Morck, project manager; Eli Smith, CA Project Manager; Sarah Stanke, interior designer

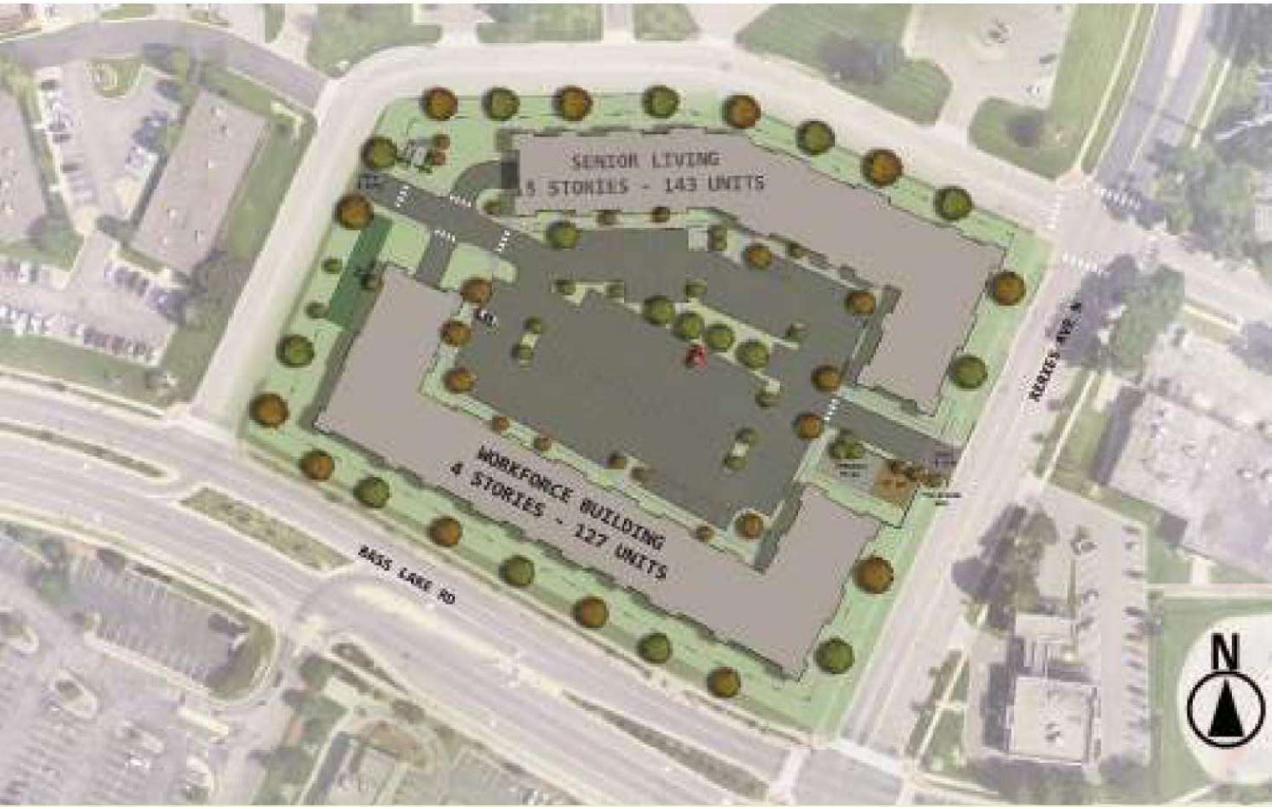
ENGINEERS: Loucks, civil/ landscape; Sandman, structural; LKPB Engineers, mechanical, electrical, plumbing

GENERAL CONTRACTOR: Big-D Construction Midwest

DEVELOPMENT COST: $40 million

COMPLETION DATE: June 2020

PROJECT SIZE: 233,303 SF; 172 Units; 2.9 Acres



SONDER POINT SENIOR LIVING

AFFORDABLE SENIOR | BROOKLYN CENTER, MN

Sonder Point Apartments is a 143-unit affordable senior housing development located at 5803 Xerxes Ave. N. in Brooklyn Center, Minnesota. The site was previously home to Jerry's Foods, which closed its doors in 1999. Real Estate Equities acquired the site and began construction in April of 2020. Once complete, the five-story building will feature one level of underground parking, fitness center, rooftop common area with BBQ grill, clubroom with kitchen, arts/hobby room, salon and in-unit features consisting of granite countertops, stainless steel appliances, vinyl plank flooring and in-unit laundry. Sonder Point will share site amenities, including herb garden, dog run, tot lot, and community patio, with the Sonder House. All apartments, consisting of one, and two-bedroom units, will be affordable to residents making 60% AMI or less.

Financing
- Freddie TEL Mortgage
- Tax Exempt Bonds
- Tax Increment Financing
- Low-Income Housing Tax Credits

Amenities
- Fitness Center
- Rooftop Club Room and Patio
- Community Room
- Arts/Hobby Room
- Salon
- Stainless Steel Appliances
- In-Unit Laundry
- Herb Garden
- Dog Run
- Tot Lot
- Community Patio
- Underground parking
- Pet friendly
- Smoke-free

team & data

OWNER: Real Estate Equities

ARCHITECT: Kaas Wilson Architects: Petro Megits, principal in charge; Dave Morck, project manager & lead designer; Luke Murphy, job captain; Eli Smith & Adam Carlson, CA Project Manager; Jackie Gibson, interior designer

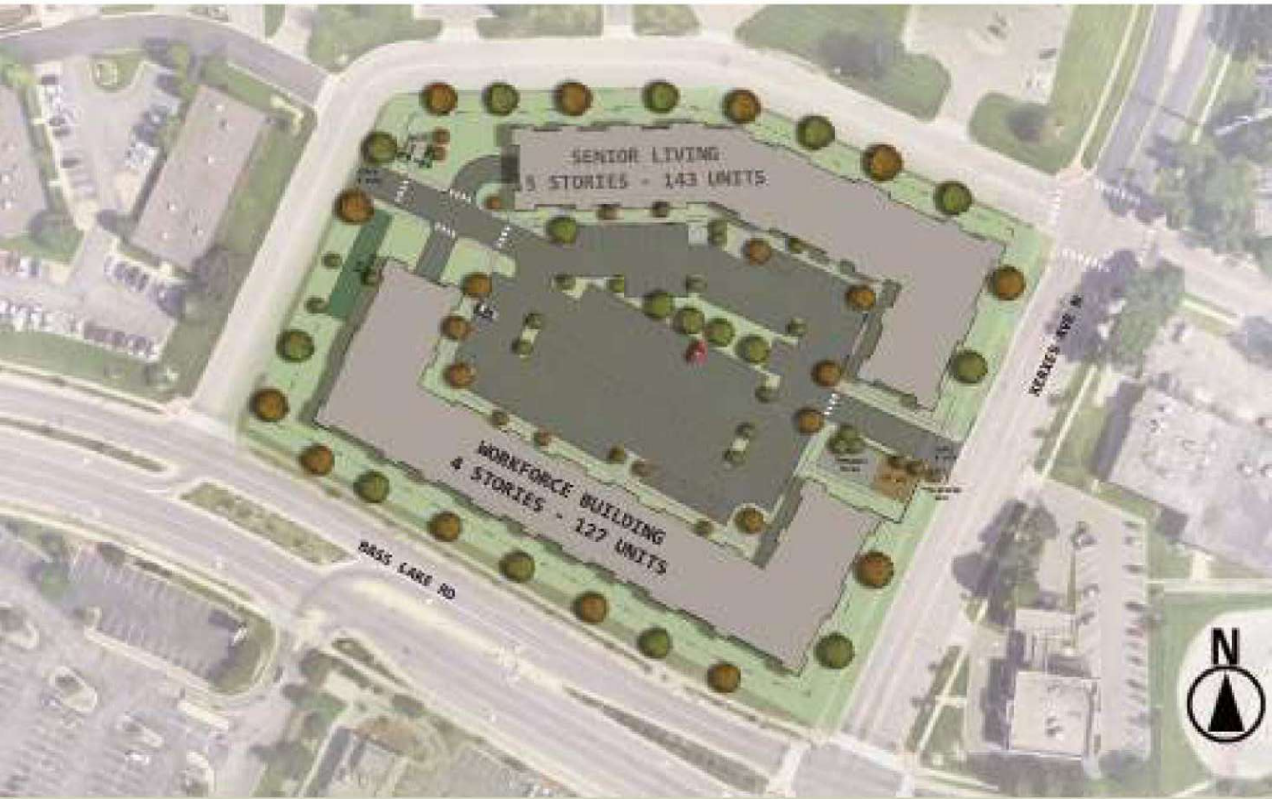
ENGINEERS: Loucks, civil/ landscape; Sandman, structural

GENERAL CONTRACTOR: Big-D Construction Midwest

DEVELOPMENT COST: $33 million

COMPLETION DATE: Spring 2021

PROJECT SIZE: 180,590 SF; 143 Units



SONDER HOUSE APARTMENTS

AFFORDABLE WORKFORCE | BROOKLYN CENTER, MN

Sonder House Apartments is a 127-unit workforce housing development located at 5801 Xerxes Ave. N. in Brooklyn Center, Minnesota. The site was previously home to Jerry's Foods, which closed its doors in 1999. Real Estate Equities acquired the site and began construction in January of 2020. Once complete, the four-story building will feature one level of underground parking, fitness center, rooftop common area with grills, fire pit and yard games, clubroom with kitchen, and in-unit features consisting of granite countertops, stainless steel appliances, vinyl plank flooring and in-unit laundry. All apartments, consisting of one, two, and three-bedroom units, will be affordable to residents making 60% AMI or less.

Amenities

- Clubroom with fireplace and kitchen
- Fitness center
- Rooftop deck with fire pit and grills
- Patio with grilling area
- In-unit washer and dryer
- Granite countertops
- Additional storage
- Underground parking
- Pet friendly
- Smoke-free
- Tot Lot
- Lounge

Financing

- Freddie TEL Mortgage
- Tax Exempt Bonds
- Tax Increment Financing
- Low-Income Housing Tax Credits

team & data

OWNER: Real Estate Equities

ARCHITECT: Kaas Wilson Architects: Petro Megits, principal in charge; Dave Morck, project manager & lead designer; Luke Murphy, job captain; Eli Smith & Adam Carlson, CA Project Manager; Jackie Gibson, interior designer

ENGINEERS: Loucks, civil/ landscape; Sandman, structural

GENERAL CONTRACTOR: Big-D Construction Midwest

DEVELOPMENT COST: $35 million

COMPLETION DATE: Spring 2021

PROJECT SIZE: 196,080 SF; 127 Units; 5.87 Acres

ASTER HOUSE APARTMENTS

AFFORDABLE WORKFORCE | EAGAN, MN

Aster House Apartments is a 204-unit affordable housing development located at 4265 Nicols Road in Eagan, Minnesota. The project included a coordinated effort with the city to create a regional pond on the property that holds stormwater runoff for the apartment itself, as well as neighboring properties. The pond serves as the focal point of the site and offers an attractive setting for the apartment building. However, the site includes several other amenities for resident use including a pickleball court, large fenced in dog park, bocce ball, grill stations, fitness patio, and children's playground. The amenities extend into the building with a spacious clubroom and fitness room with yoga studio. The Apartment units themselves consist of one, two, and three-bedroom sizes, and are all rent and income restricted to 60% AMI or below.

Amenities

- Clubroom with fireplace
- Fitness center
- Yoga Center
- Patio with grilling area, fire pit, bocce ball courts, and outdoor fitness turf area
- In-unit washer and dryer
- Granite countertops
- Balconies at all Units
- Underground parking
- Pet friendly
- Smoke-free
- Two Patios with trellises
- Tot Lot
- Dog Run
- Pickle Ball Court
- Theater
- Lounge

Financing

- Dakota County Community Development Agency Housing Opportunities Enhancement
- Tax Exempt Bonds
- Tax Increment Financing
- Low-Income Housing Tax Credits

team & data

OWNER: Real Estate Equities

ARCHITECT: Kaas Wilson Architects: Petro Megits, principal in charge; Dave Morck, project manager; Ben Delwiche, Lead Designer; Adam Carlson, CA Project Manager; Andja Cunningham, interior designer

ENGINEERS: Sambatek, civil/landscape; Sandman, structural; Cain Thomas Associates, mechanical, plumbing, electrical

GENERAL CONTRACTOR: Big-D Construction Midwest

DEVELOPMENT COST: $58.2 million

COMPLETION DATE: Spring 2022

PROJECT SIZE: 299,436 SF; 204 Units

SPRING HOUSE APARTMENTS

AFFORDABLE WORKFORCE | COON RAPIDS, MN

Spring House Apartments is located on a vacant parcel in the SW quadrant of Highway 610 & 47 in Coon Rapids, Minnesota. Real Estate Equities acquired the land in September of 2018. Real Estate Equities partnered with Citi Bank to acquire the site and develop it into 168 workforce housing apartments. Once complete, the four-story building will feature one level of underground parking, fitness center, multiple community amenity areas, granite countertops, stainless steel appliances, and in-unit laundry. All apartments, consisting of one-bedroom, two-bedroom, and three-bedroom units will be affordable to residents making 60% AMI or less.

Amenities

- Clubroom with fireplace and kitchen
- Conference room
- Fitness center
- Rooftop decks with fire pit, grilling station, and turf lawn ball area
- Patio with grilling area
- In-unit washer and dryer
- Granite countertops
- Additional storage
- Underground parking
- Tot Lot
- Dog Run
- Gazebo
- Business Center

Financing

- Freddie TEL Mortgage
- Tax Increment Financing - City of Coon Rapids
- Low-Income Housing Tax Credits
- Tax-Exempt Bonds

team & data

OWNER: Real Estate Equities

ARCHITECT: Kaas Wilson Architects: Petro Megits, principal in charge; Dave Morck, lead designer; Dave Morck, project manager; Luke Murphy, job captain; Eli Smith & Adam Carlson, CA Project Manager; Jackie Gibson, interior designer

ENGINEERS: Loucks, civil/landscape; Sandman, structural

GENERAL CONTRACTOR: Big-D Construction Midwest

DEVELOPMENT COST: $43.3 million

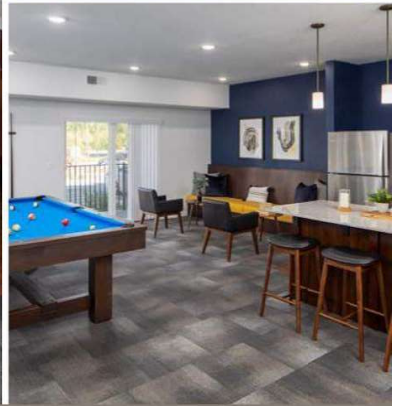
COMPLETION DATE: January 2021

PROJECT SIZE: 253,475 SF; 168 Units; 5.39 Acres

EASTGATE APARTMENTS

AFFORDABLE WORKFORCE | ROCHESTER, MN

Eastgate Apartments is located off bustling 12th Street SE and Eastgate Drive SE in Rochester, Minnesota. This affordable building boasts a mix of studios, 1 bedroom, and 2-bedroom apartments. 135 units total in the 4-story building. Amenities include a fitness center, yoga studio, community room, club room with pool table, kitchen, and secured parcel room. The grounds include an on-site playground with patio area, landscaping throughout, and underground parking.



Amenities

- Granite countertops
- Stainless steel appliances
- In-unit washer and dryer
- Fitness center
- Clubroom
- Picnic area and playground
- Balconies and patios
- Underground parking
- Additional storage
- Pet friendly
- Smoke-free

Financing

- HUD 221(d)4 Mortgage
- Tax Exempt Bonds
- Tax Increment Financing
- Low-Income Housing Tax Credits

team & data

OWNER: Real Estate Equities

ARCHITECT: Kaas Wilson Architects: Link Wilson, principal in charge; Christian Borgan, lead designer; Petro Megits, project manager; Wes Sweetland, CA Project Manager; Andja Cunningham, interior designer

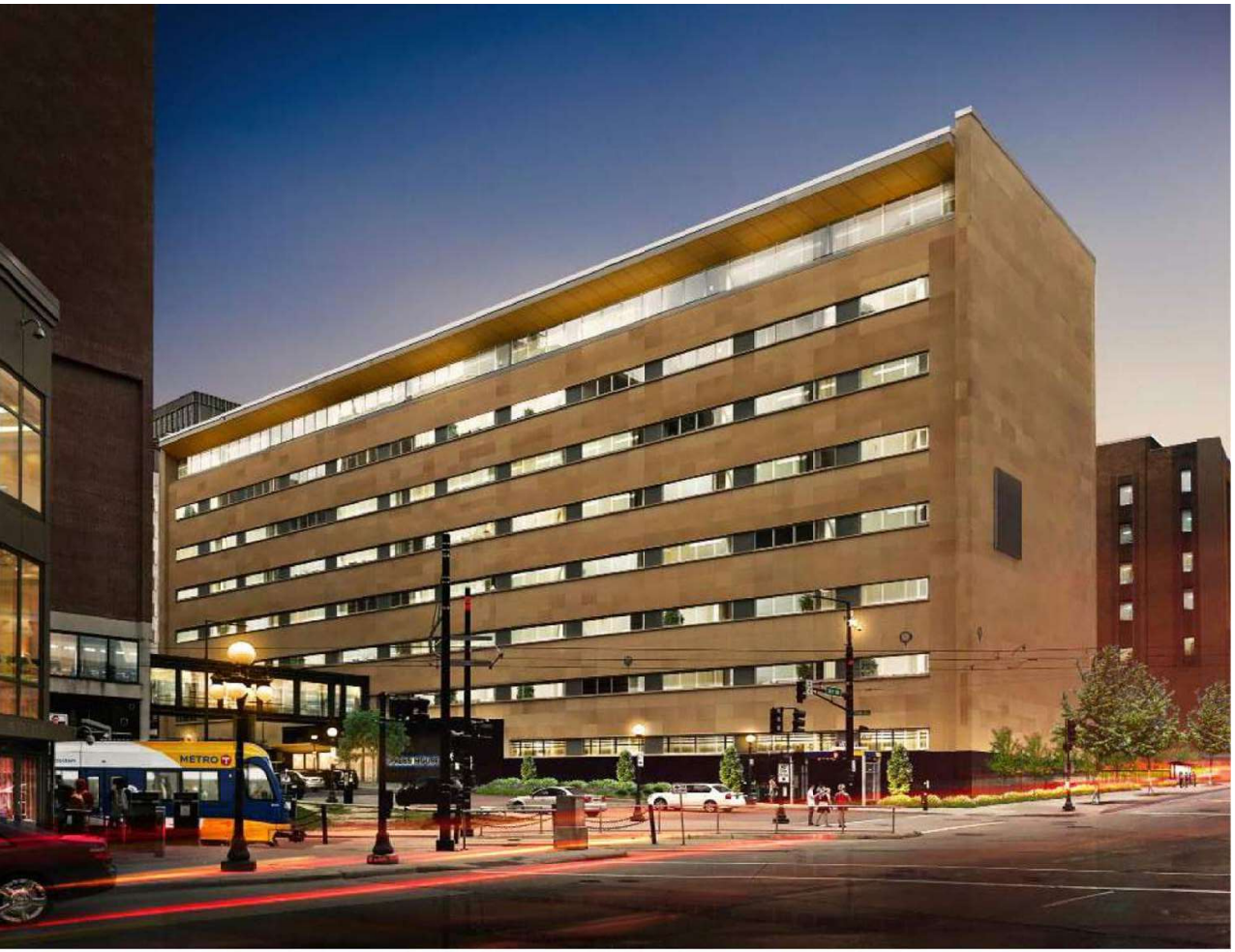
ENGINEERS: WSB & Associates, civil/landscape; Darren B. Towells, structural; LKPB Engineers, mechanical, electrical, plumbing

GENERAL CONTRACTOR: Schoeppner Inc.

DEVELOPMENT COST: $26.6 million

COMPLETION DATE: August 2019

PROJECT SIZE: 166,960 SF; 135 Units; 3.07 Acres



PRESS HOUSE APARTMENTS

AFFORDABLE WORKFORCE |
ST. PAUL, MN

Press House Apartments, located at 345 Cedar Street in downtown Saint Paul, is the conversion of the former Pioneer Press Building into 144 affordable apartments units. The building was originally constructed as the headquarters for Minnesota Mutual Life Insurance Company in 1955 and was occupied by The Pioneer Press in the mid-1980's until 2015. In 2017, the building was listed on the National Registry of Historic Buildings and was purchased by Real Estate Equities. Construction to convert the existing building into apartments began in November of 2017. The project, completed in 2018, includes one-bedroom, two-bedroom and three-bedroom apartments, affordable to residents making 60% AMI or less. There is also approximately 20,000 square feet of community amenities for the residents offered at no additional charge.

Amenities

- Two clubrooms with fireplace and gourmet kitchen
- Professional fitness center and yoga studio
- Business center and movie theater
- Game room with poker, billiards, shuffleboard, and foosball
- Urban garden with grills and fire pit
- In-unit washer and dryer
- Quartz countertops and stainless-steel appliances
- Additional storage
- Skyway connected
- Smoke-free

Financing

- HUD 221(d)4 Mortgage
- Tax Exempt Bonds
- Low-Income Housing Tax Credits
- Federal Historic Tax Credits
- State Historic Tax Credits
- Tax Base Revitalization Account Loan
- Livable Community Demonstration Account Loan

team & data

OWNER: Real Estate Equities

ARCHITECT: BKV Group

GENERAL CONTRACTOR: Weis Builders

DEVELOPMENT COST: $50.7 million

COMPLETION DATE: December 2018

PROJECT SIZE: 144 Units; 1.04 Acres

CityView map

11/9/2022

Brooklyn Park
Unique. United. Undiscovered.

Map Scale = 1: 8,381

698 ft 1 in

Map provided by the City of Brooklyn Park, MN. This map is for general reference only. It is not for legal, engineering, or surveying use. Please contact the sources of the information if you desire more details. www.brooklynpark.org

City of Brooklyn Park
Request for EDA Action

Agenda Item:	6.2	**Meeting Date:**	April 17, 2023
Agenda Section:	General Action Items	**Prepared By:**	Breanne Rothstein, Economic Development and Housing Director
Resolution:	X	**Presented By:**	Breanne Rothstein, Economic Development & Housing Director
Attachments:	4		
Item:	Consider Approving a Professional Services Agreement with I Alexander Agency for Operations of the Small Business Center Project; and Approving Second Amendment to Management and Leasing Agreement with Wellington Management for the Small Business Center Project		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION 2023-_____ APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH I ALEXANDER AGENCY FOR OPERATIONS OF THE SMALL BUSINESS CENTER PROJECT.

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION 2023-_____ APPROVING SECOND AMENDMENT TO MANAGEMENT AND LEASING AGREEMENT WITH WELLINGTON MANAGEMENT FOR THE SMALL BUSINESS CENTER PROJECT.

Overview:

The small business center project is a new venture for the Brooklyn Park Economic Development Authority (EDA). As part of the project plan, there are time sensitive agreements that the EDA needs to consider, including the 2023/2024 operations agreement, a fiscal agent agreement, and a technical assistance/partner coordination agreement. The purpose of this action would be to approve the draft contracts for operations and fiscal agent services for the operation of the small business center, per the EDA's direction and approval of terms at the March 2023 EDA meeting.

Background:

In October of 2021, the EDA purchased Northwind Plaza for the purposes of : 1) creating a small business center for Brooklyn Park businesses have access to affordable space to grow and thrive, 2) prevent gentrification of existing businesses when Blue Line LRT opens, 3) provide wealth building opportunities for businesses through potential real estate ownership/co-op opportunities in the future and 4) provide potential future opportunities for infill development on the large parking lot. As part of the work to open the center, three, time sensitive agreements need to be approved for its successful operation. The EDA has approved a budget that includes these costs as part of its 2023 budget approval and as part of its consideration of the Small Business Center budget.

After many months of working through the small business center needs, and a much better understanding of how it will operate, staff is recommending that the EDA contract with three different organizations to allow each to focus on its area of expertise in this first year of operations, including: 1) Liberian Business Association (LIBA) for Business Technical Assistance, 2) I Alexander Agency for Daily Operations and 3) Wellington Management for fiscal agent services. Two of these agreements are presented for approval with this action.

Primary Alternatives/Issues to Consider:

- **What are the proposed terms of the fiscal agent agreement?**

An app called CoWorks has been selected to manage members. Collection of membership fees is a critical part of the management of members. In evaluation of best practices related to collecting membership fees, it has been determined that using ACH or credit cards on auto-debit is the most effective way to collect payment. This requires the use of a fiscal agent to collect payment on behalf of the EDA. Since Wellington property management is currently providing this service for the payment of rents in the rest of Northwind Plaza and has all the systems and accounting tools in place to provide this service, EDA staff recommends amending the current contract with Wellington to add this service. Staff would evaluate its effectiveness at the end of current contract period (quarter 4 of 2023) to determine whether a long-term service with Wellington is desired.

Duration: *Match existing Wellington contract, October of 2023*
Cost: *$1,500 per month*
Scope: *- Set up and Collect payments (through ACH and credit card (Stripe is the name of the app))*
- Coordinate with operator on vendor payments and pay vendors
- Provide monthly accounting/reconciliation reports (similar to Northwind Plaza)

- **What are the proposed terms of the operations agreement?**

Ms. Indred Alexander is working as a project manager with LIBA, who is currently under contract with the EDA to provide professional services during this startup phase of the project. EDA staff recommends entering into a contract with I Alexander Agency for the rest of 2023 and through 2024 for the operations of the small business center.

Duration: *Rest of 2023 and through 2024*
Cost: *$25,000 per month*
Scope: *- 300 hours per month total of staff presence at center (one person physically present during normal business hours and special events after hours*
- Day to day management of the people in the space
- Management of vendor work (IT, janitorial, TA)
- Mail and delivery management
- Event coordination
- Management of members (Fob activation/deactivation, new agreements, expiring agreements)
- Use and work through CoWorks app (communications, member management)

Budgetary/Fiscal Impacts:

In addition to the capital construction budget and the EDA general fund for technical assistance to small businesses, the EDA has approved a Year One operating budget of $300,000 in EDA resources for 2023. It is expected that these contracts would be funded by a combination of this budget allocation and Small Business Center operating revenue.

Next Steps:

- April – Apply selection criteria to applicants and secure membership agreements; negotiate business technical assistance agreement
- May – Finalize contracts with remaining vendors (IT, janitorial, vending, printing)
- June – Small Business Center opens

Recommendation:

The Executive Director of the EDA recommends approval.

Attachments:

6.2A RESOLUTION
6.2B RESOLUTION
6.2C DRAFT PROFESSIONAL SERVICES AGREEMENT
6.2D DRAFT SECOND AMENDMENT TO MANAGEMENT AND LEASING AGREEMENT

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

RESOLUTION #2023-_____

RESOLUTION APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH
I ALEXANDER AGENCY FOR OPERATIONS OF THE SMALL BUSINESS CENTER PROJECT

WHEREAS, the Brooklyn Park Economic Development Authority ("EDA") is developing a small business center located at Northwind Plaza; and

WHEREAS, the EDA seeks to partner with a professional services provider for the operations of the center; and

WHEREAS, the terms and conditions of services have been negotiated with I. Alexander Agency, according to the agreement under consideration;

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

1. That the attached Professional Services Agreement is hereby approved in substantially the form presented to the Board, and any necessary and appropriate modifications, deletions, and additions thereto which may be approved by legal counsel to the Authority and the officers authorized to execute Amendment.

2. The authority to approve, execute and deliver future amendments to the Professional Services Agreement is hereby delegated to the Executive Director, subject to the following conditions: (a) such amendments or consents to not materially adversely affect the interests of the EDA; (b) such amendments or consents do not contravene or violate any policy of the EDA, the City or applicable provision of law, and (c) such amendments or consents are acceptable in form and substance to the counsel retained by the EDA to review such amendments.

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

RESOLUTION #2023-_____

RESOLUTION APPROVING SECOND AMENDMENT TO MANAGEMENT AND LEASING AGREEMENT WITH WELLINGTON MANAGEMENT FOR THE SMALL BUSINESS CENTER PROJECT

WHEREAS, the Brooklyn Park Economic Development Authority ("EDA") is developing a small business center located at Northwind Plaza; and

WHEREAS, the EDA seeks to partner with a property management firm to provide fiscal agent services; and

WHEREAS, Wellington Management Inc is proposed to complete these tasks, as set forth in the revised agreement; and

WHEREAS, the terms and conditions of services have been negotiated with Wellington Management, Inc according to the agreement under consideration;

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

1. That the attached Amendment to the Management and Leasing Agreement is hereby approved in substantially the form presented to the Board, and any necessary and appropriate modifications, deletions, and additions thereto which may be approved by legal counsel to the Authority and the officers authorized to execute Amendment.

2. The authority to approve, execute and deliver future amendments to the Management and Leasing Agreement is hereby delegated to the Executive Director, subject to the following conditions: (a) such amendments or consents to not materially adversely affect the interests of the EDA; (b) such amendments or consents do not contravene or violate any policy of the EDA, the City or applicable provision of law, and (c) such amendments or consents are acceptable in form and substance to the counsel retained by the EDA to review such amendments.

BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
PROFESSIONAL SERVICES AGREEMENT

This agreement is made this _____ day of _____ 2023, by and between Indred Alexander Insurance Agency, LLC ("Contractor"), a Minnesota limited liability company, and the Brooklyn Park Economic Development Authority ("EDA"), a public body corporate and politic under the laws of the State of Minnesota.

WHEREAS, in October of 2021, the EDA purchased Northwind Plaza for the purpose of creating a Small Business Center (the "SBA"), among other goals; and

WHEREAS, the operation of the SBC, requires an individual to manage the facility; and

WHEREAS, Contractor has the necessary expertise to provide management of the facility; In consideration of the mutual covenants and promises contained in this Agreement, Contractor and EDA agree as follows:

I. SCOPE OF SERVICES

The EDA agrees to engage Contractor for the following activities: (the "Services").

- Provide a staff person on site for at least 300 hours per month including all hours of operation of the SBC and during all special events. Such staff will include, at a minimum:
  - Director (Indred Alexander): responsible for the following tasks:
    - Plans, directs, and oversees the Small Business Center, and ensures that deliverables and functionality are achieved as defined in the Small Business Center Operators Agreement, funding documentation, and subsequent Small Business Center plans.
    - Maintains accountability for the management of all resources assigned to the Small Business Center.
    - Works closely with Wellington management to oversee and manage the operations within budget, including opportunities for cost containment.
    - Serves as the primary liaison between the Small Business Center and the Small Business Center Sponsor (EDA).
    - Manages both service and process quality activities for the Small Business Center.
    - Provides insight into Small Business Center health by reviewing process and product activities for adherence to standards and plans.
    - Works with EDA staff to prepare an annual budget.
    - Solicits input and feedback from business, both members and non-members, to guide operations, including performing routine surveys
    - Participates in an in depth Program Evaluation, anticipated for Summer

2023.

- Performs all other related duties as required.

- Manager (Full time)
  - Manages the entire day-to-day operations of the Center and leads in all technical disciplines and service delivery of the Small Business Center.
  - Coordinates and manages new member onboarding, member interactions.
  - Coordinates, manages and supervises all vendor performance.
  - Ensures IT and Digital Systems provide a great user experience of the Center network infrastructure.
  - Performs network architecture, database, software development, security, testing, key FOB management, change & replacement management, release management, and all other technical areas of the Center network infrastructure and security systems.
  - Provides managerial and technical support to the Director, implements/executes all policies, processes, and procedures, manages, and coordinates all activities between the Center stakeholders.
  - Manages and coordinates all business relationships, activities and transactions between selected vendors and all other service providers in direct consultation with the Director.
  - Performs all aspects of engagements, marketing, public information dissemination, public and members service delivery, membership fees, public fees, and any other related financial requirements/transactions in direct consultation with the Director.
  - Performs all other related duties as required.

- Assistant Manager
  - Assists in the management of day-to-day activities of the Center as well as serves as the Front Desk staff. Ensures front desk is always staffed during business hours and that after hours activities and events are staffed.
  - Provides implementation management leadership through planning, organizing, coordinating, and monitoring implementation activities of members and other users.
  - Effectively manages all information technology resources assigned by the Center Manager
  - Follows up with contractors/vendors to ensure all obligations satisfy all objectives and expectations of their contracts signed with the Center.
  - Perform basic managerial duties where necessary in the absence of the

Manager.

- Supports the Manager in the management of vendors and ordering of supplies.
- Coordinates special events and programming.
- Performs all other related duties as required.

- Center Facilitators
  - Schedules, sets up and coordinates the smooth facilitation of all networking events, training activities, small business technical assistance.
  - Oversees the administrative task of sorting, notifying, and delivering mail/packages to departments and members within the center. Maintains and organizes mailroom with packages, envelopes, and other items.
  - Ensures adequate availability of supplies and the maintenance of the Mailroom, Breakroom, and all other related storage rooms.
  - Operates/uses and manages the Center's photocopier, fax and scanning machines, and all print room activities/functions.
  - Assists in event coordination and programming.

II. DELIVERABLES AND REPORTING

CONTRACTOR will submit to the EDA a quarterly report including the following:

- Number of members at each level, and the percent capacity filled at each level
- Number of canceled and new member contracts
- A narrative of Successes
- A narrative of identified places for improvement

CONTRACTOR will submit an annual report by June 1, 2024 including the results of a member survey. The survey will be designed by Contractor with input from the EDA.

III. COMPENSATION AND TIMING OF PAYMENT

EDA will pay Contractor a total of $25,000 per month for the above-described services and deliverables. Payment to Contractor is due on the 1st of every month, starting June 1, 2023 and ending December 1, 2024. The compensation is based on the estimated hours projected to complete the scope of services and deliverables by the contractor and contractor's staff.

IV. TERM AND TERMINATION

1. Period of Performance. This Agreement shall terminate on December 31, 2024.

2. Termination of Agreement. EDA and Contractor both shall have the right to terminate this Agreement at any time and for any reason by submitting written notice

of termination to the other party at least sixty (60) calendar days prior to the specified effective date of the termination. In addition, EDA shall have the right to terminate this Agreement on twenty (20) calendar days written notice if Contractor's performance is not timely or is substantially unsatisfactory or if Contractor has violated any of the terms, conditions, or agreements contained in this Agreement. In either event, on the termination of this Agreement, all finished and unfinished documents and work papers prepared by Contractor pursuant to this Agreement shall become the property of EDA and Contractor will be entitled to a pro-rata payment for services up to the date of termination.

V. CONTRACT PERFORMANCE AND MODIFICATION

1. Assignment**.** For all work provided for under this Agreement, Contractor shall not assign its rights or obligations without receiving the express written consent of EDA.

2. Amendments**.** The terms of this Agreement may be changed or modified by mutual agreement of EDA and Contractor. Such amendments, changes, or modifications shall be effective only on the execution of written amendment(s) signed by EDA and Contractor.

VI. WORK PRODUCT

Work Products. All reports, data, materials, information and other work products ("EDA information") prepared and developed in connection with the provision of services contemplated in this Agreement shall become the property of EDA. Such information does not include information about specific businesses who are solicited for membership or become members. Contractor may, without prior written approval of EDA, disclose EDA information to third parties but solely in connection with the performance of its duties under this Agreement.

VI. MISCELLANEOUS PROVISIONS

1. EDA's Authorized Agent. The EDA's authorized agent for purposes of administration of this Agreement is:

- Kim Berggren, kimberly.berggren@brooklynpark.org

The dedicated staff member for this Agreement is:

- Breanne Rothstein, Breanne.rothstein@brooklynpark.org

2. Contractor's Authorized Agent. Contractor's authorized agent for purposes of administration of this Agreement is:

- Indred Alexander indred@ialexanderagency.com

3. Conflict of Interest. Contractor certifies that to the best of its knowledge, no EDA employee or employee or officer of any agency interested in this Agreement has any pecuniary interest in Contractor or with this Agreement and that no person associated with Contractor has any interest that would conflict in any manner or degree with the performance of this Agreement.

4. Relationship of the Parties. This Agreement shall not constitute, create, give effect to or otherwise imply a joint venture, partnership or formal business organization of any kind between EDA and Contractor. Contractor shall act as an independent contractor and not as an agent for the EDA, and Contractor shall not have any authority to bind the EDA.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principles. Each Party irrevocably submits to the jurisdiction of the federal or state courts in Hennepin County, Minnesota for the purposes of any suit, action or other proceeding arising out of this Agreement and each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the federal or state courts in the State of Minnesota.

6. Counterparts. This Agreement may be executed in several counterparts. If so executed, each of such counterparts shall be deemed an original for all purposes and all counterparts shall, collectively constitute an agreement. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

7. Indemnification. To the fullest extent permitted by law, Contractor, agrees to indemnify and hold harmless EDA, its officers, agents, and employees from all claims, suits, or actions of any kind, nature, or character, and the reasonable costs, disbursements, and expenses of defending the same, including but not limited to, reasonable attorneys' fees, consulting project management services, and other technical, administrative or professional assistance to the extent caused by the negligence, breach of contract or misconduct of Contractor or its subcontractors, agents, or employees under this Agreement or arising out of the failure to obtain or maintain the insurance required by this Agreement.

Nothing in this Agreement shall constitute a waiver or limitation of any immunity or limitation on liability to which EDA is entitled. The parties agree that these indemnification obligations will survive the completion or termination of this Agreement.

8. Insurance. Contractor, and all sub-contractors, will maintain insurance coverage for:

- Worker's Compensation and Employer Liability: Coverage A as per state statute; and Coverage B.$100,000 per accident, $500,000 per disease, per policy year, and $100,000 per employee. Contractor shall provide EDA with a current certificate of insurance.

- General Liability in an amount of not less than $1,000,000 per occurrence and $2,000,000.00 in the aggregate, and will provide information as to specific limits upon receipt of this signed Agreement. Contractor shall provide EDA with a current certificate of General Liability insurance. Such certificate shall list EDA as additional insureds and contain a statement that such policy of insurance shall not be canceled unless thirty (30) days written notice (ten (10) days' written notice for non- payment of premiums) is provided to EDA.

9. Compliance with Laws. Contractor shall exercise due professional care to comply with applicable federal, state and local laws, rules, ordinances and regulations.

10. Entire Agreement. This Agreement, any attached exhibits and any addenda or amendments signed by the parties shall constitute the entire agreement between EDA and Contractor and supersedes any other written or oral agreements between EDA and Contractor. This Agreement can only be modified in writing signed by EDA and Contractor.

11. Data Practices Act Compliance. Any and all data provided to Contractor, received from Contractor, created, collected, received, stored, used, maintained, or disseminated by Contractor pursuant to this Agreement shall be administered in accordance with, and is subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

12. Audit Disclosure. The Contractor must allow the City, or its duly authorized agents, and the state auditor or legislative auditor reasonable access to the Contractor's books, records, documents, and accounting procedures and practices that are pertinent to Services provided under this Agreement for a minimum of six years from the termination of this Agreement.

13. No Discrimination. Contractor agrees not to discriminate in providing products and services under this Agreement on the basis of race, color, sex, creed, national origin, disability, age, sexual orientation, status with regard to public assistance, or religion. Violation of any part of this provision may lead to immediate termination of this Agreement.

14. Waiver. No waiver of any provision or of any breach of this Agreement shall constitute a waiver of any other provisions or any other or further breach, and no such waiver shall be effective unless made in writing and signed by an authorized representative of the party to be charged with such a waiver.

15. Headings. The headings contained in this Agreement have been inserted

for convenience of reference only and shall in no way define, limit or affect the scope and intent of this Agreement.

16. Severability. In the event that any provision of this Agreement shall be illegal or otherwise unenforceable, such provision shall be severed, and the balance of the Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the EDA and Contractor have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

BROOKLYN PARK
ECONOMIC DEVELOPMENT AUTHORITY

By: _____ Date: _____
Kim Berggren
Its: Executive Director

CONTRACTOR

By: _____ Date: _____

Its: _____

SECOND AMENDMENT TO
MANAGEMENT AND LEASING AGREEMENT

This Second Amendment to Management and Leasing Agreement ("Amendment") is made and entered into _____, 2023, between the Brooklyn Park Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota ("Owner") and Wellington Management, Inc. ("Manager") and amends the Management and Leasing Agreement dated October 8, 2021, as amended by that Extension of Management and Leasing Agreement dated August 8, 2022 (collectively, the "Agreement") between Owner and Manager.

RECITALS

A. Owner is the owner of the land and improvements commonly known as Northwind Plaza, located at 7944 7996 Brooklyn Boulevard in the City of Brooklyn Park, State of Minnesota, containing 64,200 square feet (the "Property").

B. Manager represents and warrants it is in the business of managing properties similar to the Property and possesses the skills and experience necessary for the efficient, professional management and leasing of the Property.

C. Owner has engaged the services of Manager in connection with managing and leasing and the parties have entered into a Management and Leasing Agreement dated October 8, 2021, as amended by that Extension of Management and Leasing Agreement dated August 8, 2022.

D. The Property includes Suite #7970 ("7970") for which, pursuant to Section 2.1 of the Agreement, Owner is responsible for leasing, and Owner now seeks assistance with certain collection of membership dues from members at 7970 (the "7970 Members"), and disbursement of such revenue for expenses related to the operations at 7970.

E. The Owner and Manager have agreed to amend the Agreement to add additional duties of the Manager and this Agreement memorializes those additional duties.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which each party hereby acknowledges, the parties agree as follows:

1. Amendment of Section 1.4. The Agreement is modified by adding the following approved signatory to the Bank Account to the seventh (7th) line of Section 1.4 as stated below:

   Casey Dzieweczynski.

2. Amendment of Section 1.7. The Agreement is modified by adding subsection (c) to Section 1.7 as stated below:

(c) In conjunction with paying the Management Fee (as described in Section 1.7(a), Owner shall pay Manager a flat fee of One Thousand Five Hundred and No/100 Dollars ($1,500.00) per month for the additional duties as described in Sections 3.1 and 3.5.

3. Amendment of Section 3.1. The Agreement is modified by adding a second (2nd) paragraph to Section 3.1 as stated below:

   Manager shall collect membership dues (through ACH, credit card or an application chosen by Owner, such as Stripe) from 7970 Members at the Property. Manager will not be obligated to pursue any delinquent membership dues from 7970 Members but shall provide notice of overdue membership dues.

4. Amendment of Section 3.5. The Agreement is modified by adding a second (2nd) paragraph to Section 3.5 as stated below:

   Manager shall pay vendors retained in Owner's name by Manager for the services described in the paragraph above that are provided to 7970. Additionally, Manager shall coordinate with 7970 operator (yet to be determined) on vendor payments. Owner shall notify Manager of the 7970 operator along with contact information. If Owner changes 7970 operator, it shall notify Manager immediately of such change.

5. Ratification. The remaining terms in the Agreement remain in full force and effect.

6. Counterparts and Electronic Signature. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The parties agree that the electronic signature of a party to this Amendment will be as valid as an original signature of such party and will be effective to bind such party to this Amendment. The parties further agree that any document (including this Amendment and any attachments or exhibits to this Amendment) containing, or to which there is affixed, an electronic signature will be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "electronic signature" also means a manually signed original signature that is then transmitted by any electronic means, including without limitation a faxed version of an original signature or an electronically scanned and transmitted version (e.g., via PDF) of an original signature. Any party's failure to produce the original signature of any electronically transmitted signature will not affect the enforceability of this Amendment.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first above written.

OWNER:

BROOKLYN PARK ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Name: Kimberly Berggren
Its: Executive Director

MANAGER:

WELLINGTON MANAGEMENT, INC.

By: _____
Name: David R. Wellington
Its: President

MEMORANDUM

DATE: April 13, 2023

TO: EDA Commissioners

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

SUBJECT: Status Update

Overview:

This memo provides an update to the Brooklyn Park Economic Development Authority (EDA) and serves to keep interested community members informed. The EDA's housing-related work is summarized in a separate memo.

BUSINESS DEVELOPMENT

Brooklyn Park Development Corporation
On March 27th, the BPDC presented applicants for its 2023 Board of Directors, who interviewed with Mayor Winston and city councilmembers during the last city council meeting. Board appointments will take place April 10th as city council members propose to appoint representatives to serve on the Board of Directors for the Brooklyn Park Development Corporation. The proposed appointments are for a Resident Representative, Financial Representative, Large Business Representative, and Small Business Representative. The terms of the appointments are for two years and will run through the 2025 annual meeting. All representatives on the Board of Directors are appointed by the City Council, as per the Brooklyn Park Development Corporation bylaws.

Brooklyn Park Business Council
On Tuesday April 25th, from 8:00-10:00 a.m., MetroNorth Brooklyn Park Business Council is hosting "Coffee with the Mayor." This is an informal meeting - no RSVP is required, and business representatives are welcome to stop by Brooklyn Park City Hall, council chambers as it works for their schedule.

For complete details, visit https://www.metronorthchamber.org/events/details/coffee-with-the-mayor-197963. All Council Members are welcome to attend as well.

On Tuesday April 4th, MetroNorth Chamber of Commerce in partnership with the City of Brooklyn Park, organized and sponsored a meeting with Congressman Dean Philips and a number of Brooklyn Park business owners. Focused on various topics related to small businesses and workforce shortages, the meeting covered a range of issues such as capital funding for small businesses, utilizing immigration reform to address workforce shortages, and the changing role of employers in today's workforce.

One of the key issues discussed was the need for employers to be flexible with their employees, while attracting, hiring, and managing remote workers and their schedules. Additionally, discussions about the importance of utilizing marginalized communities and the need for affordable daycare along with the challenges faced by emerging developers in the development bonding process arose as Rep. Philips listened to the concerns and questions raised by the Brooklyn Park community.

Brooklyn Park Small Business Center
The EDA is investing in a Small Business Center at 7970 Brooklyn Boulevard within Northwind Plaza. The small business center is designed as a coworking and incubator space that fosters collaboration and growth in a space that provides a full suite of services at competitive pricing. Construction is 90% complete and will be approximately 25,000 square feet offering shared office space, conferencing, printing, network access and audio-visual capabilities for meetings.

The small business center will offer approximately 60 office spaces for small businesses and entrepreneurs with some retail spaces designed to support a variety of business such as sales, merchandising and beauty/salon. The grand opening is scheduled for June 2023. Applications for membership are being accepted and the membership selection process will begin in March and will be ongoing. Member onboarding and training will begin in April in preparation for the grand opening.

WORKFORCE DEVELOPMENT

BrookLynk
On April 8th BrookLynk hosted its annual Mock Interview event at North Hennepin Community College for over 90 youth. One-on-one mock interviews give youth that applied for a BrookLynk summer internship the opportunity to practice the skills they learned during their Get Ready! training. Many of the youth applicants have never experienced an actual job interview and mock interviews help prepare them for the next steps toward landing their internship and developing skills as a young professional. At the event youth received constructive feedback from a professional to help them improve upon their interviewing skills.

This event would not be possible without the help of volunteers. The BrookLynk staff would like to thank City of Brooklyn Park Staff, Carmen Bibiano (Community Engagement), Sarah Kriewall (HR), and Josie Thao (Economic, Development, and Housing), as well as City of Brooklyn Center Staff Jesse Kaster & Matt Chopp (Public Works). In addition to staff from the two cities we would also like to thank our volunteers from Osseo Area Schools, Best Prep, and BrookLynk Ambassadors.

Career Pathways
On March 31st thirty-eight residents from Brooklyn Park, Brooklyn Center, & North Minneapolis attended an information session to learn about our city's new Heavy Highway Construction training program. This program was designed in partnership with Hired, Construction Career Foundations, MnDOT, and Hennepin Technical College and offers certification in OSHA 30 and small engines. During the information session guests learned about training, careers in public works, and support services including free drivers' education. This new training program is being offered by the cities of Brooklyn Park & Brooklyn Center to help build our local workforce and talent network in advance of the 252/I94 highway construction project and is funded by the two cities through ARPA and a grant from MnDOT.

The first Highway Heavy Construction training cohort launched on April 10th. Participants that complete the program will receive a stipend for training and will be eligible for seasonal employment in the cities of Brooklyn Park and Brooklyn Center's Public works and support services provided by the Workforce Development Division.

OTHER

Other Development Projects Currently Underway:

- Former Park & Ride site at 4201 95th Avenue N – The action to select a developer was indefinitely tabled by the EDA on February 21. On March 20, a resolution directing staff on other EDA projects was approved which included working with MVP, Design by Melo and Good Neighborhood Homes to see if the proposal can be modified as directed by the EDA.
- Christina's Day Care – The land use application for this project was approved by the City Council on October 24 and the purchase and business subsidy agreement was approved by the EDA on November 21, 2022. Christina's is working to secure final financing and begin construction in 2023.
- Predevelopment projects funded by the Metropolitan Council Livable Communities Demonstration Account (LCDA) grants, including:
    - Zane Commons (7701 Brooklyn Boulevard) – Zane Commons is updating its proforma and held a first community engagement event at the site on Saturday, March 11. Staff anticipate future consideration of a purchase agreement to help secure financing for this project.
    - New Africa CDC / Innovation Hub (7495 Brooklyn Boulevard) – Interest withdrawn as of February 8, 2023. Staff are continuing planning and discussions with JO Companies on the regent site as directed by the EDA in the resolution approved on March 20.
    - The Villas – Cross Inc. has successfully acquired five of the six properties located at 5672-5692 Brookdale Drive N. Visioning, architectural design with Design by Melo, and financial planning with NEOO partners is currently underway with community engagement at the front and center of the process.

Attachments: N/A

MEMORANDUM

DATE: April 13, 2023

TO: EDA Commissioners

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

SUBJECT: Housing Update

Overview:

This memo provides an update to the Economic Development Authority (EDA) on housing-related items that include the multifamily annual rental survey and the homeowners' financial programs expenditure in the past year. In addition to updating the EDA, this memo serves to keep interested community members informed of this work.

COVID-19 HOUSING UPDATES

$50 million expansion to the Family Homeless Prevention Assistance Program (FHPAP)
On March 30, 2023, Governor Walz signed into law a bill that provides $50 million to FHPAP to prevent family homelessness. This is the latest response to efforts to address Minnesota's housing shortage. The fund is managed by Minnesota Housing and administered by 20 counties, Tribal Nations and community assistance programs and their subgrantees and provides coverage across the state. The program typically distributes $10 million in state appropriations per year. The $50 million will expand the program to serve another 20,000 families. Existing program administrators will be eligible to receive further funds to distribute in their communities based on their organizational capacity and regional need.

Governor Walz and Lt. Governor Flanagan's budget recommendations includes an additional $50 million increase in FHPAP for 2024-2025, and both the Senate and House proposed budget bills include additional funding for the next two years.

Minnesota residents experiencing a housing crisis may be eligible for help with their rent, utilities or other housing costs if their income is at or below 200% of federal poverty guidelines. Those interested in applying are encouraged to reach out to the administrator in their region.

HomeHelpMN
Minnesota homeowners who have experienced a financial hardship due to the COVID-19 pandemic and have past-due housing expenses may be eligible for financial assistance to bring

their payments current. Applications for assistance can be submitted online at HomeHelpMN.org or over the phone at 800-388-3226.

HomeHelpMN adopted program changes to expand eligibility. The changes took effect on August 12, 2022:

- The cap on assistance was increased to $50,000 per household. The prior limit was $35,000.
- There is no longer a time restriction on past-due expenses. Previously, expenses had to be incurred after January 21, 2020.
- Applicants who were previously denied but are still in need of assistance and meet eligibility criteria may request their case be reopened by calling 800-388-3226.

Applications accepted while funds are available. For applications being processed, the new criteria will be used, and no additional action is needed.

While there is no application deadline, homeowners with past-due expenses are encouraged to apply as soon as possible.

HomeHelpMN prioritizes applications for homeowners at imminent risk of foreclosure and housing displacement and communicates with third-party vendors to establish the vendor as payees and inform them of the homeowner's application for assistance to pay the amounts past due.

Homeowners can apply even if they are in discussions with their mortgage servicer about a loss mitigation workout, are in forbearance, or are in active foreclosure.

For questions about this program, visit the HomeHelpMN web page or call 1-800-388-3226. You can also sign up for e-newsletters from MN Housing.

NEW HOUSING DEVELOPMENT PROJECTS

Real Estate Equities (western portion of 9500 Decatur Drive)
The EDA is considering a new term sheet at this April 20 meeting due to several adjustments to REE's unit mix and financing proposal. The EDA and City Council have taken several actions in support of this project, including when it was first proposed on the Revive Church property on West Broadway Avenue. Most recently, the EDA authorized a term sheet for each phase on Decatur Drive on November 21, 2022, and the City Council supported a Housing Infrastructure Bond (HIB) application to Minnesota Housing on December 12, 2022. At this April 10 meeting, the EDA will consider two new term sheets, one for each phase of this project. The term sheets are updated with more units than previously approved which resulted in a higher TIF request. The financing proposal for this development will include $1.45 million in TIF and a $1 million loan for each building/phase of the project, totaling $4.9M in financial request from the EDA.

Real Estate Equities (REE) is proposing a development at 9500 Decatur Drive, a site in the northwest portion of the city. The proposal includes two phases of workforce housing totaling approximately 350 units consisting of 1-bedroom, 2-bedroom, and 3-bedroom apartment homes. This project proposes to use income averaging and have an average affordability to families making 60% of the area median income. Five percent (5%) of the homes, or a total of 18 units, will be restricted to families making no greater than 30% AMI. The total unit mix is 77% 2-bedroom units and above with units of each size at both 30% and 60% AMI. Real Estate Equities received

unanimous approval for its land use application at the Planning Commission on Wednesday, March 8, and land use approval from the City Council on April 10.

Tessman Ridge (6900 85th Avenue N - NHCC Site)
On Monday, March 20, the EDA held a public hearing and approved the TIF Plan and TIF Development Agreement with various other legal documents approving financing for this project. At its meeting on Monday, March 27, the City Council voted to approve the TIF Plan and authorize creation of a new TIF district. With these approvals, Duffy intends to close on the property in May/June 2023 and begin construction on Phase I of this project this summer.

On October 24, 2022, the City Council approved Duffy Development's land use application for Phase I of this project. Phase 1 includes 71 units with 8 efficiency, 12 one-bedroom, 32 two-bedroom, 14 three-bedroom and 5 four-bedroom units. Phase I will also include the EDA purchase of the full site from Minnesota State Colleges and Universities (MnSCU), the current property owner, and selling the land for the Phase I development to Duffy**.**

Phase II will include applying for additional financing and a separate land sale for the remainder of the property at a later date. Duffy is financing both phases of this development with an allocation of Low-Income Housing Tax Credits (LIHTC) from Minnesota Housing, a $1,185,000 Metropolitan Council Livable Communities Demonstration Account – Transit Oriented Development (LCDA-TOD) grant, Tax Increment Financing (TIF) from the EDA, and other sources. The EDA approved the term sheet to provide TIF and approve the purchase agreement with Minnesota State Colleges and Universities (Minnesota State) and North Hennepin Community College at its meeting on May 17, 2020. The EDA had solicited qualifications for the development of this vacant land in early 2020 and selected Duffy Development at that time.

Village Creek Apartments (7621 Brooklyn Boulevard)
Due to rising interest rates and construction costs, the George North Group is currently considering a HUD loan and Low-Income Housing Tax Credits (LIHTC) to support this development project which represents a significant change in its financing structure. The EDA had previously approved TIF and a land write down for a total of $3,590,000 in financial support for this project. The EDA will consider the financing adjustments to this project at a later date. The goal of the developer is still to begin construction this year using an expedited process for this financing through HUD.

Village Creek Apartments is located on EDA-owned land at 7621 Brooklyn Boulevard. The project 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 (LCDA) grant to assist with project costs and a Hennepin County Transit Oriented Development (TOD) in fall 2020.

RE-HABILITATION PROJECTS

Huntington Place Apartments
City staff continues to coordinate internally and with representatives from Aeon regarding the current livability at Huntington Place as well as the long-term sustainability of the 834-unit apartment community. Staff from Police, Community Development, Recreation and Parks departments as well as the Community Engagement division (Administration department) are collaborating on actions needed in response to the themes heard from Huntington Place residents over the past many months. Staff provides regular updates via a memo sent to City Council

members and other interested parties summarizing recent actions and activities. These memos and other related information are available on the city website at https://www.brooklynpark.org/city-projects/huntington-place/.

Stonybrook Housing Improvement Area HIA
The EDA approved $1.2 million through the Housing Improvement Area (HIA) loan program for Stonybrook Property Owners Association. The funds will be used for the replacement of all the existing roadways and driveways, mill and overlay, restriping, landscaping as well as the installation of new exterior lighting within the Homeowners Association (HOA) as per the current layout. Located at 30084-69484 84th Court N, Stonybrook Townhomes were built in 1970s and consist of 88 buildings with 352 individually owned townhome units. Construction work on the project is anticipated to begin in the spring or early summer of this year.

OTHER HOUSING NEWS AND UPDATES

There are several sources of data that tell the story of the need for affordable and accessible housing in the region, including:

- Key Facts on Housing 2022 (Minnesota Housing Partnership)
  - https://mhponline.org/mhp-releases-key-facts-on-housing-2022/
- Regional Housing Affordability Dashboard (Minneapolis Federal Reserve)
  - https://minneapolisfed.shinyapps.io/Itasca-Housing-Dashboard/ - Indicators
  - https://minneapolisfed.shinyapps.io/Itasca-Housing-Dashboard/ - Tracking three key goals for region
- Indicators for an Inclusive Regional Economy (disaggregated by cultural community) (Center for Economic Inclusion) https://indicators.centerforeconomicinclusion.org/
- The applications dashboard provides data on the number of homeowners who have submitted financial assistance inquiries through www.homehelpmn.org https://homehelpmn.org/dashboard/

Staff Participation in Housing Groups
Staff participates regularly in various regional groups on the topic of housing, including:

- NOAH Working Group hosted by Minnesota Housing and focused on identifying strategies to advance the preservation of affordable housing regionally.
- Anti-displacement Working Group created by the Metro Blue Line Light Rail Transit Extension (BLRT) project office and Hennepin County.
- Housing Collaborative hosted by Twin Cities Local Initiatives Support Corporation (LISC) and focused on education, info sharing, and collaboration among city staff on housing programs and policies.
- Regional Housing Policy Work Group hosted by Urban Land Institute (ULI) Minnesota.
- Government Equitable Development Community of Practice hosted by the Metropolitan Council.

Other Housing Policy Work Currently Underway:

- Research the establishment of a housing trust fund
- Apartment Action Plan 2.0 (2018-present)
- CURA Housing Stability study implementation
- Fair Housing Training

Housing Work Recently Completed:

- CURA Housing Stability Study (2021-2022) – available at https://www.cura.umn.edu/research/brooklyn-park-housing-project
- EDA-owned former Park and Ride site at 4201 95th Avenue N (developer selection currently tabled by the EDA)
- Transitional Housing Facility Rehabilitation (2018-2020)
- Fair Housing Policy (May 2019)
- Mixed-Income Housing Policy (2017)
- Tenant Notification Ordinance (October 2019)
- Autumn Ridge Apartments Rehabilitation Project (2018-2022)
- Homeowner Programs re-vamp (2019)
    - Senior Deferred Loan Program
    - Down Payment Assistance Program (tripled investment in 2021)
    - Code Correction Loan Program
    - Revolving Loan Program
    - Rental Rehabilitation Loan Program (for 1-16-unit rental properties. Details available at www.mncee.org/services/financing/brooklynpark/-1) (April 2020)
    - Community Engagement and Environmental Sustainability Program (April 2020)
- Affordable Housing Preservation and Development Program (July 2019)
- Brooks Landing and Brook Gardens Rehabilitation Project (2019-2020)
- Park Villa Housing Improvement Area (HIA) Project
- Autumn Ridge Apartments Rehabilitation
- Evergreen Elevator Project (2022)
- Sunrise Court Second HIA Project (2022)

Attachments: N/A