

Monday, August 21, 2023  
6:00 p.m. following the Special City Council Meeting

## REGULAR EDA MEETING – AGENDA #8

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 Seng Moua.

If you need these materials in an alternative format or reasonable accommodations for an EDA meeting, please provide a 72-hours' notice to Seng Moua by calling 763-493-8059 or emailing [Seng.Moua@brooklynpark.org](mailto:Seng.Moua@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***

***Meeting will be called to order in room A203. This portion of the meeting will not be televised but will be audio recorded.***

### **I. ORGANIZATIONAL BUSINESS**

#### **1A. CALL TO ORDER/ROLL CALL**

#### **1B. APPROVAL OF AGENDA**

### **II. WORK SESSION**

#### **2. WORKSESSION ITEMS**

- 2.1** Discuss Village Creek Real Estate Market and Development Opportunities
  - A.** KIMBLE CO PROPOSAL AND BACKGROUND INFORMATION
  - B.** VILLAGE CREEK REAL ESTATE MARKET ANAD DEVELOPMENT OPPORTUNITIES
  - C.** VILLAGE CREEK MAP OF EDA-OWNED SITES
- 2.2** Discuss Changes to the Former Park & Ride Sites Proposal by MVP Development, Design by Melo, and Good Neighbor Homes Development Group
- 2.3** Discuss the Nullification of Rental Restrictive Covenants on 222 Single Family Homes in Brooklyn Park
  - A.** LIST OF PROPERTIES
  - B.** LOCATION MAP
  - C.** RESTRICTIVE COVENANT EXAMPLE
- 2.4** Discuss 2024 EDA Strategic Investments
  - A.** EMAIL FROM METRO CITIES RE: DIRECT HOUSING ALLOCATION

***Meeting will be recessed and reconvened in the Council Chambers. This portion of the meeting will be televised.***

### **III. PUBLIC INVOLVEMENT**

#### **3. 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.

**3A. RESPONSE TO PRIOR PUBLIC COMMENT**

**3B. PUBLIC COMMENT**

**3C. PUBLIC PRESENTATIONS**

**IV. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION**

**4. CONSENT**

- 4.1** Consider Approving the 2023 EDA Meeting Minutes
  - A.** JULY 20, 2023 DRAFT REGULAR MEETING MINUTES
- 4.2** Consider Identifying the Need for Livable Communities Demonstration Account Funding and Authorizing Application for Grant Funds for a Housing Development at 9500 Decatur Drive
  - A.** RESOLUTION
  - B.** LOCATION MAP

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 Special Benefit Tax Levies for the Purpose of Defraying the Costs Incurred by the Brooklyn Park Economic Development Authority for the Year 2024
  - A.** RESOLUTION
- 6.2** Consider Selecting MVP Development, Design by Melo and Good Neighbor Homes as the Developer for the EDA-Owned Site at 4201 95<sup>th</sup> Ave North and Directing Staff to Enter Into Negotiations for a Term Sheet and Purchase Agreement for the Site
  - A.** RESOLUTION
  - B.** UPDATED SITE PLAN
  - C.** JUNE 27 COMMUNITY WORKSHOP FEEDBACK SUMMARY
  - D.** AUGUST 3 COMMUNITY WORKSHOP CONTENT BOARDS
  - E.** AUGUST 3 COMMUNITY WORKSHOP FEEDBACK
  - F.** LOCATION MAP

**V. 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
  - A.** HOUSING LEGISLATIVE RECAP
- 7.3** Verbal Commissioner Reports and Announcements

**VI. 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](http://www.brooklynpark.org).  
The next scheduled EDA meeting is Monday, September 18, 2023.

# City of Brooklyn Park

## EDA WORK SESSION

<b>Agenda Item:</b>	2.1	<b>Meeting Date:</b>	Aug 21, 2023
<b>Agenda Section:</b>	Work Session	<b>Prepared By:</b>	Kim Berggren, Executive Director
<b>Attachments</b>	3	<b>Presented By:</b>	Kim Berggren, Executive Director
<b>Item:</b>	Discuss Village Creek Real Estate Market and Development Opportunities		

### Overview:

The Economic Development Authority has prioritized promoting development within the Village Creek redevelopment area. KimbleCo recently analyzed the real estate market and development opportunities in the neighborhood and along Brooklyn Boulevard per the attached project proposal (1.1A) and has provided a written summary of the findings (1.1B). Julie Kimble will be presenting the information to the EDA at the meeting and will be available to respond to questions. In June, several members of the EDA board participated in developer discussions with representatives from Ryan, Wellington, and McGough. Kimble Co summarized the key themes from these meetings in its report.

### Background:

Planning for the revitalization of the 133-acre Village Redevelopment Area began in 1997. Since the start of redevelopment efforts, the City, EDA, Hennepin County, and Metropolitan Council have invested more than \$37 million into preparing and facilitating development at Village Creek. Preparation of the area has resulted in over of \$91 million of market value to date, including:

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

The EDA owns 19 acres of land in the Village Creek neighborhood and is working with multiple developers on various project concepts including:

#### ***Christina's Child Care Center (Site #1)***

Christina's Child Care Center, currently located in Crystal, seeks to purchase the site located at 7516 Brooklyn Boulevard to build a second location. The land use application for this project has been approved by the City Council 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.

#### ***Regent Site (Site #2-3)***

Over the years, the EDA has received multiple proposals from various development groups for the Regent site, the 13-acre redevelopment site at Regent and Brooklyn Boulevard. The site was formerly occupied by the Huntington Pointe apartments, which were acquired and demolished by the EDA in 2007/08. The most recent proposal for the site was from JO Companies and included senior rental housing, workforce rental housing, rental townhomes, and a free-standing commercial building. At its July meeting, the EDA did not advance discussions on the development vision presented by JO Companies.

***Village Creek Apartments (7621 Brooklyn Boulevard) (Site #4)***

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 including a community kitchen. The EDA first considered this project in 2018. Since that time the developer has secured multiple sources of funding including:

- Metropolitan Council Livable Communities Development Account (LCDA) grant
- Hennepin County Transit Oriented Development (TOD) grant
- TIF and land write down from the Brooklyn Park EDA
- Tax-exempt bonds from Minnesota Management and Budget (MMB)

George Group North is now working to secure expedited funding from the U.S. Department of Housing and Urban Development (HUD) and begin construction in late 2023/early 2024.

***Zane Commons (Site #6-10)***

Zane Commons is a vision for the southwest corner of Zane Ave and Brooklyn Blvd proposed by local resident and business owner, Edoh Akakpo. Mr. Edoh currently owns the building on the corner and operates a successful African market at that location. His business is surrounded by vacant EDA-owned properties, and in 2021 he entered into a partnership with the EDA to explore a vision for the site which includes expanded commercial space and the addition of residential units. Currently he is working with a consultant to define a site vision and clear financial proposal for the site. This work is funded with a Metropolitan Council Livable Communities Demonstration Account (LCDA) predevelopment grant with matching EDA and developer funds. The EDA will receive a full project update this fall.

***Villas Townhomes (privately owned) (Site #11)***

The Villas Townhouses owned by Property Development by Cross LLC. has successfully acquired five of the six attached townhome properties located at 5672-5692 Brookdale Drive North. 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. This work is funded with a Metropolitan Council Livable Communities Demonstration Account (LCDA) predevelopment grant with matching EDA and developer funds. The EDA will receive a full project update this fall.

***Huntington Place Apartments (privately owned) (Site #12)***

The EDA has provided up to \$6 million (\$5.5 million repayable) in rehabilitation and sustainability funds for the Huntington Place apartment community. 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/>.

**Primary Issues/Alternatives to Consider:** N/A

**Budgetary/Fiscal Considerations:**

The Village Creek TIF district #20 is set to decertify in the next few years. The EDA could consider pursuing special legislation toward securing funds to support continued reinvestment in this area.

**Next Steps:** N/A

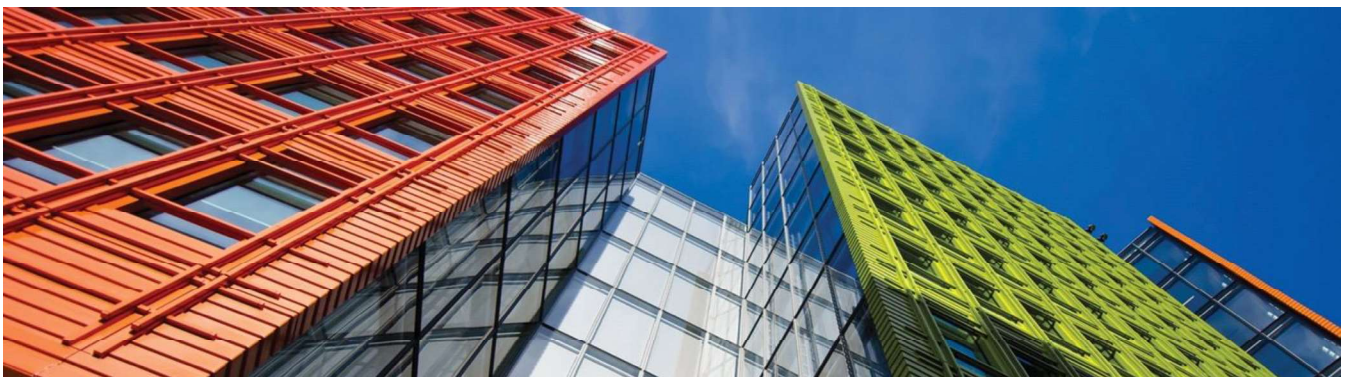
**Attachments:**

- 2.1A Kimble Co Proposal and Background information
- 2.1B Village Creek Real Estate Market and Development Opportunities
- 2.1C Village Creek Map of EDA-owned Sites



**PROPOSAL FOR CONSULTING  
SERVICES**

to  
The City of Brooklyn Park  
June 21, 2023



## CONSULTING OBJECTIVE

Thank you for your interest in retaining KimbleCo to provide consulting services to the City of Brooklyn Park for the purposes of analyzing and understanding the real estate market and development opportunities, now and in the near future, in The Village area located in the Shingle Creek Corridor, generally at Zane and along Brooklyn Boulevard.

# SCOPE OF WORK & FEE SCHEDULE

## Scope of Work:

- Review existing & historical information and reports
- Tour subject area
- Update the market reviews and redevelopment study done by KimbleCo for Brooklyn Center in 2020
- Informational interviews with staff
- Write update summary and prepare presentation for EDA
- Attend and present at EDA meeting on Tuesday, August 22, 2023
- Miscellaneous other activities to complete defined objective

## Fee Schedule:

Estimated Hours: 21

Hourly Rate: \$350.00

Minimum Retainer: \$7,000

Hours to be adjusted to actual at end of project with a minimum retainer of \$7,000.

One invoice billed after EDA meeting, Net 20 payment terms.



## APPENDIX

## ABOUT KIMBLECO

<http://www.kimbleconsult.com/>



# KIMBLECO SUMMARY

- Full-service commercial real estate firm, certified-WBE, founded in 2014
- Principals with over 55+ years of diverse real estate experience in over 30 countries
- Over seven million square feet of lease and sale transactions (five million as developer)
- Our work is based solidly on our core values of:

**Integrity – Excellence – Transparency & Communication**

**Giving Back – Healthy People. Healthy Business.**

- **Services:** Tenant representation + Fee development & consulting + Project management + Consulting and corporate advisory + Landlord representation
- We donate 10% of pre-tax profits to charity and actively volunteer our time and expertise - we are Minnesota Keystone Program member

*Certifications: WBE, WOSB, CERT, Targeted Vendor*



# KIMBLECO SNAPSHOT



**55+ years experience**  
from Fortune 100 to start-up  
entrepreneurial businesses



**5+ million square feet**  
office, industrial, retail and  
housing developed and leased



**30 countries**  
global experience



**10% profits**  
donated to charity



# OUR SERVICES

## Brokerage Services

- **Tenant representation** to secure space to lease, or to purchase or sell property whether office, industrial, retail, land or multifamily.
- **Landlord representation** to drive the highest return on an investment, using a strategic, proactive and targeted marketing approach combined with timely communication to all stakeholders.
- **Investment sales** whether purchase or acquisition for multifamily, office and industrial real estate investors.

## Consulting

- Strategy & portfolio analysis
- Site incentive procurement
- Financial analysis
- Portfolio transaction services
- Special projects

## Project Management

### **Integrity. Transparency. Communication.**

These are the foundations of Project Management.

- Identifying strategic goals and asking the right questions.
- Building the right team for your project.
- Budget and schedule.
- Developing process.
- Monitoring project milestones.
- Managing to desired outcomes.
- Documenting and recordkeeping.
- Problem solving.
- Managing close-out.

## Fee Development

- Project vision and strategy
- Project team selection
- Site selection/assembly
- Economic analysis and pro forma development
- Due diligence/acquisition Governmental approvals/entitlements
- Financing
- Economic incentives and gap financing
- Leasing
- Stakeholder & community engagement

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# EXPERIENCE: OUR TEAM



Julie Kimble  
Founder & CEO



Casey Andersen  
Project Manager

Individual bios available upon request.

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## WHY WE ARE DIFFERENT

Our principals possess **broad and deep experience** in the commercial real estate industry. From our **varied experience** in real estate development to sales/acquisitions and leasing to economic development, asset management and corporate real estate, KimbleCo leverages its multi-faceted understanding of real estate to benefit you.

Our passion is to “**amaze with the unexpected**” to “**go above and beyond**”.

We have worked in Fortune 100 companies and in dynamic, entrepreneurial companies and so understand the **benefits of process balanced by flexibility** and the **ability to develop creative solutions** aligned with our customer's goals.

**Over 90% of our business to date has been referral or repeat business.**

In a primarily male-centric commercial real estate industry, **we are a certified Women Business Enterprise (WBE).**



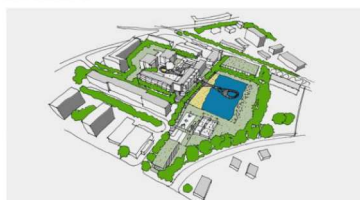
## OUR EXPERIENCE IN ACTION

- **Development of over 5M square feet** of industrial, office, multi-family and retail properties across the U.S. - from identification of opportunity to land acquisition through development to ultimate outcome of profitable operating properties.
- **Successful closure of over 7M square feet** of lease, acquisition and sale transactions for office, industrial, retail, and land product.
- Creation and implementation of asset management strategy to **enhance value for a \$2B private investment trust portfolio** of office, industrial, retail and institutional properties and support to acquisitions and dispositions teams.
- Executive management of a \$400 Million outsourced FM account for a Fortune 100 corporation **managing a 600-person global team across 32 countries**. Increased KPI performance and exceeded customer savings targets year-on-year. Led expansion into key growth markets in Europe and the Middle East.
- **Creative re-position of multiple REO properties** with ultimate successful sale of properties.
- Leadership of a U.S. middle market portfolio of 60 companies including a national **healthcare portfolio of 3 hospitals and 18 clinics** (this encompassed NYC's Health & Hospital Corporation).
- **Development of numerous business parks** across the Twin Cities region, often with complex environmental issues, promoting economic development and enhancing the community while providing opportunity for individual real estate development projects.
- Established and led **eight national teams for new build to suit development projects** for Fortune 100 customers comprised of design, development, and construction professionals and consultants.
- Creation of an **innovative 5-year strategic plan** for a global corporate client through a collaborative Joint Roadmap, aligning both corporate real estate goals and an external service provider's internal growth and profit targets.



# RELEVANT CASE STUDIES

## SUCCESS STORY



### Visioning for the Future: Corridor Redevelopment Study

Reimagining a well-established and significant transit corridor through a developed community presents both opportunity and challenge.

KimbleCo was pleased to join this important project as a member of a team alongside a planning and engineering firm, an architectural firm and a national zoning company. KimbleCo was selected for the team (a unique addition not done by other competing teams) to bring real market experience and development expertise to help achieve the project goals. It was recognized that consulting teams often plan an aspirational vision for a community that in the end is not feasible due to market conditions resulting in high hopes that cannot be realized.

KimbleCo is not a research company, but with authentic, "boots-on-the-ground" real estate development and brokerage experience they used their over 55 years of experience to develop future development scenarios that were aspirational yet grounded in market fundamentals. Possibilities that could result in true economic development.

We first developed a Market Review which analyzed demographics and current market conditions such as rents, vacancies, construction

cost and other indicators for office, retail and multi-family product which were the most likely reddevelopments for the corridor.

Then, using data and conclusions from the Market Review, we determined and tested possible redevelopment opportunities through hypothetical and high-level development programs culminating in a Redevelopment Analysis Study. Size and geometry of redevelopment parcels and compatibility with surrounding uses further guided redevelopment possibilities. KimbleCo and the architectural team member worked together in an iterative manner to test fit the various sites to provide multiple alternatives for redevelopment along the corridor. Careful attention was made to multimodal transit, green space and street improvements along the corridor. Assessment of development deal structures to determine if there were financial gaps that might require public incentives were also evaluated.

The combination of the Market Review and the Redevelopment Analysis provided city leaders and staff with a feasible yet aspirational starting point to begin the development process to reach the desired outcomes – a revitalized, vibrant, walkable and inviting place for people to live, work and play.

## CONSULTING

### PROJECT HIGHLIGHTS

#### PRODUCT TYPE

Office, retail and multifamily

#### SCOPE OF SERVICES

Consulting

#### CLIENT

Local municipality

#### GOALS AND VISION

Aspirational yet implementable corridor redevelopment plan

#### CHALLENGES

Market fundamentals and economics  
Multiple landowners  
Redevelopment vs. greenfield

#### OUTCOMES

Study & analysis with the goal of redeveloping a 13-mile corridor to achieve:

- An inviting and exciting place to live, work, play and recreate
- A corridor reflecting an identity unique to the city
- New and mixed uses throughout the corridor that serve the community
- Streetscaping that is more walkable and livable for all people
- A roadway that is more efficient for all users, not just cars
- An enhanced public realm, with sustainable and engaging features
- Support for the growth and change of the surrounding city and region



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Corporate Real Estate Advisory • Project Management



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# RELEVANT CASE STUDIES

## CASE STUDY



### Towerside, the MSP Innovation District

Minneapolis and St. Paul, Minnesota

How often do you have a chance to work on a project with an absolutely amazing vision and purpose? KimbleCo had this opportunity on Towerside.

Towerside is the only designated innovation district in the Twin Cities with the intent to mix entrepreneurs, residents, researchers, developers and businesses with a new, innovative, healthy and arts-inspired community. It is a national model for developing a thriving equitable urban community.

Towerside represents a new way of thinking about a significant area of underdeveloped land in the heart of the Twin Cities. It's a place that embodies the old-world principles of community gathering spaces and walkability. It is a rich mix of spaces, places and activities supported by a district-wide network of innovative services and systems.

KimbleCo was hired to translate stakeholder vision into actionable implementation, including establishing priorities, developing integrated timelines, budgets and approval processes, negotiating of agreements, securing of district-level funding (over \$2M), development of the business case analysis, and stakeholder and technical consultant management. We were accountable to launch Phase 1 of District scale systems to include new and enhanced green street grid, parking, energy, green space, stormwater and regional transportation connections for pedestrians, bikes and cars.

We worked with an amazing group of over 30 stakeholder organizations, both public and private including many property owners and developers who were instrumental in making Towerside's launch a reality. The Towerside vision will be developed over many years and KimbleCo played a key role in laying the foundation for this 370-acre, community-inspired innovation district.

## DEVELOPMENT CONSULTING

*"It has been my pleasure to work with Julie. She is driven to achieve results. She not only understood the intricacies involved in our complicated public-private district, her depth of development expertise and leadership were instrumental in how far we were able to advance our mission."*

Sarah Harris  
Chair, Prospect North Partnership

### PROJECT HIGHLIGHTS

#### PRODUCT TYPE

Land & Community Infrastructure  
Development of a 370-acre site

#### SCOPE OF SERVICES

Development Implementation  
Consultant

#### CLIENT

Prospect North Partnership - comprised of 33 stakeholder organizations

#### GOALS AND VISION

Sustainability & Resiliency  
Diversity & Equity  
Research & Innovation  
Economic Competitiveness  
Healthy Living  
Accessible Public Realm  
Lifelong Learning  
Design/Art/Culture

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# Commercial Real Estate Market & Redevelopment Review for The Village Creek Area

**Brooklyn Park** 

*August 2023*



# PRESENTATION OVERVIEW

- Executive Summary
- Purpose of Analysis
- Area of Study
- Area of Redevelopment
- Asset Types Reviewed
- Methodology & Terminology
- Brooklyn Park Key Demographics
- Market Trends Office
  - Northwest Quadrant Overview
  - For Lease Examples
  - For Sale Examples
  - Redevelopment Opportunity
- Market Trends Retail
  - Northwest Quadrant Overview
  - For Lease Examples
  - For Sale Examples
  - Redevelopment Opportunity
- Multifamily Market Overview
  - Redevelopment Opportunity
- Development Panel Summary
- Preliminary Conclusions

**Note:** This study relies on information produced by other parties and KimbleCo does not have knowledge of the research methodology, validation or has actual knowledge that the data has been verified by the parties producing the reports. KimbleCo is relying on information that is generally used within the commercial real estate marketplace.

# EXECUTIVE SUMMARY

KimbleCo is a commercial real estate services firm. It provides brokerage (leasing and sales), project management, fee development and consulting services. The company was founded in 2014 and its founder has been in the industry 39 years.

This Market and Redevelopment Review report focuses on the commercial real estate market in the Northwest Quadrant and in the area of Brooklyn Boulevard and Zane Avenue ("Village Creek" area; which includes properties available for redevelopment currently owned by the City of Brooklyn Park.

The study focuses on development types that are the most likely for the study area while keeping in mind aesthetics and scale of the boulevard. Development is also guided by the desire for economic development and projects that serve current and future residents. Adjacent uses, gaps in services and size and configuration of the parcels were taken into consideration.

Future development plan review should take into consideration the additional goals of the city, to build community assets and character, connect amenities with the surrounding area, and to strengthen the tax base.

The Market Review is based upon current, available data produced by others in aggregate or individual form and KimbleCo's experience. This study is intended to present data derived from these sources to help inform the Redevelopment Analysis.

The Market Review information is used to assist in an understanding of the current feasibility of various types of development project and estimates the need for subsidy. There are numerous product types in each development classification (office, retail, multifamily) and a myriad of variables. High-level, hypothetical proformas were completed for most of the product types to determine a basic understanding of financial feasibility now and in the near term. This is a collection of information to help guide the city in an understanding of current market conditions as it could apply to improvements along Brooklyn Boulevard.

It is impossible to make definitive recommendations without having final design and complete project details. It is imperative that for all redevelopment projects a full project review be completed to assess for any subsidies.

It is noted that the information in this study generally agrees and is consistent with that of the most recent developer interviews.



# PURPOSE OF ANALYSIS

The purpose of this Market and Redevelopment Review is to understand the possibilities for development or redevelopment of sites along in the Village Creek area adjacent to Brooklyn Boulevard and near Zane Avenue within the city limits of Brooklyn Park based on current market conditions.

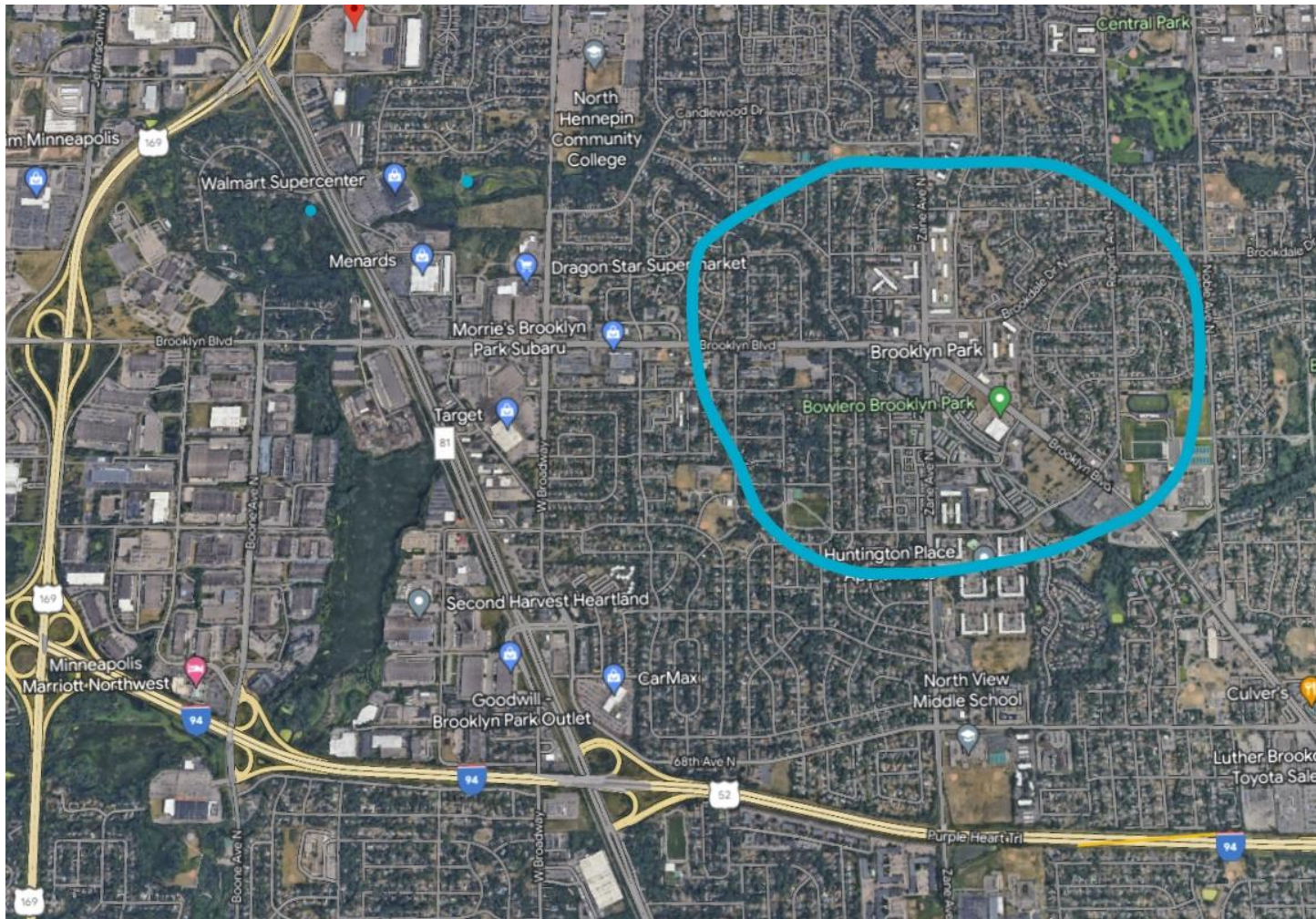
Research is typically done within standard quadrants throughout the Twin Cities Metro area. Brooklyn Park is in what is typically described as the Northwest Quadrant submarket.

On the pages that follow, Northwest Quadrant information will be referenced as well as data specific to Brooklyn Park and the Village Creek neighborhood.

Fundamental Assumption:

- Strong demographics (population, income, age, etc.) and healthy market fundamentals including rental rates, vacancy and absorption rates, development and construction costs, interest rate and availability of financing are key to developer interest. **Rarely, can you “build it and they will come”.** Exceptions to this will be destination-type product and projects at scale with a patient time horizon. With the increased costs of development, it is nearly impossible to have long-term patient money and still have a successful and sustainable development.

# AREA OF STUDY





# AREA OF REDEVELOPMENT

## Current city owned redevelopment sites:

SW Zane Brooklyn Blvd assembly: 3 acres  
 SW Brooklyn Blvd & Welcome: 1.71 acres  
 SE Brooklyn Blvd & Welcome: 2.07 acres  
 Regent site: 12.84 acres

The City owned sites are of sufficient size to accommodate multiple types of redevelopment if they are supported by the market and have good visibility along a major thoroughfare.



# METHODOLOGY & TERMINOLOGY

## Market Review & Redevelopment Analysis Methodology

1. Complete Market Review for office, retail and multifamily based on current and available commercial real estate data.
2. Using data from the Market Review and construction, financing and other development cost information, assess possible redevelopment opportunities for the redevelopment area taking into consideration the city's zoning and comp plan as well as compatibility with surrounding uses. Consider information obtained from the City's recent developer interviews. "Back of the napkin" proforma analysis will also support the redevelopment analysis.

## Terminology (additional terms are described throughout the report)

**Demographics:** Demographics are referred to throughout this report. Demographics are the statistical data relating to the population and particular user groups within it. Examples of demographic data are population and its descriptors, income, education, age, etc. In the case of retail other factors include assessment of demand – households, daily workers, visitors, commuters and likely destination shoppers.

Real estate markets and development rely on demographics to understand and predict the likely feasibility and success of a development product. This is combined with other information such as market rents or purchase price information along with the cost of the development.

**Absorption:** The net change in occupancy from quarter to quarter, expressed in square feet.

**Feasibility or Financial Feasibility:** The ability for a project to be built that provides a reasonable rate of return to a developer or owner based on current market conditions; rent, cost, vacancy, supply & demand, etc.



# ASSET TYPES REVIEWED

Regardless of property type, it is important to note that vibrant communities and developments include connective greenspace and design that allows for various forms of mobility (walk, bike, etc.) for integration of how we now live, work and play. Keeping this in mind provides opportunities for placemaking in the Village Creek area which will make developments more competitive, increasing economic development and promoting healthy and attractive opportunities for both residents and businesses.

## Retail:

Service retail could support existing and future multifamily development and would be complimentary and be compatible with existing retail within the city.

## Office/Office Condo:

Office condo or smaller scale office product along in the area can provide the opportunity for newer product than is currently available and may provide location opportunities for small businesses owned by area residents in proximity to their homes.

## Multi-family:

There continues to be development interest in multifamily on "A" sites during this challenging time of higher construction cost and interest rates. This includes newer affordable, workforce and market-rate or mixed-income product. It is understood that the City wishes to its Mixed-Income Policy to the Village Creek area.

## Notes:

- *The industrial asset type was not included in this study as it is not a desired product type for the area.*
- *Single tenant built-to-suit developments were not considered as these are specific to a user and can usually be developed and financed assuming budget and a creditworthy tenant or owner.*
- *Medical office developments will continue to occur where gaps exist, and rents support the development and were not reviewed as a part of this update.*
- *Parks and public spaces are being encouraged to be integrated throughout new and existing development, and therefore were not considered for stand-alone use.*
- *Single family and senior housing were not studied as a part of this market update.*

# BROOKLYN PARK KEY DEMOGRAPHICS

- **Population (2022):** According to the U.S. Census Bureau, the population growth in Brooklyn Park has increased approximately 10% between 2010 and 2022 (from 75,781 to 83,324). However, population has decreased when comparing 2020 to 2022 census counts. Brooklyn Park is the sixth-largest city in Minnesota and the fourth largest in the Metro area. Persons per household 2.88.
- **Income:** The 2021 median income in Brooklyn Park was \$76,620 compared to Hennepin County median of \$85,438.
- **Median Value Owner Occupied Housing:** \$248,900
- **Race and Origin (2022):** Non-White: 59.4% White Alone: 40.6%
- **Age:** 64 and under: 88.7% 65 and over: 11.3% Under 5 years: 8.1% Under 18 years: 27.9%
- **Education (2022):** High school graduate or higher 89% Bachelor's degree or higher: 31.5%

Sources: U.S. Census Bureau

# REAL ESTATE COMPARABLE DATA

Disclaimer: Cautionary note regarding real estate comparable data:

- The market comps included in the study are at best, a general guide.
  - Actual rental rate information is closely held. Aggregated information is often skewed by building class, age, location dynamics. This Market Review and the associated Redevelopment Analysis are based upon available aggregated data produced by sources as noted.
  - Building sale comps can vary by seller motivation, single tenant vs. multi-tenant occupancy, for redevelopment parcels, sale-leasebacks, for profit vs. non-profit and other varying factors.
  - To get highly accurate data, specific to a targeted geography, a full, fledged Market Review of significant effort and magnitude must be completed using statistical research methods and in-depth confirmation and follow-up.
  - The Northwest Quadrant includes the cities of Albertville, Annandale, Becker, Big Lake, Brooklyn Center, Brooklyn Park, Buffalo, Champlin, Corcoran, Crystal, Elk River, Golden Valley, Maple Grove, Maple Lake, Medina, Monticello, New Hope, North Minneapolis, Osseo, Otsego, Plymouth, Ramsey, Robbinsdale, Rogers, St Michael, Princeton, Zimmerman.

This study relies on information produced by other parties and KimbleCo does not have knowledge of the research methodology, validation or has actual knowledge that the data has been verified by the parties producing the reports. KimbleCo is relying on information that is generally used within the commercial real estate marketplace.

# MSP-ST. PAUL MARKET TRENDS - OFFICE

## MARKET TRENDS

**MNCAR** MINNESOTA COMMERCIAL  
ASSOCIATION OF  
REAL ESTATE/REALTORS®

**REDI**

Q2 2023 | Mpls-St Paul | Office

### Employment

Current Y-o-Y

Employment	1,989,122	●
Area Unemployment	2.9	●
U.S. Unemployment	3.6	●
Office Jobs	475,200	●

Source: BLS

\*Employment figures and area unemployment are based on Mpls-St Paul MSA data.

### Market Recap

#### All Properties

Total Inventory (sf)	128,038,586
Total # of Bldgs (tracked)	1,043
Absorption	(155,503)
Vacancy	16.3%
Asking Rate (PSF)	\$26.55
New Construction (sf)	816,616

#### Multi-tenant Properties

Total Inventory (sf)	88,500,305
Total # of Bldgs (tracked)	842
Absorption	(177,010)
Vacancy	21.4%
Asking Rate (PSF)	\$26.57

### Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 80 basis points to 2.9% for May 2023 from 2.1% for May 2022. The unemployment rate for the US was at 3.6% in June 2023 which is the same as last year. State of Minnesota unemployment rate was 2.9%. The Mpls-St Paul MSA saw an increase in job growth, but office decreased in job growth in professional, financial and information with 6,000 during the same period.

### Market Overview

The Mpls-St Paul office market consists of 128.6 msf of space in seven metro counties. This region posted (155,500) sf of negative absorption for Q2 2023 and shows an overall vacancy rate of 16.3% for all properties. This quarter showed (73,500) sf of direct negative absorption while subleases accounted for (81,900) sf negative absorption. Multi-tenant only properties posted 21.4% vacancy with (177,000) sf negative absorption. There was (95,000) sf negative absorption for direct space, and (81,900) sf negative absorption for subleases. During Q2 2023 there were 14 construction projects throughout the market totaling 816,000. Seven properties have been delivered YTD with 146,000 sf.

### Market Highlights

During Q2 2023, the market experienced over 1.164 msf of leasing activity in 294 transactions. For direct leasing, Mpls. CBD markets posted 167,000 sf positive absorption. Fredrickson and Byron led the way by leasing 158,000 sf as they vacated 200,000 sf that US Bank will absorb. The suburban markets posted (145,000) sf negative absorption and St Paul CBD posted (95,000) sf negative absorption. Sixty- one properties with 779,000 sf sold for \$79 million this quarter.

Source: Q2 REDI Report - Moody's Analytics - Catylist



# OFFICE MARKET OVERVIEW

## (NORTHWEST QUADRANT-MULTI-TENANT\*)

Building Class	# of Buildings	Inventory	Direct Vacant	Sublease Vacant	Total Vacancy Rate	Total Q2 Absorption	Lease Rate (Full - Service Gross)
A	1	389,244	96,593	23,895	31.0%	0	\$34.29
B	66	3,472,818	576,642	45,427	17.9%	(60,040)	\$24.85
C	13	513,250	22,976	0	4.5%	16,301	\$20.54
<b>Total</b>	<b>80</b>	<b>4,375,312</b>	<b>696,211</b>	<b>69,322</b>	<b>17.5%</b>	<b>(47,739)</b>	<b>\$24.61</b>

Source: MNCAR REDI Comps 2023 Q2 Office Report, in square feet

### Significant Q2 Leasing Activity: Northwest Quadrant

54,000 to Polaris at Northland  
Corp Center, 7225 Northland Drive

\*Multi-tenant statistics are used as a better predictor of redevelopment feasibility. Large single tenant campuses such as Target can distort data. Single tenant office developments are typically feasible. Medical office buildings are not included in the overview.

In comparison to the Northwest Quadrant aggregate data, the asking rents along Brooklyn Boulevard in the Village neighborhood generally align with the Northwest Quadrant.

Within a 5-mile radius of The Village, net rent asking rate averages are as below:

Brooklyn Park: \$13.00 rsf

Brooklyn Center: \$12.17 rsf

Maple Grove: \$16.08 rsf

Other: \$15.48 rsf

None of the currently quoted net rent levels will support a new multi-tenant development project which would need to be \$30 net rsf or higher.

#### Key:





**NNN Lease** - A lease in which the tenant pays a share of operating expenses in addition to the stipulated rent.

**Gross Lease** - Landlord receives a stipulated rent from a tenant and is obligated to pay all or most of the property's operating expenses and real estate taxes.

**Absorption**: The change in occupancy from quarter to quarter expressed in square feet.








# OFFICE FOR LEASE EXAMPLES

## (NEARBY NEIGHBORHOOD)

	Building	Year Built	Features	Rent	Operating Expense
	<b>Quadrant Building</b> 7100 Northland Cir N Brooklyn Park, MN 55428	1985	Building: 122,703 SF Floors: 4	\$12.00 Annual/SF Expenses: \$12.63	\$12.63 SF
	<b>The Triad</b> 7101 Northland Cir N Brooklyn Park, MN 55428	1981	Building: 44,585 SF Floors: 2	\$19.00 Annual/SF Gross	N/a
	<b>6800 78th Ave N</b> 6800 78th Ave N Brooklyn Park, MN 55445	1980	Building: 7,739 SF Floors: 1	\$12.00 - \$16.00 Annual/SF NNN	
	<b>Brooklyn Executive Plaza</b> 7710-7714 Brooklyn Blvd Brooklyn Park, MN 55443	1983	Building: 22,117 SF Floors: 2	\$24.00 Annual/SF Modified Gross	N/a

Source: MNCAR

# SOLD OFFICE – BROOKLYN PARK (1-YEAR)

	Building	Features	Class	Year Built	SF	PSF	Rent/Price	Percent Occupied
	<b>Creek West Office Building</b> 6900 78th Ave N Brooklyn Park, MN 55445	<b>Building:</b> 8,089 SF Floors: 1	<b>B</b>	<b>1980</b>	<b>8,089 SF</b>	<b>\$ 123.01</b>	<b>Sale Price</b> <b>\$995,000.00</b>	<b>100%</b>
	<b>9257 W River Rd</b> 9257 W River Rd Minneapolis, MN 55444	<b>Building:</b> 4,230 SF Floors: 1	<b>C</b>	<b>1962</b>	<b>4,230 SF</b>	<b>\$ 109.93</b>	<b>Sale Price</b> <b>\$465,000.00</b>	<b>100%</b>
	<b>Crosstown North Business Center VI</b> 9201 W Broadway Brooklyn Park, MN 55445	<b>Building:</b> 73,113 SF Floors: 1	<b>B</b>	<b>1999</b>	<b>73,113 SF</b>	<b>\$ 108.05</b>	<b>Sale Price</b> <b>\$7,900,000.00</b>	<b>91%</b>
	<b>6800 78th Ave N</b> 6800 78th Ave N Brooklyn Park, MN 55445	<b>Building:</b> 7,739 SF Floors: 1	<b>B</b>	<b>1980</b>	<b>11,328 SF</b>	<b>\$ 98.09</b>	<b>Sale Price</b> <b>\$1,111,200.00</b>	<b>90.00%</b>
	<b>6840 78th Ave N</b> 6840 78th Ave N Brooklyn Park, MN 55445	<b>Building:</b> 7,800 SF Floors: 1	<b>C</b>	<b>1980</b>	<b>7,800 SF</b>	<b>\$ 147.44</b>	<b>Sale Price</b> <b>\$1,150,000.00</b>	<b>100%</b>
	<b>8301 93rd Ave N</b> 8301 93rd Ave N Brooklyn Park, MN 55445	<b>Building:</b> 26,660 SF Floors: 1	<b>B</b>	<b>2004</b>	<b>26,660 SF</b>	<b>\$ 165.04</b>	<b>Sale Price</b> <b>\$4,400,000.00</b>	<b>100%</b>
	<b>610 Crossings</b> 5555 96th Ave N Brooklyn Park, MN 55443	<b>Building:</b> 41,472 SF Floors: 2	<b>B</b>	<b>2022</b>	<b>41,472 SF</b>	<b>\$ 300.61</b>	<b>Sale Price</b> <b>\$12,467,000.00</b>	<b>100%</b>

Sold Comps Ave. PSF  
(1-year 5-mile radius)

\$106.59 General Office  
\$112.71 Office Condo

Source: MNCAR



# REDEVELOPMENT OPPORTUNITY-OFFICE

Based upon current market data, below are preliminary conclusions on the feasibility of new development for office product.

The recent pandemic has greatly impacted the office market as companies have and continue to assess the way in which they work and establish corresponding workplace policies. The necessity for remote working during the pandemic has paved the way for new ideas and expectations about work with the hybrid-model gaining and maintaining favorable status with the workforce. To retain and attract talent, employers have adapted workplace policies to meet these new ways of working. Time will tell if these policies remain in place for the mid to long-term but in the meantime the change has generally created the following: 1) a reduction in the square footage needs for most companies, 2) higher office vacancies, 3) a flood of sublease space into the market, 4) moves to A Class buildings with more amenities, and often, 5) a refresh of existing space to include a variety of amenities and work area for employees. For all but "A" sites or projects with substantial prelease, there is a virtual standstill on new office development. Yet some markets continue to thrive including the North Loop area of downtown Minneapolis and the West End at Highway 100 and 394.

Some suburban sites are also making a comeback, especially those with walkability to nearby amenities.

In any instance where financial feasibility is not met, the application of city subsidies may help to fill the gap to make the project feasible. Projects would need to be analyzed on a case-by-case basis. Subsidizing office product at this time may be a high risk.

**Office:** Current market office rents do not support the development of traditional office space for lease, even if a smaller footprint. The average net asking rate in the area surrounding Village Creek is \$13.00 net per square foot. New development requires a minimum of \$30 net per square foot or higher. Given the current market fundamentals of higher construction costs and interest rates combined with office vacancy and rents that do not support new construction, both developers and lenders would be challenged to underwrite any new office project unless there was a significant amount of pre-leasing at rents significantly higher than the current market.

The best opportunity in the Village Creek area for office may be in small office condo development for owner occupancy whether for lease or purchase on one of the smaller redevelopment sites.

Certainly, build to suit office for rent or ownership can be feasible if a company can support the costs and debt necessary for the project and the design and scope of the project can be managed to budget that can be supported.

Medical office should be researched if it has not yet been however the Highway 610 area may be more desirable for this type of development.

# REDEVELOPMENT OPPORTUNITY-OFFICE

## Development considerations:

- Smaller users are best suited in a property with a smaller footprint, but this can be challenging from a credit and investor standpoint.
- Parking solutions such as surface parking or shared parking can keep costs down.
- Recent sales comps exist and are relatively strong because most are single-tenant net leased properties.
- Cost examples below do not include, land cost, design/engineering, entitlement, developer fees and other soft costs,
- Current construction (only) range for office product in the 10,000 - 20,000 sf range is: approximately \$243.00 sf
- Current construction (only) estimate for office product in the 30,000 - 50,000 sf range is: approximately \$268.00 sf
- **Current market rents are insufficient to support development at current construction costs.**
- Build to suit, for lease or ownership can be designed to a budget that fits for client, however large BTS product is not well-suited to the Village Creek location.
- Developer/owners must be capitalized up-front to fund tenant improvement allowances and transaction fees that are typical in the market.
- Speculative projects will be nearly impossible to finance.
- Lenders will require substantial pre-leasing; speculative product will be nearly impossible to finance.

## Gap financing/subsidy requirement (all contingent upon types and amounts of programs available within the city or other granting authorities or organizations):

- A smaller footprint, **office condo** project, carefully designed to meet the market, with a competitive land purchase may be able to be developed with little to no subsidy.
- Subsidy in the medium range may be required for a small multi-tenant office for lease with surface parking (free land plus additional \$) but should be considered only after careful review of an individual project.
- In-depth analysis\* should be performed to determine project feasibility, developer experience, financing commitments and all other applicable variables to ascertain development success before subsidy is committed.

\*Preliminary conclusions are based on current market conditions (rents, costs) and are based on high-level, hypothetical proforma analysis.

# MSP-ST. PAUL MARKET TRENDS - RETAIL

**MNCAR** MINNESOTA COMMERCIAL  
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**REDI**

## MARKET TRENDS

Q2 2023 | Mpls-St Paul | Retail

### Employment

	Current	Y-o-Y
Employment	1,989,122	▲
Area Unemployment	2.9	▲
U.S. Unemployment	3.6	▲
Retail Jobs	194,500	▲

Source: BLS

\*Employment figures and area unemployment are based on Mpls-St Paul MSA data.

### Market Recap

Total Inventory <sup>(SF)</sup>	94,660,726
Total # of Bldgs <sup>(tracked)</sup>	1,902
Absorption	(411,935)
Vacancy	8.4%
Asking Rate <sup>(per sq ft)</sup>	\$17.39
Under Construction	628,235

### Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 80 basis points to 2.9% for May 2023 from 2.1% for May 2022. The unemployment rate for the US was at 3.6% in June 2023 which is the same as last year. State of Minnesota unemployment rate was 2.9%. The Mpls-St Paul MSA saw an increase in job growth and retail also increased in job growth in leisure and hospitality by 17,400 during the same period.

### Market Overview

The Mpls-St Paul retail market consists of over 94.6 msf of space in seven metro counties. This region posted (411,900) sf negative absorption for Q2 2023 and bringing the YTD to (672,000) sf negative absorption. Multi-tenant properties had (196,000) sf negative absorption this quarter bringing the YTD to (411,600) sf negative absorption. The vacancy rate for the overall market was 8.4% and multi-tenant only properties shows 11.4%. To date there are 39 construction projects throughout the market totaling 628,000 sf.

### Market Highlights

At the close of Q2 2023, the market experienced over 347,000 sf of leasing activity from 125 transactions. The Southeast market posted the lowest vacancy rate at 6.1% for all properties while Mpls CBD was the highest at 28.3%. The Southeast market led one of two markets to post positive absorption with 10,000 sf. The Northwest market had the largest decline with (200,000) sf negative absorption led by Walmart closing 182,000 sf store. During Q2 2023, 94 properties sold with 1.1 msf totaling \$142 million in sale price. Five property were delivered YTD with 28,900 sf.

Source: REDI Report - Moody's Analytics - Catylist, Q2

# RETAIL MARKET OVERVIEW

## Northwest Quadrant (multiple suburbs\*)

Property Type	# of Buildings	Inventory (SF)	Total Vacant (SF)	Q2 Total Absorption (SF)	Vacancy Rate	Asking Rates (NNN)
Community Center	8	1,331,047	168,604	0	12.7%	\$15.00
Freestanding Big Box	87	5,586,293	477,334	(188,893)	8.5%	
Mixed-Use	22	844,122	39,731	(17,170)	4.7%	\$15.00
Neighborhood Center	58	3,359,829	280,077	7,400	8.3%	\$13.50
Strip Center	125	1,817,318	109,103	(2,137)	6.0%	\$19.75
<b>Total</b>	<b>300</b>	<b>12,938,609</b>	<b>1,074,849</b>	<b>(200,800)</b>	<b>8.3%</b>	<b>\$18.01</b>

Under Construction: 33,600 sf

Significant Q2 leasing: none

Q2 Sales:

Golden Valley Town Square, Golden Valley, \$6,850,000

Broadway Square Shopping, Brooklyn Park, \$6,730,000





Source: MNCAR REDI comps Retail Market Report Q2 2023

\*Note that data is influenced by large retail trade areas in Albertville and Maple Grove.













# RETAIL FOR LEASE EXAMPLES

## NEIGHBORHOOD

	<b>Zanebrook Shopping Center</b> <b>7642-7658 Brooklyn Blvd</b> <b>Brooklyn Park, MN 55443</b>	<b>Building: 21,447 SF</b> <b>Floors: 1</b>	<b>4,516 and</b> <b>5,358 SF</b>	<b>\$12.00 Annual/SF</b> <b>Expenses: \$8.12</b>
	<b>8016 Brooklyn Blvd</b> <b>8016 Brooklyn Blvd</b> <b>Brooklyn Park, MN 55445</b>	<b>Building: 4,566 SF</b> <b>Floors: 1</b>	<b>4,566 SF</b>	<b>Negotiable</b> <b>Expenses:</b>
	<b>Park Commons Shopping Center</b> <b>7655-7657 Jolly Ln</b> <b>Brooklyn Park, MN 55428</b>	<b>Building: 3,411 SF</b> <b>Floors: 1</b>	<b>1,560 SF</b>	<b>\$24.00 Annual/SF</b> <b>Expenses: \$15.55</b>
	<b>7996 Brooklyn Blvd</b> <b>7996 Brooklyn Blvd</b> <b>Brooklyn Park, MN 55445</b>	<b>Building: 13,013 SF</b> <b>Floors: 1</b>	<b>13,077 SF</b>	<b>Negotiable</b> <b>Expenses:</b>

Source: MNCAR

# SOLD RETAIL – BROOKLYN PARK (1-YEAR)

	<b>Broadway Square Shopping Center</b> 8401-8471 W Broadway Ave Brooklyn Park, MN 55445	<b>Building:</b> 50,574 SFFloors: 1	50,574 SF	<b>Sale Price</b> \$6,730,000.00	\$ 133.07	Mixed-use, 100% occupied neighborhood retail center that include a brand new Caribou Coffee and long term tenants Sherwin Williams and Step by Step Montessori.
	<b>9500 Noble Pkwy</b> 9500 Noble Parkway Brooklyn Park, MN 55443	<b>Building:</b> 12,500 SFFloors: 1	12,500 SF	<b>Sale Price</b> \$2,000,000.00	\$ 160.00	Convenience Store w/ Gas, Convenience Store w/ Gas
	<b>Brookdale Retail Center</b> 3020 Brookdale Dr Brooklyn Park, MN 55443	<b>Building:</b> 7,000 SFFloors: 1	7,000 SF	<b>Sale Price</b> \$1,530,000.00	\$ 218.57	Retail (Freestanding), Neighborhood Center / Strip Centers
	<b>8200 Lakeland Ave N</b> 8200 Lakeland Ave N Brooklyn Park, MN 55445	<b>Building:</b> 1,630 SFFloors: 1	1,630 SF	<b>Sale Price</b> \$530,000.00	\$ 325.15	Retail (Freestanding), Single Family, Retail Land
	<b>7808 Yates Ave N</b> 7808 Yates Ave N Minneapolis, MN 55443	<b>Building:</b> 6,280 SFFloors: 1	6,280 SF	<b>Sale Price</b> \$705,000.00	\$ 112.26	Child Care
	<b>Zanebrook Shopping Center</b> 7630-7638 Brooklyn Blvd Brooklyn Park, MN 55443	<b>Building:</b> 30,613 SFFloors: 1	30,613 SF	<b>Sale Price</b> \$7,000,000.00	\$ 228.66	Portfolio sale including the following properties: 7609-7613 Welcome Ave N, 7630-7638 Brooklyn Blvd & 7642-7658 Brooklyn Blvd
	<b>6270 Boone Ave N</b> 6270 Boone Ave N Minneapolis, MN 55428	<b>Building:</b> 8,940 SFFloors: 1	8,940 SF	<b>Sale Price</b> \$4,800,000.00	\$ 536.91	Convenience Store w/ Gas
	<b>Perkins Restaurant &amp; Bakery</b> 8585 Aspen Ln N Brooklyn Park, MN 55445	<b>Building:</b> 5,265 SFFloors: 1	5,265 SF	<b>Sale Price</b> \$3,900,000.00	\$ 740.74	NNN lease with over 17 years remaining on a corporate lease
	<b>Cherokee Center</b> 6244-6232 Boone Ave N Brooklyn Park, MN 55428	<b>Building:</b> 43,925 SFFloors: 1	43,925 SF	<b>Sale Price</b> \$3,200,000.00	\$ 72.85	
	<b>6400 Lakeland Ave N</b> 6400 Lakeland Ave N Minneapolis, MN 55428	<b>Building:</b> 5,324 SFFloors: 1	5,324 SF	<b>Sale Price</b> \$800,000.00	\$ 150.26	Auto Repair / Maintenance

Sold Comps Ave. PSF  
(1-year 5-mile radius)

\$107.00 7808 Yates  
\$228.66 Zanebrook

Source: MNCAR

# REDEVELOPMENT OPPORTUNITY-RETAIL

Based upon current market data, below are preliminary conclusions on the feasibility of new development for retail space.

In any instance where financial feasibility is not met, the application of city subsidies may help to fill the gap to make the project feasible. Projects would need to be analyzed on a case-by-case basis. There is a wide variety of retail types and users and if the city desires further information a separate and more exhaustive retail study would need to be done.

Post-pandemic retail development is strong and gaining momentum where the demographics are right. Possibly more than any other asset class, retail owners and developers understand the demographics that are necessary to support their product or service. They make very careful site selection decisions, and it is unlikely they will develop contrary to the demographics that are proven to support their use.

Most retail needs critical mass to succeed unless it is destination retail and Brooklyn Park's retail centers are elsewhere and are attracting retailers providing competition to the Village Creek sites (Highway 81 and Brooklyn Boulevard and the 610 area). Discussions with local retail brokers reveal that the Village Creek area will most likely attract local retailers (not regional or national). And there are strong regional centers nearby, Arbor Lakes (Maple Grove) and Riverdale (Coon Rapids) among others. From the Town Center Retail Analysis performed for the City by Stantec in March 2012, "Because Arbor Lakes is located less than five miles away from most parts of Brooklyn Park, it is unlikely that any retail district in Brooklyn Park will grow to the point of being able to compete directly with Arbor Lakes. Regional centers typically attract department stores and soft and durable goods retailers including clothing stores.

Post pandemic, many retailers increased their benchmarks for space between locations resulting in fewer sites per metropolitan market.

Retail as a component of multi-family is extremely challenging to lease.

Destination and experiential retail is growing and could be researched further, i.e. Chicken and Pickle, <https://chickenpickle.com/> or SmashPark, however reiterating that these users will have specific demographics needs in order to consider a location. These typically include nearby density of population and or daily workers. (Site size requirement for a pickleball use is approximately 3 acres.)

There are numerous new fast-casual restaurants and experience-oriented retailers coming into the market - many focused on expanding in retail centers with population density and higher disposable spending such as Woodbury and Maple Grove.

**Retail:** The bulk of the city's retail inventory is located at and around County Road 81 and Brooklyn Boulevard where major retailers such as Target, Walmart and Menards anchor the area and retail continues to grow in the 610 trade area. There may be opportunity to refresh, expand, or develop new smaller-scale mixed use and service-oriented retail along Brooklyn Blvd. This would allow for more commerce, walkable job opportunities for local residents and possibly some placemaking with greenspace along the boulevard.



# REDEVELOPMENT OPPORTUNITY-RETAIL

## Development considerations:

- Parking solutions such as surface parking or shared parking was assumed to keep costs down
- Single tenant, net lease or ownership projects can be designed to a budget that fits for client and can continue to be a fit for the right location.
- Developer/owners must be capitalized up-front to fund tenant improvement allowances and transaction fees that are typical in the market.
- Lenders will require substantial pre-leasing for multi-tenant buildings, speculative product will be nearly impossible to finance.
- National credit lease (national retailers) transactions continue to present opportunities for development however the redevelopment sites in the study are not likely locations to attract this development based on conversations with retail brokers that work in Brooklyn Park. Local tenants are most likely for this location.

## Gap financing/subsidy requirement (all contingent upon types and amounts of programs available within the city or other granting authorities or organizations):

- Possible land write-down for non-national credit.
- Incentives for public area/plaza or green connectivity with opportunities for placemaking.
- In-depth analysis should be performed to determine project feasibility, developer experience, financing commitments and all other applicable variables to ascertain development success before subsidy is committed.

# MULTIFAMILY MARKET OVERVIEW

## Brooklyn Park Only Q4 2021

Unit Type	Units	Units Vacant	Vacancy Rate	Avg Rent
Studio	20	0	0%	\$1,142
1 Bedroom	3,763	89	2.4%	\$870
1 + Den	22	0	0%	\$865
2 Bed	2,061	39	1.9%	\$1,111
3 Bed	147	1	.7%	\$1,346
<b>Total</b>	<b>6,013</b>	<b>129</b>	<b>2.4%</b>	<b>\$961</b>

\*Source: Maxfield Research & Consulting, April 7 2022 Memorandum to the City of Brooklyn

Notes:

Stabilized vacancy rate of 3.7%

Average market rate rents per sf: \$1.48

Average affordable rents per sf: \$1.29

Demand calculations for PMA 1,781 units and by example the estimate the potential for 155-213 units of affordable or 178 units of market rate 21,905 of retail on the Zane Commons site

## Primary Market Area\*\* March 2022 Selected Market Rate & Affordable Properties

Unit Type	Market Rent Range	Market Rent Average	Market Rent PSF	Affordable Average Rent	Affordable Rent PSF
Studio	\$850-\$1,749	\$1,375	\$2.17	\$763	\$1.82
1 Bedroom	\$936-\$1,903	\$1,233	\$1.55	\$925	\$1.35
1 + Den	\$1,860-\$1,860	\$1,860	\$1.89		
2 Bed	\$1,091-\$2,507	\$1,459	\$1.39	\$1,148	\$1.19
2 + Den	\$2,417-\$2,417	\$2,417	\$1.70		
3 Bed	\$1,397-\$3,093	\$2,045	\$1.43	\$1,402	\$1.05
<b>Total</b>			<b>\$1.48</b>		<b>\$1.29</b>

\*\*PMA table includes portions of Brooklyn Park, Brooklyn Center, Crystal and New Hope, Q4, 2021.

# MULTIFAMILY MARKET EXCERPTS

## TWIN CITIES

"Twin Cities' record run during the past two years began to weaken at the beginning of 2023. Development slowed, transaction activity took a dive and occupancy slide more than a full percentage point in 12 months. However, this correction will likely spur a more sustainable pace of growth, in the long term, especially when economic uncertainty subsides."

"Suburban areas, such as Forest Lake and Hudson, were the most sought after in the 12 months ending in March. Rents in these submarket increased by 11.4% and 10.2% respectively. However, the most expensive area in the suburbs was Maple Grove, where figures clocked in at \$1,852, for a 0.1% uptick. In urban Twin Cities, the Edina/Eden Prairie (\$1,924) submarket posted the highest average rent."

"The Twin Cities had 10,481 units under construction as of March, almost equally split between the urban and suburban areas of the two cities. Another 64,500 were in the planning and permitting stages, but some of them will likely be delayed or canceled due to market uncertainty. Construction starts have already softened significantly, with developers breaking ground on only 300 units in the first quarter of this year, down from 1,817 units in the same period of 2022."

"Development activity was concentrated in Minneapolis-Central, where 1,330 units were underway, all were in upscale projects. In suburban Twin Cities, the most sought-after areas were Buffalo (577 units under construction) and Maple Grove (573 units)."

Source: Yardi®Matrix Multifamily Report, May 2023

### New Unit Pricing: Asking Rent Per Square Foot General-Occupancy, Market-Rate, Opened in 2022

Twin Cities (7 Counties) | Year End 2022

	Overall Rent/SF*	Survey Representation	
		Units	Projects
Minneapolis – Downtown	\$2.99	1,487	7
Minneapolis – U of M Districts	\$2.89	103	2
Minneapolis – Uptown	\$2.70	133	2
Minneapolis – Neighborhoods	\$2.60	760	7
St. Paul – Neighborhoods	\$2.58	1,174	9
St. Paul – Downtown	\$2.32	315	2
Southwest Suburbs	\$2.30	351	4
First-Ring Suburbs	\$2.28	2,045	14
Northwest Suburbs	\$2.07	700	4
Southeast Suburbs	\$2.05	1,524	11
Northeast Suburbs	\$1.96	1,095	9
<b>TOTAL: TWIN CITIES</b>	<b>\$2.38</b>	<b>9,687</b>	<b>71</b>

\* Weighted Average

Notes: 1) Pricing not included for market-rate units at mixed-income buildings.

2) Two properties were excluded due to a lack of data. One NW property opened in January 2023.

3) Includes two "build for rent" (BFR) detached single-family developments in the SE Suburbs and one apartment building in the U of M Districts with 4BR layouts.

Source: Colliers Mortgage

Note: Brooklyn Park is in the Northwest Suburbs category.



# REDEVELOPMENT OPPORTUNITY- MULTIFAMILY

Based upon current market data, below are preliminary conclusions on the feasibility of new development of multifamily at this time.

In any instance where financial feasibility is not met, the application of city subsidies may help to fill the gap to make the project feasible. Projects would need to be analyzed on a case-by-case basis.

Generally new multifamily development has slowed down since the pandemic due to increases in construction costs and interest rates. While the lumber commodity which had risen to unprecedented levels has come down, most pricing has not returned to pre-pandemic levels. Yet, market-rate multifamily is occurring throughout the Twin Cities on selected sites which meet required demographics with area amenities, and these tend to be considered as "A" sites. "A" sites are those with strong rents and corresponding demographics along with attributes including walkability to nearby amenities. Unfortunately, the available redevelopment sites in the study area are not yet proven as market rate sites and not currently considered "A" sites. However, sites in Brooklyn Park along the 610 corridor may be more favorable to developers, such as the recently developed Kipling Apartments.

Another major factor and challenge for new development starts is that of attracting capital. Currently investors can invest in existing multifamily product that is already producing income at prices in the \$250k per unit range. Compare this to a new development where there is risk and time and costs per unit of \$300k or more. It is impossible to get the same returns. By example, Urbana Court at 5401 94<sup>th</sup> Avenue sold just two years after completion in 2021 in April of this year for \$227,053 per unit (in the 610 corridor).

Market-rate housing is important to a community's housing mix as it provides the next step of housing for those that continue to increase their income over time and also for those that desire to remain in a community. Generally, there continues to be a need for affordable and workforce housing. And, in most communities there is the "missing middle" of reasonably priced townhomes for sale to the aging senior population.

**Completed Multifamily in 2022 and 2023**

Kipling	146 units	Complete
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## **New Brooklyn Park Developments**

610 West	115 units	Proposed
Decatur N & S	250 units	Approved
Tessman Ridge	75 units	Approved
Village Creek	83 units	Approved

# REDEVELOPMENT OPPORTUNITY- MULTIFAMILY

## Development considerations:

- Parking solutions such as surface parking or shared parking should be considered as is appropriate to reduce costs, however, most new suburban apartments are including covered parking as an amenity.
- New construction pricing varies according to type of product, parking and other variables but an approximate range of per unit cost of \$300,000 can be assumed. This requires a subsidy. The current estimated gap is between \$100,000 - \$150,000 per unit. This gap is due to lower rents combined with higher costs and higher interest rates.
- Developer/owners must be capitalized up-front to fund pre-development costs including design and must have equity available according to lender requirements.
- Set-aside or other mandated requirements will add cost to the project.
- This area has not historically been a market-rate housing area and attracting a market-rate development at this time will be challenging. Area market rate rents are less per sf than is required for market-rate development. An average rent of \$2.50 per sf is required with Brooklyn Park rents currently well below that threshold.
- Senior housing should be studied as a possible development type.

## Gap financing/subsidy requirement (all contingent upon types and amounts of programs available within the city or other granting authorities or organizations):

- At this time, all projects - 100% affordable, market-rate or mixed-income in this location will require substantial subsidy.
- Rents in the Village Creek area are too low to support market-rate apartment development without subsidy. This is challenging because gap financing tools for market-rate product are limited.
- Mixed-income product, consistent with the City's policy and at the minimum requirement to support Tax Increment subsidy may be more likely but TIF may still not be sufficient to get to feasibility. likely requiring more than a land write-down and financing tools for market-rate product are extremely limited. Given limited sources of subsidy, city policies and the need for affordable housing, projects will fall into the partial affordability range with the possibility of tax increment financing subsidy.
- Low density multifamily development such as triplexes and town homes, assuming competitive land pricing and budget management to market rents or purchase price, may also require subsidy but the gap requirement should be less.

# DEVELOPER PANEL SUMMARY

## (McGough - Ryan - Wellington)

### Area Attributes:

Creek and boulevard access to I94  
Decent bus access  
Corridor is a good place for density

### Challenges:

Successful ground floor retail is a challenge  
Subsidy needed for almost all product types at this time - developer market is strained  
Cost of capital is high - both equity and debt  
Multifamily challenging due to access to capital and high construction costs - not enough subsidy to fill the gap  
Opportunity Zones have not shown returns in Midwest  
Smaller sites a challenge for developers  
Site will struggle for demand unless public creates a magnet, i.e., ice rink, community center with outdoor park  
Need \$2.60 average to make a \$300k unit feasible. Site is not big enough to change the market.  
Costs of operating affordable is tough with rising expenses - staffing and labor pool

### Ideas:

Boulevard is good place for density  
Be flexible in how you attain street activation  
Big public investment is the only chance to shift the narrative on the corridor  
Talk to less risk adverse developers  
Make it "a place"  
Do surface parking  
Maybe medical, i.e., orthopedic center  
Recruit existing businesses on to redevelopment sites  
Look at existing bank sites for redevelopment and densification  
Maintain a consistent city position  
Consider phasing  
Maybe destination retail  
For sale affordable townhomes



# PRELIMINARY CONCLUSIONS

Based on current and near-term market conditions the following are preliminary\* conclusions relative to the developable land in Village Creek:

- Office development is not currently feasible unless it is a building for a single tenant (“build to suit”) wherein the project economics are supported by the tenant’s budget.
- Medical office development should be researched further with a developer experienced in medical office development to understand the possibilities for development.
- Retail development is not likely due to the need for more density than can be developed in this location and due to the more attractive competitive trade areas at Highway 81 and Brooklyn Boulevard and 610 and the regional centers which are preferable locations.
- The possibility of destination retail could be reviewed further.
- Multifamily office developers are carefully selecting sites due to the challenges of increased development and construction costs as well as higher interest rates. Because of this, they are most often focusing on “A” sites where higher rents are established, area amenities are walkable and the resulting risk is lower.
- Given current market dynamics, if the city desires market-rate or mixed-income housing, this may require a wait until market conditions improve unless there are financial tools to fill the significant financial gap.

\*Development projects are highly variable, and each project requires its own detailed analysis. This study was limited to 20 hours which does not allow for in-depth market and feasibility study.

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# RESOURCE APPENDIX

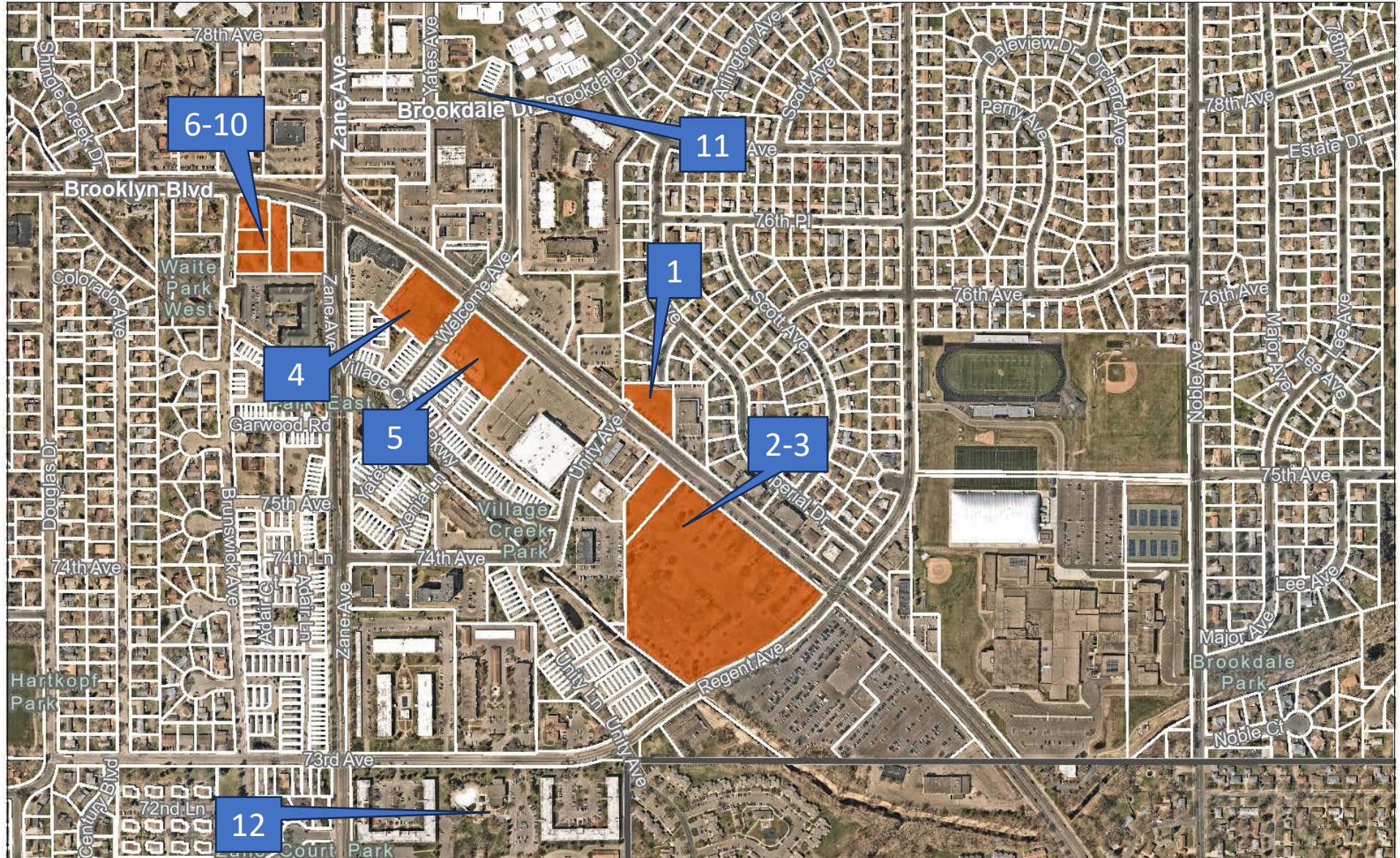
- KimbleCo - A WBE-certified, full-service commercial real estate services firm providing fee development, brokerage, project management and consulting. Its principals have developed over 6 million square feet of industrial, office, build to suit and multifamily projects across the United States. KimbleCo was retained for this assignment because of its “in the trenches” experience and knowledge in development and leasing and sales in the Twin Cities.
- Maxfield Research & Consulting - Report to the City of Brooklyn Park - April 7, 2022
- Minnesota Commercial Area Realtors (“MNCAR”) Catylist Database & RediComps Reports
- Yardi®Matrix Multifamily Report May 2023
- Research & Forecast Report Minneapolis-St. Paul Multifamily Colliers
- City of Brooklyn Park, July 2023 Developer Interviews
- Town Center Retail Analysis, March 2012, Stantec
- United State Census Bureau - <https://www.census.gov/>
- Local general contractors for construction pricing information
- All photos and illustrations approved for use (KimbleCo, Shutterstock)

This study relies on information produced by other parties and KimbleCo does not have knowledge of the research methodology, validation or has actual knowledge that the data has been verified by the parties producing the reports. KimbleCo is relying on information that is generally used within the commercial real estate marketplace.



# Village Creek Neighborhood - Development Sites

8/12/2023



Map Scale = 1: 7,238

603 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](http://www.brooklynpark.org)



# Village Creek Neighborhood - Development Sites

Map #	Address	Land Description	Acres	Potential Use	Planning process/stage
1	7516 Brooklyn Blvd	Vacant- Former Burger King	0.95	Christina's daycare	Chistina's Child Care
2	7495 Brooklyn Blvd - Regent Site	Vacant- Former Blondie's Site	1	Housing/Mixed use	Regent Redevelopment Site
3	7479 Brooklyn Blvd - Regent Site	Vacant- Former Huntington Pointe Apartments	11.84		
4	Welcome I- 7621 Brooklyn Blvd	Vacant- West side of Welcome @Brooklyn Blvd	1.71	Mixed use w/Comm Kitchen	Village Creek Apartments
5	Welcome II - 7601 Brooklyn Blvd	Vacant East Side of Welcome @Brooklyn Blvd	2.07	Housing/Mixed use	
6	7617 Zane Ave	Vacant - SW Zane/Brooklyn Blvd	0.41	mixed use	Zane Commons project
7	7705 Brooklyn Blvd	Vacant - SW Zane/Brooklyn Blvd	0.65	mixed use	
8	7642 Brunswick Ave	Vacant - SW Zane/Brooklyn Blvd	0.35	mixed use	
9	7709 Brooklyn Blvd	Vacant - SW Zane/Brooklyn Blvd	0.51	mixed use	
10	7616 Brunswick Ave	Vacant - SW Zane/Brooklyn Blvd	0.36	mixed use	
11	NE corner of Yates and Brookdale Dr	Villas Townhomes	1+	Infill Housing	Infill housing
12	SE corner of Zane and 73rd Ave	Huntington Place Apartments			NOAH reinvestments by owner Aeon

## City of Brooklyn Park EDA Work Session

<b>Agenda Item:</b>	2.2	<b>Meeting Date:</b>	August 21, 2023
<b>Agenda Section:</b>	Work Session	<b>Prepared By:</b>	Sarah Abe, Development Project Coordinator
<b>Resolution:</b>	N/A		Sarah Abe, Development Project Coordinator
<b>Attachments:</b>	N/A		
<b>Item:</b>	Discuss Changes to the Former Park & Ride Site Proposal by MVP Development, Design by Melo, and Good Neighbor Homes Development Group		

### Overview:

At its March 20 meeting, the Economic Development Authority (EDA) passed a resolution directing staff to work with the development group comprised of MVP Development, Design by Melo, and Good Neighbor Homes to modify its proposal for the EDA-owned Park and Ride site at Noble Avenue and Hwy 610 to bring additional market value, serve a mix of incomes, and introduce high quality and well-designed buildings. The resolution also directed staff and developer to present to the EDA for review and approval a community engagement strategy for getting input from neighbors and the broader community to inform the decision-making process.

This work session will be a discussion of the proposal modifications following several community engagement workshops that we implemented in June and August. For details, please view item 6.2 on the August 21 agenda. Following the work session discussion, the EDA will vote on next steps for this proposal at the regular EDA meeting.

**Background:** N/A

**Primary Issues/Alternatives to Consider:** N/A

**Budgetary/Fiscal Considerations:** N/A

**Next Steps:** N/A

**Attachments:** N/A



# City of Brooklyn Park

## EDA Work session

<b>Agenda Item:</b>	2.3	<b>Meeting Date:</b>	August 21, 2023
<b>Agenda Section:</b>	Work session	<b>Prepared By:</b>	John T. Kinara, Housing and Redevelopment Coordinator
<b>Resolution:</b>	N/A	<b>Presented By:</b>	Breanne Rothstein, Economic Development & Housing Director
<b>Attachments:</b>	3		
<b>Item:</b>	Discuss the Nullification of Rental Restrictive Covenants on 222 Single Family Homes in Brooklyn Park		

### Executive Director's Proposed Discussion:

Discuss the Nullification of Rental Restrictive Covenants on 222 Single Family Homes in Brooklyn Park.

#### Overview:

The purpose of this report is for the Economic Development Authority (EDA) Commissioners to discuss and consider nullifying the 30-year rental restrictive covenants on 222 single family homes in Brooklyn Park. The restrictions require the properties to be owner occupied. The original intention of former EDA boards in imposing the rental restrictive covenants was to promote and protect homeownership in the community. This policy has created challenges to the homeowners and the investment community and may be inconsistent with the Just Deeds work that seeks to educate Minnesotans understand who has directly and indirectly benefitted from historically racist practices and how those practices have shaped access to property, homeownership and wealth over time.

- **What is a rental restrictive covenant?**

Former EDA boards desired to promote homeownership. Dating back to 1994, when the EDA has been financially involved with a single-family home, the EDA has attached a 30-year rental restriction to the property to ensure the property remains an owner-occupied unit. Currently 222 homes have a 30-year restrictive covenant, and all future EDA-assisted rehabilitated homes will also have the restrictive covenant that varies between 10 to 15 years.

- **Why are there so many homes with restrictive covenants?**

In 2008 when the EDA implemented its foreclosure recovery initiative, the EDA used Neighborhood Stabilization Program dollars to assist developers in purchasing, rehabilitating and reselling single family vacant and foreclosed homes. As part of the program, the EDA added the restrictive covenants.

- **How are the rental restrictions currently enforced?**

All the affected properties are identified and tracked through the city's rental licensing system. This process ensures that the affected properties cannot qualify for a rental license. In addition, staff mails out reminder letters on an annual basis to all the affected properties.

- **Why should the EDA consider removing these covenants?**

There are three main reasons to consider removing these covenants. The first is that these covenants significantly impede the current homeowners (many of whom were not part of the original program) from having flexibility in the use of their home. Often, families rent out their home due to life transitions, financial needs, or wealth building opportunities. These restrictions prevent that and require people to sell their homes during their

tough life transitions. Staff has received many phone calls about the difficulty of these covenants for homeowners.

The second reason to consider removal of these covenants is that they are in neighborhoods and are purchased by a higher-than-average percentage of people of color. Also, most of these homes are located south of 85<sup>th</sup> Ave which tend to be lower income neighborhoods in Brooklyn Park (see attachment 2.3A).

Finally, these restrictions, while not racially restrictive, represent similar type deed restrictions limiting who and when people can occupy homes. While it is legal to have these rental restrictions, it is arguably an exclusion tactic to limit lower income people, renters, from occupying certain neighborhoods.

- **What are the challenges associated with the 30-year rental restrictive covenants?**

1. No rental income: This policy has hindered some homeowners looking to relocate their primary residence for various reasons and keep the current home as a source of rental income.
2. Mortgage qualification challenges: According to some title companies and potential homebuyers, many banks and other financial institutions are very reluctant to fund mortgage payments for a property with 30 years of rental restriction. This is because the property has a restricted use.
3. Non-disclosure, cases. Some title companies do not disclose the status of the rental restrictive covenant to the new homebuyer. Since the point-of-sale inspection is no longer required in Brooklyn Park whenever a residential property is sold, it's upon the title companies and the sellers to disclose all relevant information regarding the property to the new buyer. But, often, this is not the case as reported by homebuyers who call the city surprised to learn about the covenants.
4. Disproportionate impact on BIPOC community: Most homeowners with these properties are people of color. This is because some of the properties that were redeveloped under the neighborhood stabilization program, were all sold to income qualified first time homebuyers. As a result, this policy has disproportionately affected some members of our community in generating and accumulating wealth.
5. Lack of spacious rental properties for large families: In Brooklyn Park, there are not enough apartment communities with 3 or 4 bedrooms to accommodate larger families seeking to rent. Removing some of these rental restrictive covenants could increase the supply of the much-needed spacious rental properties in the community.
6. Unlicensed rental properties: It's possible that some homeowners could try to get around the rental restrictive covenants by renting out their homes to friends and others without a valid rental license. The elimination of this policy will negate this practice by extending opportunity to all homeowners looking to rent their homes.
7. Unnecessary burden: Restrictive covenants place restrictions on the property owners' free use of private property.

### **What are the next steps?**

The rental restrictive covenants were established by the EDA to promote and maintain homeownership. However, the rental restrictive covenants would automatically terminate 30 years after its creation under this policy guidance. Depending on the EDA direction tonight, this policy could be nullified or left in place until the expiration of 30 years. In the event of this policy nullification, staff will follow the next steps:

- Identify all the 222 properties with the 30 years rental restrictive covenants.
- Work with the EDA attorneys and the county registrar of titles to identify all recorded restrictive covenants.
- Bring a formal action to a future EDA meeting requesting the nullification of this policy.
- Notify all the affected homeowners about the policy changes.

### **Budgetary/Fiscal Issues:**

There is no budget impact in changing this policy on the part of the EDA.

**Recommendation:**

The Executive Director of the EDA recommends approval.

**Attachments:**

- 2.3A List of Properties
- 2.3B Location Map
- 2.3C Restrictive Covenant Example



ParcelNumber	Address	Restriction
1111921230055	9757 VINCENT AVE N	Restriction - EDA Rental Restriction Covenant
1111921410011	9540 KNOX AVE N	Restriction - EDA DECLARATION
1711921110013	9125 GEORGIA CT N	Restriction - EDA Declaration
1711921320220	7713 89TH AVE N	Restriction - EDA Year Rental Restriction
1711921320221	7707 89TH AVE N	Restriction - EDA Year Rental Restriction
1711921320222	7701 89TH AVE N	Restriction - EDA Year Rental Restriction
1911921140014	8016 82ND AVE N	Restriction - Rental Restriction
1911921140026	8125 WYOMING AVE N	Restriction - EDA Declaration
1911921140121	8125 COLLEGE PARK DR N	Restriction - EDA Declaration
2011921120030	8324 HAMPSHIRE AVE N	Restriction - EDA DECLARATION
2011921120067	8433 KENTUCKY CT N	Restriction - EDA Declaration
2011921120076	8349 KENTUCKY AVE N	Restriction - EDA Declaration
2011921120109	8325 JERSEY AVE N	Restriction - EDA Declaration
2011921130040	8217 KENTUCKY AVE N	Restriction - EDA Declaration
2011921130054	6900 CANDLEWOOD CIR N	Restriction - EDA DECLARATION
2011921130105	8248 HAMPSHIRE AVE N	Restriction - EDA Declaration
2011921140045	8148 DOUGLAS CT N	Restriction - EDA DECLARATION
2011921140049	8116 DOUGLAS CT N	Restriction - EDA Declaration
2011921140078	8201 GEORGIA CT N	Restriction - EDA DECLARATION
2011921140087	8225 HAMPSHIRE CT N	Restriction - EDA Declaration
2011921140112	8132 HAMPSHIRE CT N	Restriction - EDA Declaration
2011921220027	8400 RHODE ISLAND DR N	Restriction - EDA Declaration
2011921220058	8317 RHODE ISLAND DR N	Restriction - EDA Declaration
2011921220064	8409 RHODE ISLAND DR N	Restriction - EDA Declaration
2011921230031	7501 82ND AVE N	Restriction - EDA Covenants
2011921230082	7507 COLLEGE PARK DR N	Restriction - Rental Restriction
2011921310008	7301 CANDLEWOOD DR N	Restriction - EDA Declaration
2011921310016	7957 LOUISIANA AVE N	Restriction - EDA Declaration
2011921310036	7916 LOUISIANA AVE N	Restriction - EDA Declaration
2011921310039	7101 79TH AVE N	Restriction - EDA Declaration
2011921340053	7740 KENTUCKY AVE N	Restriction - EDA Declaration
2011921410009	8032 GEORGIA AVE N	Restriction - EDA Declaration
2011921410012	8008 GEORGIA AVE N	Restriction - EDA DECLARATION
2011921410105	8008 HAMPSHIRE AVE N	Restriction - EDA Declaration
2011921430074	7741 HAMPSHIRE AVE N	Restriction - EDA Declaration
2111921130020	8117 SCOTT AVE N	Restriction - EDA DECLARATION
2111921130034	5208 82ND AVE N	Restriction - EDA Declaration
2111921130088	8217 SCOTT AVE N	Restriction - EDA DECLARATION
2111921210014	5517 84TH AVE N	Restriction - EDA Declaration
2111921210032	5527 84 1/2 AVE N	Restriction - EDA Declaration
2111921220075	8405 BRUNSWICK AVE N	Restriction - EDA DECLARATION
2111921220116	8472 ADAIR AVE N	Restriction - EDA Declaration
2111921220131	8415 ADAIR AVE N	Restriction - EDA Declaration
2111921230048	8291 BRUNSWICK AVE N	Restriction - EDA Declaration
2111921240053	8109 XENIA AVE N	Restriction - RENTAL RESTRICTION

2111921320005	8017 ZANE AVE N	Restriction - EDA Declaration
2111921320105	8049 ZANE AVE N	Restriction - EDA Declaration
2111921330035	7832 SHINGLE CREEK DR N	Restriction - EDA Declaration
2111921330036	7824 SHINGLE CREEK DR N	Restriction - EDA Declaration
2111921330037	7816 SHINGLE CREEK DR N	Restriction - EDA Declaration
2111921330049	7824 COLORADO AVE N	Restriction - EDA Declaration
2111921340012	7717 UNITY AVE N	Restriction - EDA Declaration
2111921410007	5024 81ST LN N	Restriction - EDA Declaration
2111921410094	7916 ORCHARD AVE N	Restriction - EDA Declaration
2111921410098	7948 ORCHARD AVE N	Restriction - EDA DECLARATION
2111921410109	8033 NOBLE AVE N	Restriction - EDA DECLARATION
2111921410111	8017 NOBLE AVE N	Restriction - EDA DECLARATION
2111921420040	5332 81ST AVE N	Restriction - Rental Restriction
2111921430054	7725 SCOTT AVE N	Restriction - EDA DECLARATION
2111921430081	7741 ARLINGTON AVE N	Restriction - EDA Declaration
2111921430099	7733 UNITY AVE N	Restriction - Rental Restriction
2111921440096	7701 NOBLE AVE N	Restriction - EDA Declaration
2211921110032	3309 84TH AVE N	Restriction - EDA Declaration
2211921110048	3316 83RD AVE N	Restriction - EDA DECLARATION
2211921110074	3300 84TH AVE N	Restriction - EDA Declaration
2211921110075	3304 84TH AVE N	Restriction - EDA Declaration
2211921130010	3700 83RD AVE N	Restriction - EDA Declaration
2211921130028	3500 82ND AVE N	Restriction - EDA Declaration
2211921130078	8109 LAD PKWY N	Restriction - EDA Declaration
2211921130101	8032 FRANCE AVE N	Restriction - EDA Declaration
2211921140063	8309 ABBOTT AVE N	Restriction - EDA Declaration
2211921140064	8309 YORK AVE N	Restriction - EDA Declaration
2211921140078	3140 PEARSON PKWY N	Restriction - EDA Declaration
2211921230009	4416 82ND AVE N	Restriction - EDA Declaration
2211921230012	4324 82ND AVE N	Restriction - EDA Declaration
2211921230098	8220 NOBLE AVE N	Restriction - EDA Declaration
2211921230099	8216 NOBLE AVE N	Restriction - EDA Declaration
2211921230102	4408 83RD CIR N	Restriction - EDA Declaration
2211921230103	4412 83RD CIR N	Restriction - EDA Declaration
2211921230111	4320 83RD CIR N	Restriction - EDA Declaration
2211921230114	4525 83RD CIR N	Restriction - EDA Declaration
2211921230115	4529 83RD CIR N	Restriction - EDA Declaration
2211921230116	4400 83RD CIR N	Restriction - EDA Declaration
2211921230117	4404 83RD CIR N	Restriction - EDA Declaration
2211921320045	4321 80TH AVE N	Restriction - EDA Declaration
2211921320046	4317 80TH AVE N	Restriction - EDA Declaration
2211921320058	4400 80TH AVE N	Restriction - EDA Declaration
2211921320059	4404 80TH AVE N	Restriction - EDA Declaration
2211921330009	7716 NOBLE AVE N	Restriction - EDA Declaration
2211921330105	4401 BROOKDALE DR N	Restriction - Rental Restriction
2211921330113	4609 BROOKDALE DR N	Restriction - EDA Declaration
2211921340021	4216 78TH AVE N	Restriction - EDA DECLARATION

2211921340032	4201 78TH AVE N	Restriction - EDA Declaration
2211921410072	3217 80TH AVE N	Restriction - RENTAL RESTRICTION
2211921410113	7915 LAD PKWY N	Restriction - EDA Declaration
2211921420006	3616 80TH AVE N	Restriction - EDA Declaration
2211921420008	3600 80TH AVE N	Restriction - EDA Declaration
2211921420020	3733 80TH AVE N	Restriction - EDA Declaration
2211921420022	8001 EWING AVE N	Restriction - EDA Declaration
2211921430074	7724 CHOWEN AVE N	Restriction - EDA Declaration
2211921440019	7748 BEARD AVE N	Restriction - EDA Declaration
2311921110033	1709 84TH AVE N	Restriction - EDA Declaration
2311921110056	1736 84TH CT N	Restriction - Rental Restriction
2311921110084	1524 84TH AVE N	Restriction - EDA Declaration
2311921110100	8257 IRVING AVE N	Restriction - EDA Declaration
2311921120044	8241 NEWTON AVE N	Restriction - EDA Declaration
2311921120051	8256 NEWTON AVE N	Restriction - EDA Declaration
2311921120063	8308 MORGAN AVE N	Restriction - EDA Declaration
2311921120074	8348 NEWTON AVE N	Restriction - EDA Declaration
2311921120091	8425 MORGAN AVE N	Restriction - Rental Restriction
2311921130041	8200 MORGAN AVE N	Restriction - EDA Declaration
2311921140009	8108 SIERRA PKWY N	Restriction - EDA Declaration
2311921140024	8216 LOGAN AVE N	Restriction - EDA Declaration
2311921220032	2909 84TH AVE N	Restriction - EDA DECLARATION
2311921220055	8300 UPTON AVE N	Restriction - Rental Restriction
2311921220066	2917 83RD LN N	Restriction - EDA Declaration
2311921230003	8240 BRANDYWINE PKWY N	Restriction - Rental Restriction
2311921230033	3026 82ND CIR N	Restriction - EDA DECLARATION
2311921230077	2900 81ST AVE N	Restriction - Rental Restriction
2311921240004	8218 BRANDYWINE PKWY N	Restriction - EDA DECLARATION
2311921240017	8217 BRANDYWINE PKWY N	Restriction - EDA Declaration
2311921240077	8117 BRANDYWINE PKWY N	Restriction - EDA Declaration
2311921310013	2408 80TH AVE N	Restriction - EDA Declaration
2311921310067	2657 78TH AVE N	Restriction - Rental Restriction
2311921310068	2649 78TH AVE N	Restriction - EDA Declaration
2311921310080	2636 77TH BLVD N	Restriction - EDA Declaration
2311921320028	3016 80TH AVE N	Restriction - EDA Declaration
2311921320063	2800 78TH AVE N	Restriction - EDA DECLARATION
2311921320080	2725 79TH CT N	Restriction - EDA Declaration
2311921330014	7725 VINCENT AVE N	Restriction - EDA Declaration
2311921330058	7834 XERXES CT N	Restriction - EDA Declaration
2311921340028	2660 77TH BLVD N	Restriction - EDA Declaration
2311921410025	7908 SIERRA PKWY N	Restriction - EDA Declaration
2311921410063	7917 IRVING AVE N	Restriction - EDA Declaration
2311921410114	7933 IRVING AVE N	Restriction - EDA Declaration
2311921410120	7924 IRVING AVE N	Restriction - EDA Declaration
2311921420005	2000 LARAMIE TR N	Restriction - Rental Restriction
2311921420007	2016 LARAMIE TR N	Restriction - EDA Declaration
2311921420090	2117 GUNFLINT TR N	Restriction - EDA Declaration



2311921430017	7709 SUGARLOAF TR N	Restriction - EDA Declaration
2311921430039	2025 LARAMIE TR N	Restriction - EDA Declaration
2311921430049	2016 SUGARLOAF TR N	Restriction - EDA Declaration
2311921430078	2016 WHITEWATER TR N	Restriction - EDA Declaration
2411921140004	224 RIVER LANE CT N	Restriction - EDA DECLARATION
2411921140017	8216 SUNKIST BLVD N	Restriction - EDA Declaration
2411921220060	8325 DUPONT AVE N	Restriction - EDA Declaration
2411921220073	1409 84TH WAY N	Restriction - Rental Restriction
2411921320051	1109 81ST AVE N	Restriction - EDA Declaration
2411921320053	8055 DUPONT CT N	Restriction - EDA Declaration
2411921320059	8031 DUPONT CT N	Restriction - Rental Restriction
2411921340008	7708 DUPONT AVE N	Restriction - EDA Declaration
2411921340018	7824 DUPONT AVE N	Restriction - EDA DECLARATION
2411921340089	719 79TH AVE N	Restriction - EDA DECLARATION
2511921110063	210 75TH AVE N	Restriction - EDA DECLARATION
2511921130053	7426 ALDRICH CT N	Restriction - EDA Declaration
2511921220079	7533 DUPONT AVE N	Restriction - EDA Declaration
2511921220087	7548 DUPONT AVE N	Restriction - EDA Declaration
2511921220092	7508 DUPONT AVE N	Restriction - EDA Declaration
2511921230049	7440 FREMONT CT N	Restriction - EDA Declaration
2511921240047	1009 74TH AVE N	Restriction - EDA Declaration
2611921110037	7517 N MEADOWWOOD CT N	Restriction - EDA Declaration
2611921110049	7500 N MEADOWWOOD CT N	Restriction - EDA Declaration
2611921120084	7697 NEWTON AVE N	Restriction - EDA Declaration
2611921130098	1909 S MEADOWWOOD CT N	Restriction - EDA Declaration
2611921140027	1809 S MEADOWWOOD CT N	Restriction - EDA Declaration
2611921140065	1601 MEADOWWOOD DR N	Restriction - EDA Declaration
2611921140076	7434 IRVING AVE N	Restriction - EDA Declaration
2611921140085	7372 LOGAN CT N	Restriction - EDA Declaration
2611921140092	7325 JAMES AVE N	Restriction - EDA Declaration
2611921140102	7364 LOGAN CT N	Restriction - EDA Declaration
2711921110019	7433 XERXES AVE N	Restriction - EDA Declaration
2711921110051	3332 75TH AVE N	Restriction - EDA Declaration
2711921120025	7472 ABBOTT AVE N	Restriction - EDA Declaration
2711921120028	3441 75TH AVE N	Restriction - EDA Declaration
2711921130043	7341 BEARD AVE N	Restriction - EDA DECLARATION
2711921130046	7309 BEARD AVE N	Restriction - EDA Declaration
2711921130056	7356 BEARD AVE N	Restriction - EDA Declaration
2711921220073	7549 MAJOR AVE N	Restriction - EDA Declaration
2711921230012	7416 LEE AVE N	Restriction - EDA DECLARATION
2711921230031	7408 NOBLE AVE N	Restriction - EDA Declaration
2711921230034	7432 NOBLE AVE N	Restriction - EDA Declaration
2811921120077	7532 IMPERIAL DR N	Restriction - EDA Declaration
2811921220040	7519 BRUNSWICK AVE N	Restriction - EDA DECLARATION
2811921230028	7424 DOUGLAS DR N	Restriction - EDA DECLARATION
2811921230037	7348 DOUGLAS DR N	Restriction - EDA Declaration
2811921230040	7324 DOUGLAS DR N	Restriction - EDA Declaration

2811921230265	7424 BRUNSWICK AVE N	Restriction - EDA 30 Year Rental Restriction
2811921230270	7404 BRUNSWICK AVE N	Restriction - EDA 30 Year Rental Restriction
2811921330027	6100 71ST AVE N	Restriction - EDA Declaration
2811921330075	6101 BETHIA LN N	Restriction - EDA DECLARATION
2911921110023	6601 76TH AVE N	Restriction - EDA Declaration
2911921110104	7508 EDGEWOOD AVE N	Restriction - EDA Covenants
2911921110110	6309 76TH AVE N	Restriction - EDA Declaration
2911921130043	7009 75TH AVE N	Restriction - EDA DECLARATION
2911921130048	6901 75TH AVE N	Restriction - EDA Declaration
2911921130056	6709 75TH AVE N	Restriction - EDA Declaration
2911921240057	7316 74TH AVE N	Restriction - EDA Declaration
2911921420043	7133 JERSEY AVE N	Restriction - Rental Restriction
2911921420053	6909 HARTKOPF LN N	Restriction - EDA Declaration
2911921440062	7001 EDGEWOOD AVE N	Restriction - EDA DECLARATION
3111921130020	6540 CHEROKEE LN N	Restriction - EDA Declaration
3111921230101	6624 FLAG AVE N	Restriction - EDA Declaration
3111921240015	9009 66TH AVE N	Restriction - EDA Declaration
3111921340008	8708 62ND AVE N	Restriction - EDA DECLARATION
3111921430007	6231 ZEALAND AVE N	Restriction - EDA Declaration
3211921110013	6708 EDGEWOOD AVE N	Restriction - EDA Declaration
3211921120026	6717 BETHIA LN N	Restriction - EDA Declaration
3211921130018	6908 DUTTON AVE N	Restriction - EDA Declaration
3211921130055	6817 66TH AVE N	Restriction - EDA Declaration
3211921230045	6633 SUMTER AVE N	Restriction - EDA DECLARATION
3211921330032	6256 RHODE ISLAND AVE N	Restriction - EDA Declaration
3211921420039	6901 65TH AVE N	Restriction - EDA Declaration
3311921220079	6701 BRUNSWICK AVE N	Restriction - EDA Declaration
3311921230025	6540 DOUGLAS DR N	Restriction - EDA Declaration
3311921230026	6544 DOUGLAS DR N	Restriction - EDA Declaration
3311921230029	6568 DOUGLAS DR N	Restriction - EDA Declaration
3311921230030	6564 DOUGLAS DR N	Restriction - EDA Declaration
3311921230031	6560 DOUGLAS DR N	Restriction - EDA Declaration
3311921230032	6556 DOUGLAS DR N	Restriction - EDA Declaration
3311921230033	6552 DOUGLAS DR N	Restriction - EDA Declaration
3311921230034	6548 DOUGLAS DR N	Restriction - EDA Declaration

StartDate	EndDate	Owners of Record
3/24/2017	3/24/2047	JOHN & ANIZIA CLEMENT
12/10/2014	12/10/2044	JESSE ESPINOZA AND S. VANG
9/24/2012	9/24/2042	ALICE DOMAH
12/18/2008	12/18/2038	ASHA AHMED & A. GUREY
12/18/2008	12/18/2038	AHMED & N. BASAM
12/18/2008	12/18/2038	F KULMIYE & B MOHAMED
1/4/2017	1/4/2047	S J JONES & K J JONES
1/19/2012	1/19/2042	FRED WALTON
8/5/2011	8/5/2041	NATHAN MCKEWON
3/20/2014	3/20/2044	SOUDAVANH CHANTHAKEO
8/28/2012	8/28/2042	MARIA ZAGAL/JOBO RAUL ZAGAL
3/14/2013	3/14/2043	WEST HENN AFFORD HSG LND TRS
7/1/2010	7/1/2040	CELIA R THOMAS
2/16/2010	2/16/2040	AKLILU BURAYU
4/20/2015	4/20/2045	DAVID YANG
8/10/2011	8/10/2041	KHAM SAYPANYA/PHAT SAYPANYA
8/28/2013	8/28/2043	MAY LEE
8/20/2012	8/12/2042	K N RATSABOUT/V M RATSABOUT
2/21/2014	2/21/2044	M N YANG & C YANG
9/30/2011	9/30/2041	JOSE A MENA PAUTA
4/15/2011	4/15/2041	CAMEO J CONEY
3/9/2011	3/9/2041	CALVIN P MOUA
11/28/2012	11/28/2042	LISA XIONG
12/10/2012	12/10/2042	T T YANG & Y V YANG
5/12/2013	5/12/2043	GRANT LANKA
11/20/2015	11/20/2045	JSW PROPERTIES LLC
11/22/2011	11/22/2041	DONNA L FREEBERG
4/12/2010	4/12/2040	STEPHANIE O'BRIEN
10/14/2011	10/14/2041	FOUZIA SALAD & OSMAN DIINE
8/31/2012	8/31/2042	TIFFANY TAYLOR
7/15/2011	7/15/2041	DEMETRICE V WALKER
7/18/2011	7/18/2041	ANDREA ARNOLD
12/27/2013	12/27/2043	W HENN AFFORD HOUS LAND TRST
9/3/2010	9/3/2040	I K KERKULAH & V KERKULAH
4/24/2012	4/24/2042	SENG K THAO & MAI Y XIONG
11/25/2014	11/25/2044	NOULONE SONEXAYTHIKETH ET AL
11/1/2011	11/1/2041	JESSE G ROSSI & SAI ROSSI
12/12/2014	12/12/2044	W HENN AFFORDBL HSG LND TRST
11/25/2009	11/25/2039	A VALENZUELA JR/I VALENZUELA
3/10/2010	3/10/2040	DARIN MCGOWAN
6/24/2014	6/24/2044	CINNECOLE K LEE
8/23/2012	8/23/2042	WILLIAM DOMINGUEZ-RODRIGUEZ
4/30/2010	4/30/2040	JERRY THAO & JULIE LEE
3/26/2012	3/26/2042	NICK MOYER/ELIZABETH MENDOZA
3/3/2017	3/3/2047	EVA COOPER



9/8/2011	9/8/2041	SONYA OLIVER
4/19/2012	4/19/2042	SONYA OLIVER
11/10/2010	11/10/2040	W HENN AFFORDABLE HOUSING LD
7/14/2010	7/14/2040	E M K MORAVEC & A R MORAVEC
8/21/2012	8/21/2042	S D SCHLUETER/N B SCHLUETER
3/31/2010	3/31/2040	WEST HENN AFFORD HSG LAND TR
1/29/2010	1/29/2040	E L YANG & V F YANG
1/29/2010	1/29/2040	DEREK K PETERS/KOOKIE K HOK
4/2/2010	4/2/2040	GOBANA JAAMI & KHADIJA OSMAN
2/5/2015	2/5/2045	MOHAMED IDRIS & CALTU SANI
8/21/2014	8/21/2044	DAVID LEE & MAI XIONG
8/7/2014	8/7/2044	ZIPPURAH MARENDI
12/3/2015	12/3/2045	CALVIN L HARRIS
9/25/2014	9/25/2044	MARY DAO DO
5/15/2013	5/15/2043	ISMAEL MONTIEL
10/4/2015	10/4/2045	E K MANLY & L G YOGEL
8/31/2009	8/31/2039	MARK C NEIDINGER
3/25/2011	3/25/2041	CICERO MCGEE JR
2/2/2015	2/2/2045	MARY ANN BAUCH REV TRUST
9/1/2006	9/1/2036	A F OKAFOR & A OKAFOR
3/1/2007	3/1/2037	CHARCORA M MCKINNIE
10/30/2009	10/30/2039	SIA XIONG
6/29/2010	6/29/2040	DENNIS XIONG & YER VANG
12/23/2010	12/23/2040	K T ALLISON & N ALLISON
7/15/2011	7/15/2041	PEARL AKPOELOHOR ISAWUMI
9/15/2011	9/15/2041	EARL S TAYLOR
11/14/2012	11/14/2042	MICHELLE EMILY ROTHER
5/3/2011	5/3/2041	S THIPHASENG & M T THAO
4/16/2010	4/16/2040	SERGIO LUIS SALAS TORRES
7/14/2010	7/14/2040	R A BOYNTON/A INGRAM-BOYNTON
12/1/2009	12/1/2039	EDDIE SAMUEL & JOANN COLE
11/1/2009	11/1/2039	ANTONIO WESLEY
1/1/1994	1/1/2024	B JEFFERSON & J JEFFERSON
1/1/1994	1/1/2024	JENNIFER OSORIO
2/1/2011	2/1/2041	LIA Y VANGYI/WAYNE V VANGYI
8/1/2007	8/1/2037	DAVID VAZQUEZ HERNANDEZ
11/1/2006	11/1/2036	JOHN M KAMARA
4/1/2006	4/1/2036	JACKSON ZIAH
8/1/2006	8/1/2036	TRACY WINTERS
5/1/2004	5/1/2034	MAI YIA CHANG
6/1/2004	6/1/2034	MELISSA D FOSTER
12/1/2001	12/1/2031	STEPHANIE A TILMON
2/1/2002	2/1/2032	VANIA R CROSBY
2/11/2013	2/11/2043	P PHAVISETH & V PHAVISETH
5/7/2015	5/7/2045	C E DREW & R J DREW
1/26/2011	1/26/2041	WEST HENNEPIN AFFORDABLE HOU
3/20/2015	3/20/2045	TENESHIA A MAYS

5/2/2013	5/2/2043	AE MOUA
3/31/2017	3/31/2047	NIKKI HARRIS
8/14/2012	8/14/2042	HAILE WOLDIE/HAIMANOT BELAY
5/24/2010	5/24/2040	CHRISTOPHER J THELL
3/30/2011	3/30/2041	TAMI L ALLEN/THERESA A KEEHN
10/23/2012	10/23/2042	RICHARD VANG
12/22/2009	12/22/2039	KA XIONG
6/16/2011	6/16/2041	JEREMIAH RIOPEL
8/31/2010	8/31/2040	LINUS SEE MOUA
10/14/2011	10/14/2041	NICHOLAS ACHINA
5/23/2016	5/23/2046	JOHN REEVES
4/30/2010	4/30/2040	SHERY S VANG & PHENG VANG
6/30/2011	6/30/2041	JOHNNY L WARE
5/29/2012	5/29/2042	MUANQYS VANG & BAO VUE
1/22/2010	1/22/2040	KEITH & KIMBERLY J BROWN
10/7/2009	10/7/2039	D T WHEATLEY & T W WHEATLEY
2/8/2011	2/8/2041	H ABLOUZE & O EL JAMALI
3/22/2016	3/22/2046	S R BLAKE & W J DIEDRICK
8/16/2012	8/16/2042	P RODRIGUEZ & K M BOELTER
9/3/2010	9/3/2040	DEREK A REUBEN
9/16/2010	9/16/2040	ELIJAH GBOEAH
1/24/2014	1/24/2044	ANASTANCIAH MOSE
12/29/2015	12/29/2045	JACY VUE
7/22/2010	7/22/2040	ASFAW ASFAW & ZEINEBA AYELE
3/28/2016	3/28/2046	N GBOLLIE & D GBOLLIE
10/11/2013	10/11/2043	SADIA HASHI
1/28/2016	1/28/2046	E H FLORES/M HERNANDEZ-LEON
8/29/2013	8/29/2043	T L BROWN & M K BROWN
11/3/2011	11/3/2041	B WILLIAMS & V SAYONKON
1/24/2011	1/24/2041	GLORIA NARH & GIFTY NARH
4/10/2012	4/10/2042	SUE THAO & CHIA XIONG
1/8/2016	1/8/2046	J SACKOR MARWOLO
7/8/2011	7/8/2041	PANG VANG & GER LEE
8/23/2011	8/23/2041	CRISTIAN CAJAMARCA ZAPATA
3/30/2012	3/30/2042	IBRAHIMA KABA & LILIAN KABA
9/4/2013	9/4/2043	PATRICK CAPE & ANGEL CAPE
9/27/2010	9/27/2040	CATHERINE M BOOKER
5/10/2012	5/10/2042	STEPHEN XIONG & NANCY XIONG
6/16/2011	6/16/2041	A HIRSE & K ADEED
11/29/2011	11/29/2041	K HARRIS & AMOS WESSEH
5/4/2012	5/4/2042	PANIA VANG & SENG YANG
3/15/2010	3/15/2040	RACHAEL I OSIFO
5/23/2013	5/23/2043	SULEKHA ADAM
2/11/2013	2/11/2043	DAO VANG
5/22/2015	5/22/2025	KOSSIVI LOKO
5/25/2012	5/25/2042	ALEXIS R NELSON
11/8/2012	11/8/2042	G OROZCO & M OROZCO

3/21/2012	3/21/2042	HMONG HER
11/29/2011	11/29/2041	SHATIERA YOUNG
8/23/2010	8/23/2040	NTOMONG HER & PA NOU VANG
9/14/2012	9/14/2042	TOU LEE YANG & KIA LEE
6/26/2013	6/26/2043	HELEN SULONBARTU
12/29/2011	12/29/2041	KAO MOUA ET AL
10/18/2012	10/18/2042	TING VANG & GARY YANG
7/13/2015	7/13/2045	ANDREW KLUS & KELSEY BROWN
11/4/2011	11/4/2041	TASHI DOLKAR
6/15/2012	6/15/2042	SENG XIONG
12/22/2015	12/22/2045	SHANA DICKSON & D KWATAMPORA
3/28/2012	3/28/2042	A HASSAN & S YUSUF
9/13/2013	9/13/2043	BIANCA V LEWIS
10/11/2013	10/11/2043	J A AMAYA & K G ALBRECHT
3/3/2014	3/3/2044	T R TARWAI & J TARWAI
7/25/2011	7/25/2041	ANITALY YER HER
1/20/2011	1/20/2041	ALEX VAN NGUYEN & HOA DIEP
3/28/2013	3/28/2043	LEE & MEE VUE
6/28/2011	6/28/2041	MAI NENG VANG
10/23/2012	10/23/2042	JEFFREY J WALLENFELSZ
11/18/2010	11/18/2040	LUE LEE & XUE LEE
7/22/2010	7/22/2040	HON GEW & NAYAMAL GIL
4/29/2010	4/29/2040	XAI VANG & CHAI V KUE
8/30/2013	8/30/2043	BILL VANG & MAYSEE LEE
1/5/2012	1/5/2042	EFUNNIKE O OSILAJA
7/26/2011	7/26/2041	NALEE LOR
4/10/2009	4/10/2039	DEANDRE LAMAR YOUNG
2/7/2013	2/7/2043	G A TULO & J K TULO
4/25/2011	4/25/2041	RHONDA INGRAM
4/15/2011	4/15/2041	M A EBRAHIM & Z A HASSEN
3/30/2010	3/30/2040	TOMEKO N CHAMPION
5/17/2013	5/17/2043	EMILY F ARIAS
12/28/2011	12/28/2041	BRENSLEY DEJAUN HAYWOOD
8/31/2011	8/31/2041	ADRIAN P ALTAMIRANO TAPIA
11/30/2010	11/30/2040	HENRY BRIDGES
11/24/2014	11/24/2044	EMILIA EZELL JACKSON KALLEY
4/29/2009	4/29/2039	LINDA R YANG
4/30/2010	4/30/2040	N REEVES & H REEVES
4/5/2012	4/5/2042	MUNTAHA SHATO & OUMER MEO
10/11/2013	10/11/2043	MAI VANG
3/28/2013	3/28/2043	KYM XIONG
11/18/2010	11/18/2040	ZULLIE ZAPATA
9/16/2010	9/16/2040	MAXIMA MARINEZ PEREZ
12/19/2013	12/19/2043	S SIPRASEUTH & K SIPRASEUTH
11/26/2013	11/26/2043	ZE VANG
11/18/2011	11/18/2041	VAN YANG & JENNIE YANG
3/30/2011	3/30/2041	ASTOU F HARRIS

12/7/2010	12/7/2040	NIMCO ABAS
12/7/2010	12/7/2040	CUANISHA BREVARD
9/28/2012	9/28/2042	TRICIA L GEORGE
11/12/2013	11/12/2043	A A OMISORE & D J OMISORE
5/20/2010	5/20/2040	JACKSON YANG & AONH HANG
5/13/2013	5/13/2043	RASHEKA JOVON PERRY
2/10/2014	2/10/2044	R LEUTFAIMANY/P PHIMMACHACK
9/4/2013	9/4/2043	MAI CHANG
8/30/2012	8/30/2042	GERALD C RICHARD JR
12/21/2009	12/21/2039	JENNA E JOHNSON
10/22/2012	10/22/2042	M AHMED & T HUSSEIN
10/14/2015	10/14/2045	MEAGAN GARDNER
5/28/2010	5/28/2040	DOUA VANG & GE CHANG
3/13/2014	3/13/2044	GAO YANG & TOU PENGXUE THAO
2/9/2011	2/9/2041	A WALLACE & T WALLACE
11/14/2011	11/14/2041	CHRISTY MERTZ
4/24/2012	4/24/2042	BYRON CARTER
7/7/2014	7/7/2044	S G ZEAN & E K ZEAN
7/26/2013	7/26/2043	M KUKACHKA & J KUKACHKA
7/19/2011	7/19/2041	J J BROWNLEE & T J BROWNLEE
4/24/2012	4/24/2042	STEVEN D LONGLEY
2/28/2011	2/28/2041	SHERLAN SANCHEZ
3/18/2013	3/18/2043	PAO D LEE
9/12/2014	9/12/2044	SARAH MARTIE
1/12/2012	1/12/2042	MARIO REYES RODRIGUEZ
5/26/2011	5/26/2041	BRUCE D SCHMIDT
3/5/2010	3/5/2040	KEVIN KEOPRASEUTH
5/1/2000	5/1/2030	A L LOPEZ-CABRERA ET AL
5/1/2000	5/1/2030	DEBORAH LUND
7/1/1998	7/1/2028	PETER TOMBE
4/1/1997	4/1/2027	GADA TUFA
4/1/1997	4/1/2027	R C & R M RAPKE
6/1/1997	6/1/2027	SUSANNA TARLUE
1/1/1998	1/1/2028	JAMES A IDOKO
11/1/1998	11/1/2028	TRUNG NGUYEN & UYEN LE



Doc No **A9727528**Certified, filed and/or recorded on  
12/13/11 11:00 AMOffice of the County Recorder  
Hennepin County, Minnesota

Martin McCormick, Acting County Recorder

Mark V. Chapin, County Auditor and Treasurer

Deputy 8

Pkg ID 757364

**Doc Name: Declaration**

Document Recording Fee \$46.00

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**Document Total** \$46.00

## DECLARATION

THIS DECLARATION OF RESTRICTIVE COVENANTS ("Declaration") dated as of this 15 day of September, 2011 (the "Effective Date"), by eStoreMasters, a Minnesota limited liability company, its successors and assigns (the "Declarant"), is given to the Brooklyn Park Economic Development Authority, a Minnesota public body corporate and politic ("Authority").

## RECITALS

WHEREAS, the Declarant is the fee owner of the premises located in the City of Brooklyn Park, County of Hennepin, State of Minnesota, legally described on Exhibit A attached hereto (the "Property"); and

WHEREAS, the Declarant entered into a Public Assistance Agreement with the Authority dated as of September 8, 2011 (the "Agreement"); and

WHEREAS, pursuant to the Agreement, the Declarant has received financial assistance from the Authority in connection with acquisition and rehabilitation of the Property; and

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Declarant declares as follows:

1. For a period of thirty (30) years from and after the Effective Date the Property shall serve as the primary residence of the owner thereof and shall not be let, rented or leased to any other party or entity.
2. This Declaration and the covenants set forth herein regulating and restricting the use and occupancy of the Property (i) shall be and are covenants running with the Property, encumbering the Property for the Declaration Term, and binding upon all current and future owners, (ii) are not personal covenants of the Declarant and (iii) may be enforceable by the Authority through the equitable remedy of specific performance or any other judicial remedy against the owner of the Property. If in the enforcement of any term of this Declaration the Authority shall employ attorneys or incur other expenses, the violating owner shall, upon demand therefor, pay to the Authority the reasonable fees of such attorneys and such other expenses so incurred by the Authority.
3. That any and all requirements of the laws of the State to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the land. For the Declaration Term, each

11-29603T  
First Financial Title Agency, Inc  
12550 West Frontage Road  
Suite 200  
Burnsville, MN 55337

and every contract, deed, or other instrument hereafter executed conveying the Property or portion thereof shall expressly provide that such conveyance is subject to this Declaration, provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Property or portion thereof provides that such conveyance is subject to this Declaration.

4. That the invalidity of any clause, part or provision of this Declaration shall not affect the validity of the remaining portions thereof.
5. That this Declaration shall terminate in accordance with the terms set forth above, or upon the recording of a termination agreement executed by the Authority, whichever occurs first.

IN WITNESS WHEREOF, the Declarant has caused this Agreement to be signed by its duly authorized representatives, as of the day and year first above written.

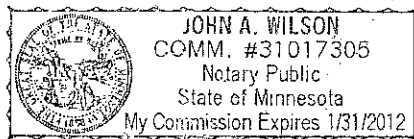
eStoreMasters, LLC

By

Its

STATE OF MINNESOTA )  
 )ss.  
COUNTY OF HENNEPIN )

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of September, 2011, by Adeyinka Badewa, the owner of eStoreMasters, a Minnesota limited liability company, named in the foregoing instrument, on behalf of the company.



Notary Public

This Document was drafted by:  
Holmes & Associates, Ltd.  
601 Carlson Parkway, Suite 1050  
Minneapolis, MN 55305

EXHIBIT A  
TO  
DECLARATION OF RESTRICTIVE COVENANTS

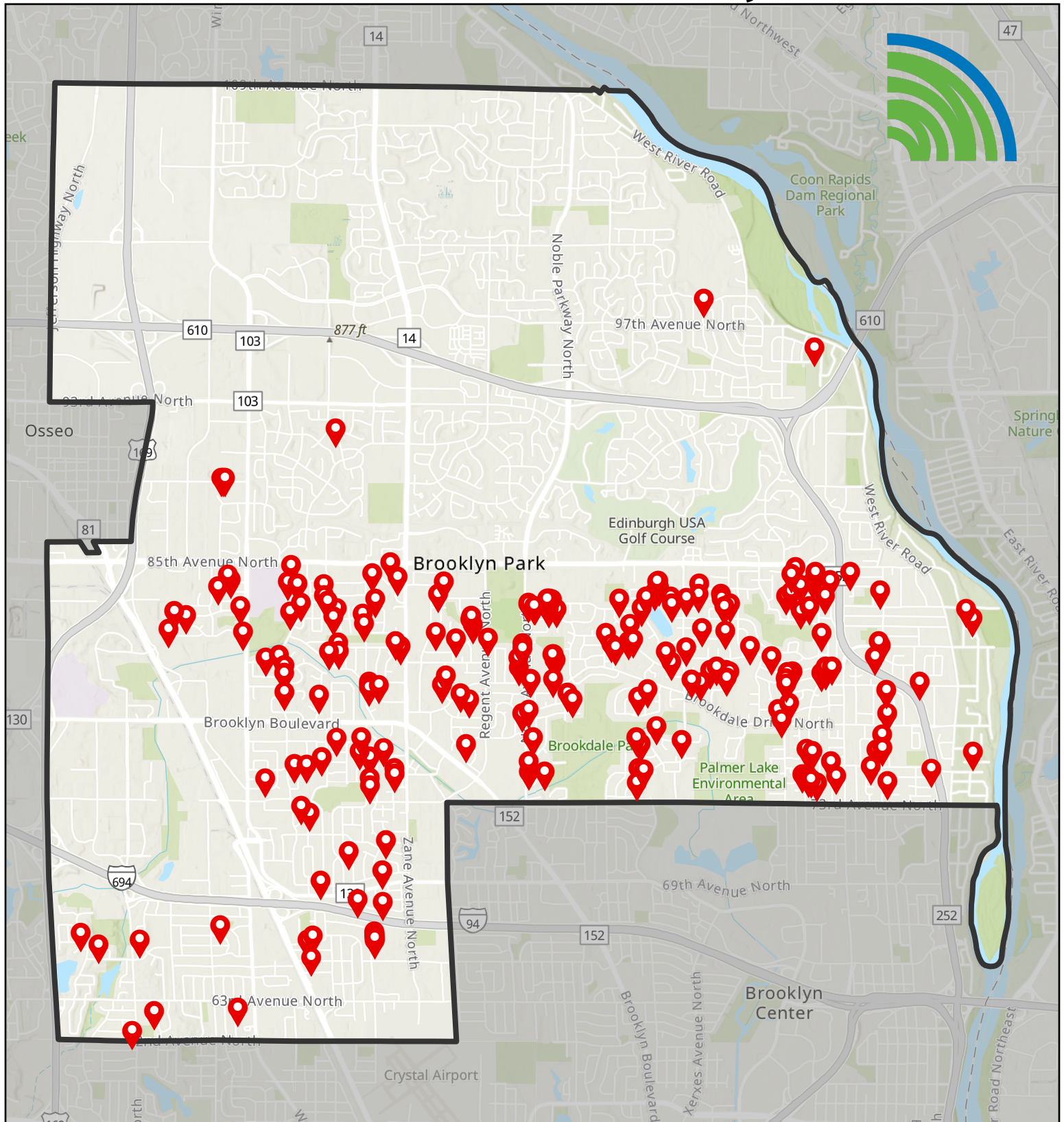
Legal Description

Lot 2, Block 1, Lake Success 2<sup>nd</sup> Addition, Hennepin County, Minnesota

For informational purposes only:  
Address – 8309 Abbott Ave N, Brooklyn Park, MN 55443



# Rental Restrictions in Brooklyn Park



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. Basemap source: ArcGIS Online.

# City of Brooklyn Park EDA Work Session

<b>Agenda Item:</b>	2.4	<b>Meeting Date:</b>	August 21, 2023
<b>Agenda Section:</b>	Work Session	<b>Prepared By:</b>	Breanne Rothstein, Economic Development and Housing Director
<b>Resolution:</b>	N/A	<b>Presented By:</b>	Kim Berggren, Executive Director; and Breanne Rothstein, Economic Development and Housing Director
<b>Attachments:</b>	1		
<b>Item:</b>	Discuss 2024 EDA Strategic Investments		

## Overview:

Each year, the EDA begins its budget discussions with a strategic discussion and proposals for consideration. The purpose of this discussion is to get general direction from the EDA on proposed initiatives with budget impacts before staff presents the 2024 budget and to identify if the EDA sees other investment opportunities not listed. In September, EDA will consider a full summary of budget proposals for discussion and direction. Final budget approval will be requested in November.

An important part of this year's discussion will include the EDA considering how it might want to use the new Housing Aid Distribution from the State, estimated at \$940,000 annual, which will be available to Brooklyn Park starting in 2024.

## Background:

Over the past 20 years, the EDA has developed fund balances in the EDA general fund, housing set aside fund, and TIF #3 for the purpose of making long-term, strategic economic development investments within the community. The EDA has leveraged these funds over the years to make large investments in the community including the following efforts:

- Purchase of land for re-development and future development
- Gap financing for affordable housing development at Village Creek, Jefferson Highway, and Tessman Ridge
- Significant reinvestments in the apartment community housing stock
- Business subsidy and small business/entrepreneur investment programs
- Partnerships with homeowners for investment in the single-family housing stock
- Investment in the future of the workforce in Brooklyn Park and Brooklyn Center through the BrookLynk, Career Pathways, and Youth Entrepreneurship programs
- Construction of the youth shelter and purchase of a transitional housing four plex
- Significant investments in transportation infrastructure to facilitate jobs and housing development funding of special initiatives, planning, and programs to improve quality of life
- Support for the local business environment in partnership with other organizations including Metro North Chamber of Commerce and Minneapolis Northwest Tourism
- Investments in economic inclusion efforts to specifically advance economic outcomes and conditions for residents of color, who have been historically excluded from many economic development initiatives, including.
  - Small business center purchase and development
  - Broadening workforce development to include employer and employee side solutions
  - Entrepreneur focus to business development/recruitment
  - Homeownership/down payment assistance
  - Working with small, aspiring, local property owners and developers
  - Improving renter engagement and apartment livability

- “Access to Money” work
  - Banks and CDFIs
  - Beyond credit lending

### **Primary Issues/Alternatives to Consider:**

The past four years, the EDA has supported work within the following key initiatives:

- 1) Economic Inclusion – specifically the development of the small business center and the deployment of down payment assistance and support of the Brooklyn Park Development Corporation’s business micro-loan program.
- 2) Anti-displacement/gentrification – participation and efforts in BLRT working group, purchase of privately held land, and partnership to get co-op ownership with the city;
- 3) Community partnerships – deployment of 41 ARPA Community contracts in round one, and several more in round two.
- 4) Leverage investments – How can the EDA implement the recommendations of several recent studies, investments, and land holdings and bring other funding partners to the table?

Since January, staff has heard the EDA provide direction on the establishment of the following new initiatives:

- 1) Advance more multi-family housing options, especially market rate options;
- 2) More assertively engage with the experienced, larger development community;
- 3) Strive to bring more higher end retail to the community including dining experiences;
- 4) Leverage historic state legislation to encourage more attention towards Brooklyn Park;
- 5) Market and highlight the assets of Brooklyn Park, particularly its middle class status.

Based on these five EDA initiatives and new, significant legislative resources, staff recommends the following actions/budget allocations to implement them.

- 1) Heightened advocacy for changes to TIF and EDA State legislation to fund more priority projects, specifically market rate development and workforce development. (\$50K)
- 2) Small Area Planning/Marketing/Developer Relationship Resources (village Creek and 610W in 2024) – staffing and consulting development and planning position and small area planning funds –(\$210K for staffing and consultants)
- 3) Work Plan Creation for Housing Aid Distribution from the State Sales Tax Increase – The metro wide sales tax approved by the legislature for affordable housing includes a direct allocation to Brooklyn Park of approximately \$940K annually as well as increased funding for County and State wide housing programs. The EDA will have to consider its options for how to allocate at a minimum the \$940K direct allocation, starting in 2024, which will be done through a budget amendment in early 2024. The best information available right now is located in an email from Metro Cities staff, and included as an attachment. The funds are to serve households at or below 115% AMI for homeownership and 80% AMI for rental. Eligible uses include:
  - a. Financial support to non-profit housing provider
  - b. Affordable housing project funding (construction, acquisition, re-hab, demolition, financing, interest rate reduction, re-financing, gap financing)
  - c. Fund housing trust fund
  - d. Emergency rental assistance (creation of a new program or possibly through partnership with existing provider)

### **Attachments:**

2.4A Email from Metro Cities re: direct housing allocation

**Breanne Rothstein**

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**To:** Kimberly Berggren  
**Subject:** RE: Housing Aid Distribution for Metropolitan Cities

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**From:** McDonnell, Ania <[ania@metrocitiesmn.org](mailto:ania@metrocitiesmn.org)>  
**Sent:** Tuesday, June 13, 2023 3:44 PM  
**Cc:** Nauman, Patricia <[patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org)>; Dorn, Jennifer <[jennifer@metrocitiesmn.org](mailto:jennifer@metrocitiesmn.org)>  
**Subject:** Housing Aid Distribution for Metropolitan Cities

Good afternoon:

This session, the Legislature passed a housing bill with \$1 billion in new funding for various housing programs. The Legislature appropriated state funds for the programs and established a metro wide sales tax for housing needs, including a portion of this tax as a local housing aid for metropolitan cities.

The new law establishes a 0.25% metropolitan regional sales tax, with a portion of the proceeds allocated to metropolitan cities over 10,000 in population. Your city will receive a distribution of aid under this legislation. A spreadsheet showing the estimated distribution of aid by city, for 2024, is attached. This spreadsheet, using data from House Research, estimates that cities will receive \$31.1 million in 2024. Metro Cities expects the amount to increase over time, because collections for this tax begin in October of this year, which shortens the collection time frame for the first year.

Cities can use this aid for emergency rental assistance, financial support to nonprofit affordable housing providers, and projects for the construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing. Cities will be able to use this aid only for affordable housing assistance to households at 115 percent of the area median income for homeownership projects, and 80 percent of the area median income for rental housing projects. The MN Department of Revenue will distribute payments on the same payment schedule used for local government aid, with payments in July and December. Metro Cities has asked the Department of Revenue for more clarity on the distribution of aid as they work to implement the legislation. A city may transfer unspent funds to a local housing trust fund if they are unable to expend funds as otherwise provided for that are due to factors outside the control of the city.

Cities must spend this aid by December 31<sup>st</sup> in the third year following the year after the aid was received. Beginning in 2025, cities must submit an annual report with documentation on any unspent funds, and documentation of qualifying projects completed or planned. This report will be due by December 1<sup>st</sup> of each year (starting in 2025) to the Minnesota Housing Finance Agency. Additionally, the new law stipulates that a county that receives local housing aid will regularly consult with the local governments in the jurisdictions of which its qualifying projects are planned or located.

Metro Cities will work with Minnesota Housing this summer to gather additional information and assistance for cities on how to maximize the use of this aid as well as other funds that were allocated to MN Housing this session. We would welcome your initial feedback or questions this initial information. Please feel free to share any feedback or questions by replying to this email.

If you are attending the LMC conference next week, we hope to see you at the Metro Cities hosted breakfast on Friday, June 23<sup>rd</sup>!

Sincerely,



Ania McDonnell  
Government Relations Specialist  
Metro Cities (Association of Metropolitan Municipalities)  
145 University Ave West  
St. Paul, MN 55103  
651-215-4001  
[ania@metrocitiesmn.org](mailto:ania@metrocitiesmn.org)  
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# City of Brooklyn Park

## Request for EDA Action

<b>Agenda Item:</b>	4.1	<b>Meeting Date:</b>	August 21, 2023
<b>Agenda Section:</b>	Consent	<b>Prepared By:</b>	Seng Moua, EDA Secretary
<b>Resolution:</b>	N/A		Kim Berggren, Executive Director
<b>Attachments:</b>	1		
<b>Item:</b>	Consider Approving the 2023 EDA Meeting Minutes		

### Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO APPROVE THE JULY 17, 2023 EDA MEETING MINUTES.

**Overview:** N/A

**Primary Issues/Alternatives to Consider:** N/A

**Budgetary/Fiscal Issues:** N/A

### Attachments:

4.1A JULY 17, 2023 DRAFT REGULAR MEETING MINUTES

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF BROOKLYN PARK  
JULY 17, 2023 MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: President Winston at 7:23 p.m.

ROLL CALL PRESENT: President Hollies Winston, Vice President Nichole Klonowski, Treasurer Boyd Morson and Commissioners Christian Eriksen, XP Lee, and Maria Tran. Staff: Executive Director Kim Berggren, Economic Development and Housing Director Breanne Rothstein, EDA Secretary Seng Moua, EDA Attorney Joe Sathe, and Development Project Coordinator Sarah Abe.

ABSENT/EXCUSED: None.

2. PUBLIC COMMENT AND RESPONSE:

2. A Response to Prior Public Comment: Executive Director Kim Berggren stated that a resident at the last meeting spoke in regard to the moratorium and stated that process is in action with the moratorium lasting through November. She acknowledged that is a Council moratorium rather than an EDA action but still wanted to respond to the comment.

2. B Public Comment received: Collette Hemple, 9277 Trinity Gardens, commented that in regard to affordable housing, they need to look at moving existing residents from one-bedroom units into the new buildings. She stated that apartments should be the same as any other unit and should be the same size as the other units. She stated that they should also look at an occupancy rate for apartments, recognizing that would utilize TIF funding. She stated that funding should be used to move families out of the dated apartments and into the new larger units. She stated that if the interior of the apartment is different than the other units, when that family earns more income, they would need to change units in order to have better accommodations. She stated that they need to look at how they can move residents out of the older units at Huntington into the remodeled and updated units. She commented that there should only be two occupants per bedroom in an apartment and did not believe any more studio apartments are needed in Brooklyn Park. She appreciated the dialogue during the worksession tonight.

3A. APPROVAL OF AGENDA

Commissioner Eriksen requested to remove Item 6.1 from Action Items on tonight's agenda, given the discussion that occurred at the worksession.

President Winston also recommended removing Item 3B.1 as Metro North was unable to attend tonight.

MOTION ERIKSEN, SECOND KLONOWSKI APPROVING THE AGENDA AS AMENDED, REMOVING ITEMS 3B.1 AND 6.1.

FURTHER DISCUSSION: COMMISSIONER LEE ASKED IF STAFF IS CLEAR ON THE NEXT STEPS BASED ON THE DISCUSSION EARLIER IN THE NIGHT.

EXECUTIVE DIRECTOR KIM BERGGREN STATED THAT SHE WOULD CONSIDER THIS TO BE AN INSTANCE WHERE THEY TAKE NO ACTION AND CAN PROVIDE BROADER CONTEXT ON OPTIONS THAT COULD BE CONSIDERED. SHE STATED THAT ALTHOUGH THE DEVELOPER MAY CONTINUE TO EXPRESS INTEREST IN THE SITE, THIS ACTION WOULD MAKE IT CLEAR THAT THE EDA IS NOT INTERESTED IN AN EXCLUSIVE PARTNERSHIP WITH THE DEVELOPER.

MOTION PASSED UNANIMOUSLY.

### 3B. PUBLIC PRESENTATIONS

#### ~~3B.1 Presentation of Metro North Chamber of Commerce's Partnership with Brooklyn Park Business Council~~

Item removed from the agenda.

## II. STATUTORY BUSINESS:

### 4. CONSENT:

- 4.1 Consider Approving EDA Meeting Minutes.  
A. June 20, 2023 Draft Meeting Minutes

MOTION KLONOWSKI, SECOND ERIKSEN TO APPROVE THE CONSENT AGENDA. MOTION PASSED 5-0-1 (MORSON ABSTAINED).

### 5. PUBLIC HEARINGS:

- 5.1 None.

### 6. GENERAL ACTION ITEMS:

#### ~~6.1 Consider Authorizing the Executive Director to Negotiate a Term Sheet and Purchase Option Agreement with JO Companies for the Development of 7479-7495 Brooklyn Boulevard~~

- ~~A. Resolution  
B. Location Map  
C. Reaffirmed Regent Site Vision  
D. Site Plan~~

Item removed from agenda.

- 6.2 Consider Approving an Addition to the Economic Development Authority Funded Staff  
A. Resolution

Executive Director Kim Berggren commented that there has been a lot of discussion centered on development and tax capacity development with the new Council, focusing on value rich development. She stated that staff capacity can be a limiting factor in accomplishing some of the desired actions. She stated that if they were able to add staff capacity, they would be able to focus more time on visioning and planning, small area planning, developer relationship and recruitment, redevelopment and development project management, and development of marketing materials for key sites. She provided details on the position specifics and noted that the hiring process would be about three to five months.



Commissioner Klonowski commented that this is exciting as they are asking staff to be more proactive. She asked if there is room in the current budget for this position.

Executive Director Kim Berggren replied that the EDA budget is discretionary outside of staffing. She stated that there are many years where more money has been levied than has been spent, although they have been more ambitious with budgeting for programming. She commented that there are many options on how this position could be funded and that could be discussed through the budget process.

Commissioner Klonowski asked if staff believes the department is properly staffed other than this position or whether there are additional staffing needs.

Executive Director Kim Berggren replied that would depend upon the desires and focus of the Council. She commented that the economic and development team is small and is stretched very thin right now.

Commissioner Tran commented that they do not want to burden public tax dollars. She commented that perhaps they could continue to assess staff performance to ensure staff is performing properly. She stated that perhaps there are staff members that could be replaced if they are not performing well.

Commissioner Morson asked if there are alternative options.

Executive Director Kim Berggren noted that this discussion could be postponed to the budget discussions but that would mean this position would most likely not start until halfway through 2024. She stated that another option would be to refocus the work of staff to focus on these priorities and pull back from other existing work. She commented that staff has not gotten the impression that the EDA would like to scale back the other work.

Commissioner Morson commented that he would like more information on the options which could fund this position. He commented that he is not willing to exercise his vote to reduce funding for existing programs to fund this position. He asked if they have considered cross training existing staff.

Executive Director Kim Berggren stated that the current proposal would utilize the EDA General Fund. She noted that alternative options could be discussed during the budgeting process if that was desired. She stated that staff is already cross-trained and is already working on these activities but cannot allocate the desired amount of staff time as there is just not enough time to allocate more time on these priorities without reducing other work.

President Winston commented that the new Council came in fairly quickly with a focus on public safety and addressing development in the right way. He stated that this position makes sense as they are desiring an overarching plan for development with focus on different corridors. He stated that this position would seem critical as existing staff is already stretched thin. He stated that this position would be the point person for contact and should not be spread across multiple employees. He commented that there is not always an easy way to measure a return on investment for public safety, other than crime levels, but there is a method to measure for development and noted that spending \$175,000 to assist in turning the City in the right direction for development would seem to be a reasonable return on investment.

Commissioner Eriksen echoed the comments of President Winston and believed that this is a reasonable ask for City staff to follow the more aggressive path for development.

MOTION ERIKSEN, SECOND KLONOWSKI TO WAIVE THE READING AND ADOPT RESOLUTION #2023-18 APPROVING AN ADDITION TO THE ECONOMIC DEVELOPMENT AUTHORITY FUNDED STAFF.

FURTHER DISCUSSION: COMMISSIONER LEE COMMENTED THAT HE ALSO AGREES THAT THIS POSITION IS NEEDED AND IT WOULD MAKE SENSE TO ACT NOW IN ORDER TO BRING THIS PERSON ON STAFF AROUND THE TIME THE MORATORIUM IS ENDING.

MOTION PASSED 4-0-2 (MORSON AND TRAN ABSTAINED).

### III. DISCUSSION:

#### 7. DISCUSSION ITEMS

##### 7.1 Status Update:

##### A. Community Engagement Policy for EDA-Owned Sites

Executive Director Kim Berggren commented that the Small Business Center is soft opening, and they are gearing up for the ribbon cutting at the end of August. She highlighted upcoming meetings and other things of note in the staff report. She stated that the updated outreach policy was also included in the report.

Commissioner Tran referenced the community engagement policy and asked how residents would be reached.

Executive Director Kim Berggren replied that they would complete the items on pages eight and nine which would help to determine the engagement strategy. She recognized that there is not a one size fits all approach for community engagement, as it would be based on the scale and type of projects. She stated that on larger projects, staff would bring that strategy forward to the EDA for review. She commented that the tool would help them determine the level of engagement needed and then there are different methods for reaching residents for each level of engagement.

Commissioner Klonowski thanked staff for incorporating the feedback.

##### 7.2 Housing Update

Executive Director Kim Berggren highlighted information about different development items included in the report.

President Winston referenced Huntington Place and noted that the City was instrumental in AEON securing \$15,000,000 in funds through the legislature. He stated that his concern is that if the City used its legislative weight to assist in getting that funding, he wants to ensure that AEON is going to follow through and only use those dollars to fix Huntington Place. He stated that if AEON uses the funds in a different manner, he would want to know what could be done in response.

Commissioner Lee asked if Huntington would be hiring someone to replace a staff member that was the lead contact.

Executive Director Kim Berggren provided details on the staff members that are filling that role. She commented that the EDA should receive an invite for the next Huntington Place community meeting.

Commissioner Lee noted an email that he provided to staff providing input on a contact that he has made and a meeting he will be attending related to crash site analysis.

### 7.3 Verbal Commissioner Reports and Announcements

Commissioner Tran commented on her experience since joining the Council. She felt that she was being excluded and treated unfairly, noting defamation and unfriendly actions that she has experienced. She commented that she is serving on the Council because people voted her in and trust her and the hateful, anti-Asian attitudes cannot make her go away.

Commissioner Lee stated that if he understood that correctly there is a City staff member involved. He asked that Executive Director Kim Berggren look into this matter immediately.

Commissioner Tran commented that she believes the City Manager encouraged the employee to act in that manner.

Commissioner Lee stated that if that is the case, the Mayor and legal counsel will need to discuss this.

President Winston commented that he would be happy to do so and noted that there are formal procedures to follow. He stated that sometimes there are simple misunderstandings and if the formal process is followed that would be placed on paper and the desired outcome may not be reached for either side. He stated that would also become public. He stated that if Commissioner Tran would like to file a formal complaint, that could be done.

Commissioner Tran commented that she would like to file a formal complaint. She also expressed concerns with transparency and possible misappropriation of funds identified in the audit.

President Winston replied that the language used in the audit is the same that is used by other companies he has worked for. He stated that using the terms misappropriation or scam does not necessarily mean those common definitions, and explained that it is used to explain that these processes exist to prevent those things from occurring. He cautioned against assuming the worst, explaining that if actions are taken or statements are made against an employee and it was the result of a miscommunication through language used, those things cannot be taken back, and the actions cannot be reversed. He stated that should be considered before going down that road. He noted that language is included in every fortune 500 company and reasonable sized city audit. He stated that he is happy to pursue the formal process for filing a complaint related to the treatment Commissioner Tran received but cautioned against drawing negative conclusions about the audit from those terms that were used.

Commissioner Morson commented that he supports the comments of Commissioner Lee that action should be taken immediately to address the discomfort of Commissioner Tran. He commented that she has the right to fill out the paperwork that she desires to follow the formal process and they shall see what the outcome would be.

President Winston commented that he would like Commissioner Morson to keep that same energy when others share their concerns and truths.

Commissioner Tran thanked the members of the EDA for their support. She commented that she has been on the Council for seven months and this has been her experience and she has been very careful with her words in bringing this forward.

President Winston stated that he would like to wrap up these comments as there is a formal process to be followed. He asked that the comments about staff are limited in this meeting as this is not a formal process and the position of staff cannot be provided.

City Attorney Joe Sathe replied that he commits to follow up and work on the formal process with Commissioner Tran.

Commissioner Morson referenced the comments of President Winston. He noted that when they open the podium for the public to speak, that provides a platform, whether or not they are sharing true information. He commented on the potential legal ramifications by allowing others to share what could be false information.

Commissioner Eriksen stated that it is important to point out that the comments from the public at the podium have little or no risk in terms of liability to the City of Brooklyn Park, whereas the comments of the EDA and City Council can impact the liability of the City significantly, as well as the employees and each other.

Commissioner Klonowski asked legal counsel for an opinion on the legal ramifications from members of the public speaking at the podium, which could be untrue.

City Attorney Joe Sathe replied that the purpose of the public comment period is to allow members of the public to speak on matters that are or could be before the Commission. He echoed Commissioner Eriksen that the legal ramifications are not profound, but the EDA does have a responsibility to have a well-run meeting in which all residents can comment on things that are or could be before the EDA.

Commissioner Klonowski used the example of a resident speaking false information during their three minutes of public comment and asked if that would place liability on the City or simply themselves.

City Attorney Joe Sathe replied that he did not believe there to be any, or much, liability for public forum but noted that he could follow up to ensure that is accurate.

IV. ADJOURNMENT:  
Meeting adjourned at 8:27 p.m.

# City of Brooklyn Park Request for EDA Action

<b>Agenda Item:</b>	4.2	<b>Meeting Date:</b>	August 21, 2023
<b>Agenda Section:</b>	Consent	<b>Prepared By:</b>	Sarah Abe, Development Project Coordinator
<b>Resolution:</b>	X	<b>Presented By:</b>	Sarah Abe, Development Project Coordinator
<b>Attachments:</b>	2		
<b>Item:</b>	Consider Identifying the Need for Livable Communities Demonstration Account Funding and Authorizing Application for Grant Funds for a Housing Development at 9500 Decatur Drive		

## Executive Director's Proposed Action

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_ TO WAIVE THE READING AND ADOPT RESOLUTION #2023-\_\_\_\_\_ IDENTIFYING THE NEED FOR LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT FUNDING AND AUTHORIZING APPLICATION FOR GRANT FUNDS FOR A HOUSING DEVELOPMENT AT 9500 DECATUR DRIVE.

## 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
- Term sheet approvals in February and November 2022 and April 2023 (supporting the project through various financing changes)
- Planning Commission land use approvals in April 2023
- City Council land use approvals in April 2023

Real Estate Equities has received its tax-exempt bonds for the first phase of the project, 175 units located at 9500 Decatur Drive. However, there is still a financial gap. The Met Council solicits annually for the Livable Communities Demonstration Account (LCDA) program to support development projects and REE is proposing using this source to fill that gap. A resolution of support is required from the city before a grant can be awarded.

## Background:

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 site plan for this project proposes two nearly identical 4-story buildings. The proposed unit and affordability mix for the total project is included in the table below (Table 1). The 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.



Table 1: Proposed unit mix

Bedrooms	70% AMI units	70% AMI rent	60% AMI units	60% AMI rent	30% AMI units	30% AMI rent	Total units
1	9	\$1,540	28	\$1,320	3	\$660	80
2	9	\$1,848	78	\$1,584	3	\$792	180
3	9	\$2,135	33	\$1,830	3	\$915	90
<b>Total</b>	<b>27</b>		<b>139</b>		<b>9</b>		<b>350</b>

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

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 this project is approximately \$210,000 which would result in a total EMV of \$36.75M for Phase I. 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).

### Primary Issues/Alternatives to Consider:

- **What activities will this grant fund?**

Funding from an LCDA Development grant would fill a financial gap in the project and support general construction costs.

- **What is the timeline for the grant award/project?**

- August 14, 2023 – LCDA Development applications due
- October 2023 – Development/Tax Increment Financing (TIF) Agreement consideration (EDA)
- Fall 2023 – Bond support approvals (City Council)
- December 2023 – LCDA grant awards announced
- 2023/2024 – Construction begins

The EDA and City Council still need to take various actions to approve this project, including a full TIF agreement and various administrative actions to accept the bond allocation from the Minnesota Office of Management and Budget (MMB), which awards the bonds.

### Budget/Fiscal Issues:

REE is applying for \$2M, \$1M for each phase of the project. If received, the LCDA grant funds will assist with general construction costs.

### Recommendation:

The Executive Director of the Economic Development Authority recommends approval.

### Attachments:

- 4.2A Resolution
- 4.2B Location Map

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

RESOLUTION #2023-\_\_\_\_\_

RESOLUTION IDENTIFYING THE NEED FOR LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT  
FUNDING AND AUTHORIZING APPLICATION FOR GRANT FUNDS FOR A HOUSING DEVELOPMENT  
AT 9500 DECATUR DRIVE

WHEREAS the Brooklyn Park Economic Development Authority (the “Authority”) is a participant in the Livable Communities Act’s Local Housing Incentives Account Program for 2023 as determined by the Metropolitan Council, and is therefore eligible to apply for Livable Communities Demonstration Account funds; and

WHEREAS the Authority has identified a proposed project (or projects) within the city that meets the Demonstration Account’s purposes and criteria and is consistent with and promotes the purposes of the Metropolitan Livable Communities Act and the policies of the Metropolitan Council’s adopted metropolitan development guide; and

WHEREAS the Authority has the institutional, managerial and financial capability to ensure adequate project administration; and

WHEREAS the Authority certifies that it will comply with all applicable laws and regulations as stated in the grant agreement; and

WHEREAS the Authority agrees to act as legal sponsor for the project(s) contained in the grant application(s) submitted on August 14, 2023; and

WHEREAS the Authority acknowledges Livable Communities Demonstration Account grants are intended to fund projects or project components that can serve as models, examples or prototypes for development or redevelopment projects elsewhere in the region, and therefore represents that the proposed project(s) or key components of the proposed project(s) can be replicated in other metropolitan-area communities; and

WHEREAS only a limited amount of grant funding is available through the Metropolitan Council’s Livable Communities Demonstration Account during each funding cycle and the Metropolitan Council has determined it is appropriate to allocate those scarce grant funds only to eligible projects that would not occur without the availability of Demonstration Account grant funding.

NOW THEREFORE BE IT RESOLVED that, after appropriate examination and due consideration, the governing body of the Authority:

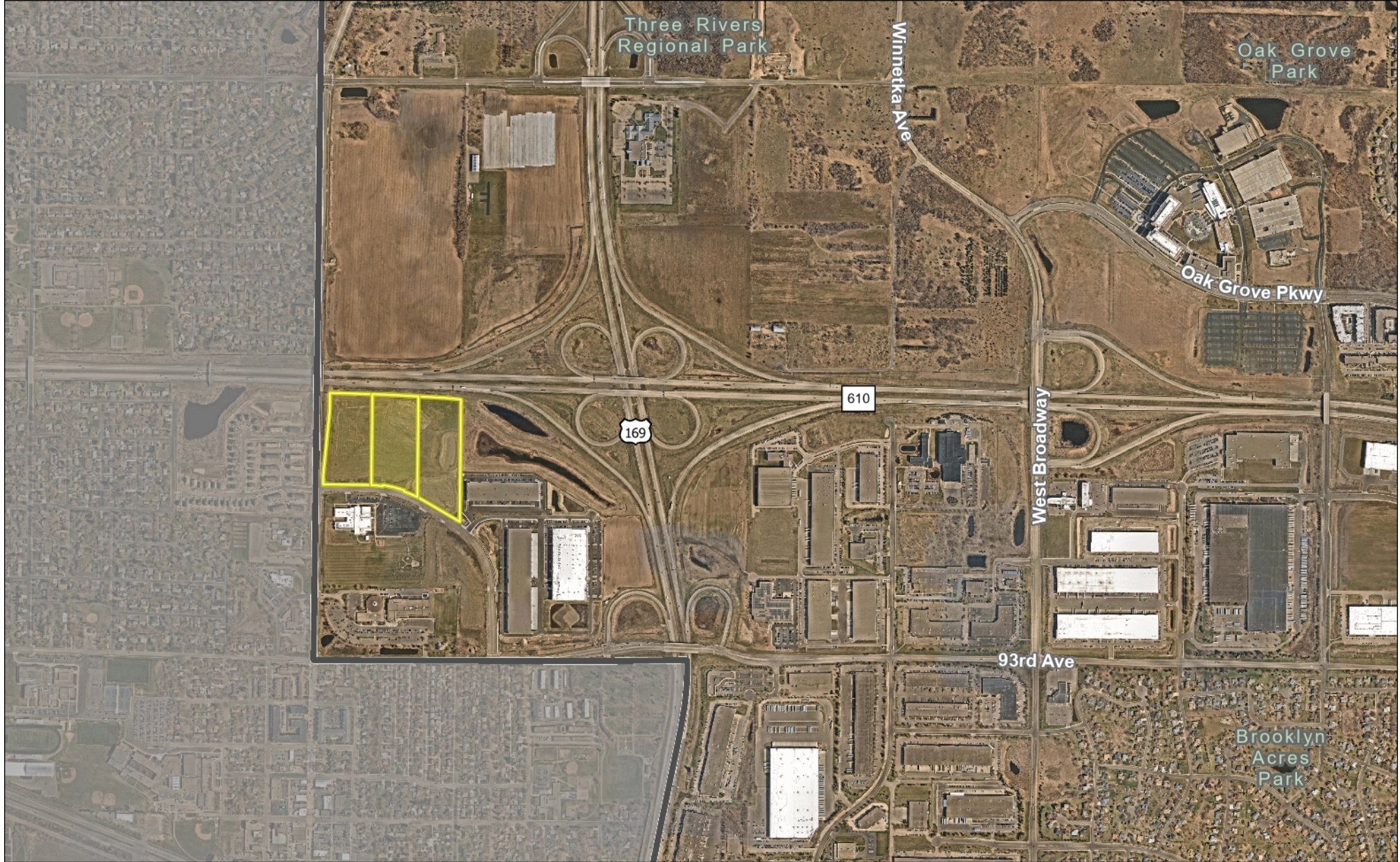
Finds that it is in the best interests of the Authority’s development goals and priorities for the proposed project or projects to occur at these particular sites and at this particular time.

Finds that the project components for which Livable Communities Demonstration Account funding is sought: will not occur solely through private or other public investment within the reasonably foreseeable future; and will occur within three years after a grant award only if Livable Communities Demonstration Account funding is made available for this project at this time.

Authorizes its Executive Director to submit on behalf of the Authority an application or applications for Metropolitan Council Livable Communities Demonstration Account grant funds for the project component(s)

identified in the application(s), and to execute such agreements as may be necessary to implement the project(s) on behalf of the Authority.





Map Scale = 1: 14,476

1,206 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](http://www.brooklynpark.org)



# City of Brooklyn Park

## Request for EDA Action

Agenda Item:	6.1	Meeting Date:	August 21, 2023
Agenda Section:	General Action Items	Prepared By:	Breanne Rothstein, Economic Development and Housing Director
Resolution:	X	Presented By:	Kim Berggren, Executive Director
Attachments:	1		
Item:	Consider Approving Special Benefit Tax Levies for the Purpose of Defraying the Costs Incurred by the Brooklyn Park Economic Development Authority for the Year 2024		

### Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO WAIVE THE READING AND ADOPT RESOLUTION #2023-\_\_\_\_\_ APPROVING SPECIAL BENEFIT TAX LEVIES FOR THE PURPOSE OF DEFRAYING THE COSTS INCURRED BY THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY FOR THE YEAR 2024

### Overview:

The City's budgeting schedule requires the Economic Development Authority (EDA) and Housing Redevelopment Authority (HRA) to set levies at the August meeting.

- The EDA levy is a special benefit tax as authorized by Minnesota Statutes, § 469.107, Subd. 1, which cannot exceed 0.01813 percent of the taxable estimated market value of the City. By Resolution #2005-253, dated September 12, 2005, the City Council authorized the EDA to levy and collect no more than this amount pending final approval by the City Council.
- The HRA Levy is a special benefit tax as authorized by Minnesota Statutes, § 469.033, subd. 6, which cannot exceed 0.0185 percent of the taxable estimated market value of the City. By Resolution #1997-336, dated December 18, 1997, the City Council authorized the EDA to levy and collect no more than this amount pending final approval of the City Council.

Upon conferring with the City Manager and Finance Director, staff recommends the EDA set the EDA and HRA preliminary levy at the amount shown below. A final levy amount will be brought back for consideration after full review and analysis of these priorities with the EDA.

Table 1: EDA and HRA Levy Amounts

	Adopted	Adopted	Adopted	Proposed Preliminary	Maximum	Difference between proposed and maximum
LEVY	2021	2022	2023	2024	2024	2024
EDA	\$1,253,949	\$1,253,949	\$1,326,649	\$1,426,649	\$1,901,919	-\$475,270
HRA	\$859,752	\$859,752	\$1,000,000	\$1,100,000	\$1,940,734	-\$840,734
Total	\$2,113,701	\$2,113,701	\$2,326,649	\$2,526,649	\$3,842,653	-\$1,316,004



To provide some context regarding the City's tax base, the tables below provide data showing tax base growth in Brooklyn Park (Table 2) and relatedly the allowable EDA and HRA levys by City in Hennepin County (Table 3).

**Table 2: Change in Taxable Market Value in Brooklyn Park from 2007 to 2021**

Tax Year Payable	Taxable Market Value	Percent Change From Prior Year	Tax Year Payable	City Tax Rate	Percent Change From Prior Year
2021	8,128,967,552	7.09%	2021	47.667	-2.45%
2020	7,590,654,466	9.05%	2020	48.862	-5.80%
2019	6,960,847,650	6.39%	2019	51.869	1.39%
2018	6,542,990,392	11.50%	2018	51.159	-5.90%
2017	5,867,938,272	7.60%	2017	54.365	-1.60%
2016	5,453,547,474	8.69%	2016	55.251	-1.58%
2015	5,017,730,401	11.32%	2015	56.136	-7.17%
2014	4,507,517,010	-0.18%	2014	60.469	-1.37%
2013	4,515,672,451	-5.18%	2013	61.311	9.31%
2012	4,762,268,289	-13.16%	2012	56.087	11.49%
2011	5,483,740,100	-10.43%	2011	50.309	13.93%
2010	6,122,394,400	-6.84%	2010	44.157	11.36%
2009	6,571,602,400	-1.60%	2009	39.652	5.06%
2008	6,678,299,300	7.64%	2008	37.744	7.06%
2007	6,204,424,600	11.82%	2007	35.254	-6.59%

**Table 3: 2024 Levy Limits for HRAs and EDAs in Hennepin County**

<u>2024 Levy Limitations</u>						
Tax District	2022 Pay 2023 EMV Personal Property Market Value	2022 Pay 2023 EMV Real Estate Market Value	2022 Pay 2023 EMV Cross County MV (If Applicable)	Total	% of Market Value Limitation	2024 Dollar Amount Limitation
Hennepin County HRA	1,473,803,900	231,842,292,300		233,316,096,200	0.01850%	43,163,478
Bloomington HRA	37,983,600	17,072,047,500		17,110,031,100	0.01850%	3,165,356
Bloomington Port Authority	37,983,600	17,072,047,500		17,110,031,100	0.01813%	3,102,049
Brooklyn Center EDA	13,945,400	3,154,061,900		3,168,007,300	0.01813%	574,360
Brooklyn Center HRA	13,945,400	3,154,061,900		3,168,007,300	0.01850%	586,081
Brooklyn Park HRA	32,787,900	10,457,666,200		10,490,454,100	0.01850%	1,940,734
Brooklyn Park EDA	32,787,900	10,457,666,200		10,490,454,100	0.01813%	1,901,919
Champlin EDA (under HRA MS 469.033 auth)	10,875,100	3,432,729,100		3,443,604,200	0.01850%	637,067
Crystal EDA (under HRA MS 469.033 auth)	13,593,500	2,694,426,900		2,708,020,400	0.01850%	500,984
Dayton EDA (under HRA MS 469.033 auth)	31,483,900	1,657,455,900	8,714,400	1,697,654,200	0.01850%	314,066
Eden Prairie HRA	68,871,300	13,416,714,200		13,485,585,500	0.01850%	2,494,833
Edina HRA	43,127,000	15,418,284,000		15,461,411,000	0.01850%	2,860,361
Golden Valley HRA	17,963,000	5,149,914,200		5,167,877,200	0.01850%	956,057
Hopkins HRA	7,805,500	2,680,917,000		2,688,722,500	0.01850%	497,414
Maple Grove HRA	58,092,000	13,488,587,100		13,546,679,100	0.01850%	2,506,136
Minnetonka HRA	27,107,600	12,548,030,500		12,575,138,100	0.01850%	2,326,401
Mound HRA	2,785,200	2,052,698,200		2,055,483,400	0.01850%	380,264
New Hope EDA	9,841,800	2,738,068,600		2,747,910,400	0.01813%	498,196
New Hope HRA	9,841,800	2,738,068,600		2,747,910,400	0.01850%	508,363
Plymouth HRA	71,592,700	16,592,969,500		16,664,562,200	0.01850%	3,082,944
Richfield HRA	15,541,300	4,852,677,000		4,868,218,300	0.01850%	900,620
Richfield EDA	15,541,300	4,852,677,000		4,868,218,300	0.01813%	882,608
Robbinsdale HRA	6,452,800	1,740,190,100		1,746,642,900	0.01850%	323,129
Rogers EDA	26,507,000	2,940,602,600		2,967,109,600	0.01813%	537,937
St. Anthony HRA	2,767,700	868,963,500	481,830,900	1,353,562,100	0.01850%	250,409
St. Louis Park HRA	17,187,900	9,410,555,500		9,427,743,400	0.01850%	1,744,133
St. Louis Park EDA	17,187,900	9,410,555,500		9,427,743,400	0.01813%	1,709,250
Hennepin County Parks	1,221,678,600	167,517,092,900		168,738,771,500	0.03224%	54,401,380
Hennepin County Park Bonds	1,221,678,600	167,517,092,900		168,738,771,500	0.00725%	12,233,561
Hennepin Co. R/R Authority	1,473,803,900	231,842,292,300		233,316,096,200	0.04835%	112,808,333
Park Museum	1,473,803,900	231,842,292,300		233,316,096,200	0.00846%	19,738,542

## Recommendation:

The Executive Director of the EDA recommends approval.

## Attachments:

## 6.1A RESOLUTION

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

RESOLUTION #2023-\_\_\_\_\_

RESOLUTION APPROVING SPECIAL BENEFIT TAX LEVIES FOR THE PURPOSE  
OF DEFRAYING THE COSTS INCURRED BY THE BROOKLYN PARK ECONOMIC  
DEVELOPMENT AUTHORITY FOR THE YEAR 2024

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

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

WHEREAS, pursuant to Section 469.033, Subd. 6 of the HRA Act, with the consent of the City, the EDA is authorized to levy a special benefit tax within its area of operation, not to exceed 0.0185 percent of the City's taxable estimated market value, for the purpose of defraying its operational costs (the "HRA Levy"); and

WHEREAS, the HRA Act was amended in 1994 to permit the City to authorize the EDA to levy and collect the HRA Levy without subsequent, serial approvals by the City; and

WHEREAS, by Resolution No. 1997-336, dated December 18, 1997, the City Council resolved that the EDA "is authorized to levy and collect taxes in accordance with the amended HRA Act, without subsequent approval of the City, for so long as City Council members constitute the entire Board of Commissioners of the EDA"; and

WHEREAS, City Council members currently constitute the entire Board of Commissioners of the EDA (the "Board"); consequently, a separate annual approval by the City Council of the 2024 HRA Levy is not required; and

WHEREAS, pursuant to Section 469.107, Subd. 1 of the EDA Act, the EDA may request that the City levy a special benefit tax within its area of operation, not to exceed 0.01813 percent of the City's taxable estimated market value, for the purpose of defraying operational costs of the EDA (the "EDA Levy"); and

WHEREAS, the staff has recommended Board approval of the proposed amount of the allowable HRA Levy, and an EDA Levy in an amount sufficient, together with the HRA Levy, for the forecasted expenditures of the EDA, as set forth below, and has represented that such levies are based upon the preliminary 2024 EDA budget.

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

1. That an HRA Levy for the year 2023 in the amount of \$1,100,000 is hereby approved pursuant to Section 469.033, Subd. 6 of the HRA Act, as amended, for the purpose of defraying the EDA's operational costs.

2. That the Executive Director of the EDA is hereby authorized and directed to forward this action to the City Council and to take such other actions as are necessary to effectuate the HRA Levy approved herein in accordance with Section 469.033, Subd. 6 of the HRA Act.
3. That the City is requested to make an EDA Levy for the year 2023 in the amount of \$1,426,649 which does not exceed 0.01813 percent of taxable estimated market value in the City, pursuant to Section 469.107, Subd. 1 of the EDA Act for the purpose of defraying the EDA's operational costs.
4. That the Executive Director of the EDA is hereby authorized and directed to forward this request to the City Council and to take such other actions as are necessary to obtain City Council approval and imposition of the EDA Levy.

# City of Brooklyn Park

## Request for EDA Action

<b>Agenda Item:</b>	6.2	<b>Meeting Date:</b>	August 21, 2023
<b>Agenda Section:</b>	General Action Items	<b>Prepared By:</b>	Sarah Abe, Development Project Coordinator
<b>Resolution:</b>	X		Sarah Abe, Development Project Coordinator
<b>Attachments:</b>	6		
<b>Item:</b>	Consider Selecting MVP Development, Design by Melo and Good Neighbor Homes as the Developer for the EDA-Owned Site at 4201 95th Ave North and Directing Staff to Enter Into Negotiations for a Term Sheet and Purchase Agreement for the Site.		

### Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO WAIVE THE READING AND ADOPT RESOLUTION #2023-\_\_\_\_\_ SELECTING MVP DEVELOPMENT, DESIGN BY MELO AND GOOD NEIGHBOR HOMES AS THE DEVELOPER FOR THE EDA-OWNED SITE AT 4201 95TH AVE NORTH AND DIRECTING STAFF TO ENTER INTO NEGOTIATIONS FOR A TERM SHEET AND PURCHASE AGREEMENT FOR THE SITE.

### Overview:

At its March 20 meeting, the Economic Development Authority (EDA) passed a resolution directing staff to work with the development group comprised of MVP Development, Design by Melo, and Good Neighbor Homes to modify its proposal for the EDA-owned Park and Ride site at Noble Avenue and Hwy 610 to bring additional market value, serve a mix of incomes, and introduce high quality and well-designed buildings. The resolution also directed staff and developer to present to the EDA for review and approval a community engagement strategy for getting input from neighbors and the broader community to inform the decision-making process.

In May, the EDA approved the community engagement plan proposed by the development team in collaboration with TLAL-LI Collaborative which included two workshops. The first was held on June 27 and allowed participants the opportunity to get caught up on the project to date, see how the initial ideas evolved, and discuss some potential modifications as well as how various goals could be addressed. The second workshop was held on August 3 and reviewed revised alternatives based on engagement results. The developer has now modified its site plan based on the direction from the EDA and results from the engagement workshops and is seeking feedback on the revisions.

### Background:

In 2018 the EDA purchased the old Metro Transit Park and Ride site for \$1,255,800 to ensure its use as an asset for the community. The 6.85-acre parcel located at Noble Parkway and Highway 610 is a prime redevelopment site with great connectivity, visibility, and embedded in a strong residential area with commercial uses and a school nearby. Because the site is owned by the Brooklyn Park EDA, it offers a unique opportunity to guide its redevelopment toward uses that will benefit the community and help shape future investments in the area. The property is currently designated as Institutional in the Comprehensive Plan and zoned as Public Institution. The Comprehensive Plan will need to be amended and the zoning designation changed to guide the property in a manner consistent with the development goals.

Between February 2020 and November 2021, the Brooklyn Park Economic Development Authority (EDA) contracted with Local Initiatives Support Corporation (LISC) – Twin Cities to engage the local community in a Corridor Development Initiative (CDI) process on the former Noble Avenue Park and Ride located at 4201 95th Avenue N. The workshops resulted in a supported set of guidelines for future development at the site. The

guidelines emphasize a mix of uses and design features that accommodate the single-family home development to the east of the site as well as public safety and connection with neighborhood amenities. Using these principles, the EDA approved a Request for Qualifications (RFQ) that was open from September 26 to October 28, 2022. The RFQ attached the full recommendations from the CDI report which included summaries of the workshops, comments and concerns expressed during the process, and the development goals that were generated.

After a rigorous selection process that included various steps such as a scoring committee review of submissions, interviews with the development teams, additional financial feasibility analysis, and an Open House event with the top-scoring developers, EDA staff recommended selecting MVP, Design by Melo, and Good Neighbor Homes. The EDA tabled that action and, in its resolution on March 20, directed the development team to modify its proposal to bring additional market value to the site, serve a mix of incomes, and introduce high quality and well-designed buildings. The developer has now modified its site plan based on the direction from the EDA and results from the engagement workshops.

### **Primary Issues/Alternatives to Consider:**

- **What were the results of the community engagement?**

The two developer-managed community workshops largely included active participation from the immediate neighborhood with around 12 – 20 attendees at each meeting. At Community Workshop #1 community members were asked to identify their preferred balance of density, affordability, amount of commercial development, and housing type. Attendees indicated strong preferences for lower density development and less affordable housing. Feedback on the commercial area was mixed with some desire for higher end and destination retail coupled with concerns about increased traffic in the area. Participants expressed concerns about traffic and congestion as well as the size and scale of the buildings and the impact on the existing neighborhood. Comments on the modified concept indicated appreciation for the higher percentage of market rate housing, but concerns about the multi-family building, number of units proposed, and lack of clear green space shown.

At Community Workshop #2 on August 3 the development team sought to address concerns with an updated layout and offered an opportunity for participants to try out new ideas with the lead planner. Key takeaways from the second workshop indicated that community members appreciated some of the changes such as gentler density and green space on the east side, especially some single-story townhomes, and supported the idea of nicer retail, especially the idea of a sit-down restaurant. Concerns included the amount of density maintained overall, the amount of traffic and parking generated, and how the traffic design might impact safety in the area. Several people requested more detail about the affordability, the rent levels (e.g. specifics on what Area Median Incomes, or AMIs, are served), and the type and size of the units.

- **What are the proposed modifications to the site plan?**

After the workshops the development team has incorporated the following feedback:

- Addition of more for-sale housing along the eastern side of the parcel.
- Inclusion of single-level for-sale housing to create more housing choices for those with mobility restrictions, which could include seniors, older adults, or people with disabilities.
- Bringing back affordable homeownership opportunities to the site with 15% of single-family homes being affordable to those making 60% of the AMI (purchase price of approximately \$234,200 in 2023).
- The transition toward a higher-end, more desirable retail strategy which prioritizes retailer needs of visibility and access on the corner of Noble and the Highway 610 exit. This step includes working with the retail leasing teams at JLL and Colliers.
- To create larger buffers from the neighbors to the east, the development team added more green space to the Northeast corner of the parcel but kept the same amount of green space overall.
- Feedback from planning staff was to move the western-most multi-family building and the retail building along Noble Parkway and put the parking in the back of the buildings. The curb cut and drive access will be moved further east.



- The reduction of affordable rental apartments to 15% of total units at 60% AMI (City-minimum). This is down from 40% of units at 60% AMI in the plan from last May.
- **How does this project fulfill BP 2025 goals?**

This development proposed at 4201 95th Avenue N is consistent with several of the Brooklyn Park stated community goals including access to healthy and safe housing, quality housing for all incomes integrated throughout the community, contributing to a thriving economy, and beautiful spaces and quality infrastructure that make Brooklyn Park a unique destination.

#### **Next Steps:**

Should the EDA choose to select this development team and continue with the proposed modifications, EDA staff will enter into negotiations with the development team for a term sheet and purchase option agreement that will return to the EDA for consideration this fall.

#### **Budgetary/Fiscal Issues:**

This action has no immediate financial impact, but future development of the site will include a land sale and will likely include a request for EDA financial assistance. Preliminary financial terms will be discussed as part of the term sheet and purchase agreement negotiation process.

#### **Recommendation:**

The Executive Director of the EDA recommends approval.

#### **Attachments:**

- 6.2A Resolution
- 6.2B Updated Site Plan
- 6.2C June 27 Community Workshop Feedback Summary
- 6.2D August 3 Community Workshop Content Boards
- 6.2E August 3 Community Workshop Feedback
- 6.3F Location map

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

RESOLUTION #2023-\_\_\_\_\_

RESOLUTION SELECTING MVP DEVELOPMENT, DESIGN BY MELO AND  
GOOD NEIGHBOR HOMES AS THE DEVELOPER FOR THE EDA-OWNED SITE  
AT 4201 95TH AVENUE N AND DIRECTING STAFF TO ENTER INTO NEGOTIATIONS  
FOR A TERM SHEET AND PURCHASE AGREEMENT FOR THE SITE

WHEREAS, the Brooklyn Park Economic Development Authority (the “Authority”) was created pursuant to the Economic Development Authorities Act, Minnesota Statutes, Sections 469.090 to 469.108 (the “EDA Act”) and is authorized to transact business and exercise its powers by a resolution of the City Council of the City of Brooklyn Park (the “City”) adopted on October 24, 1988; and

WHEREAS, the Authority possesses all of the powers of an economic development authority pursuant to the EDA Act and a housing and redevelopment authority pursuant to Minnesota Statutes, Sections 469.001 to 469.047; and

WHEREAS, two of the statutory purposes of the Authority are to assist in the redevelopment of blighted and underutilized properties and to provide safe, clean and affordable housing; and

WHEREAS, the Authority approved various community engagement activities for this site, including a series of workshops in 2020/2021 by Local Initiative Support Corporation (LISC) Twin Cities to create a set of development goals which were then included and published in a Request for Qualifications (RFQ) in late 2022; and

WHEREAS, after a rigorous selection process, the development team of MVP Development, Design by Melo, and Good Neighbor Homes was recommended for selection in February 2022 and the action was indefinitely tabled; and

WHEREAS, in March 2023 the Authority directed the development team to explore modifying the proposal to bring additional market value, serve a mix of incomes, and introduce high quality and well-designed buildings as well as to conduct additional community engagement activities for this site; and

WHEREAS, in May 2023 the Authority approved a community engagement plan consisting of several workshops managed by the development team and TLAL-LI Collaborative; and

WHEREAS, the development team has held the additional workshops and considered feedback as well as the direction from the Authority and is proposing moving forward with modifications to the original site plan and vision.

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

1. The Authority selects MVP, Design by Melo and Good Neighbor Homes as the development team for 4201 95th Avenue North.

2. The Authority directs staff to negotiate a term sheet and purchase agreement with MVP, Design by Melo and Good Neighbor Homes.



**Rental Homes**

**159**

Parking Stalls

210 stalls

Affordability

15% of units @ 60%AMI

**For-Sale Homes**

**44**

Parking Stalls

88

Affordability

15% of units @ 60%AMI

**Commercial Space**

**10K SF**

Parking Stalls

30 stalls



# PARK AND RIDE SITE PLAN



## **Community Feedback Form responses**

### **Park and Ride at 610/Noble, Brooklyn Park**

#### **Community Workshop #1**

**July 27, 2023**

Responses below were compiled from paper comment forms obtained in person at the meeting.

#### **Overall, what are the things you like MOST about the Initial Concept or the Modified Concept**

- What I like most about the modified concept is the lowering of affordable housing.
- Modified concept – less housing and too much affordable housing
- Initial concept has space for families to live and be outside, build pride in community – options for townhomes to one level living. Not feeling changes into a space with no personality. Modified concept is horrible and against everything residents have suggested.
- Initial – like that there were less housing units. Modified – like increased commercial.
- There is nothing I like about the initial concept. I am exercising a high level of tolerance with the modified concept.
- Initial concept – liked low density. Modified concept – like additional retail, more market rate, quality materials.
- The modifications have seemed to take into account more of what the City needs and wants instead of being only about getting as much money as possible. Original didn't seem to go with the vision for Brooklyn Park – to make things nicer and make some thing to bring and keep people in BP instead of neighboring cities.

#### **Overall, what are the things you like LEAST about the Initial Concept or the Modified Concept**

- In no particular order but is a concern:
  - Traffic
  - Drainage
  - Crime
  - Increase of Noah Properties
- Modified concept – still too many units  
I don't like anything about the modified concept. Initial concept probably needs to allow for more parking for residents.  
Initial – dislike high concentration of affordable and low commercial space. Modified – dislike increased housing/apartment units and increased building height
- There are so many things I dislike with all of the apartments. I'm seeing a lot more crime with highway access. I see a lot more congestion in the area. Congestion is already bad. I see a lot more noise in an area that is already very noisy. Because the parking is shared with retail, it will be taken up by the apartments. There will be run down cars just left in the parking lot.



- Initial concept was a horrible plan, front to back, top to bottom. I still feel there is too much affordable housing in the modified concept.
- Initial concept – disliked deeply affordable units. BP has many deeply affordable units.
- Modified concept – dislike the height of the modified concept as it doesn't fit the footprint of the neighborhood.
- The density seems to always be an issue. Seeing everything planned for that area seems like too much is trying to be squeezed into a small space and doesn't fit with the area that is already developed.

**What else would you like to share with the Development Team as they prepare for Workshop #2 on July 11?**

- I appreciate the dialogue. I know it's not easy to serve multiple masters. There is no way you can satisfy everyone.
- Tell City Council that their direction to increase #'s of commercial space and housing and horrible.
- Consider what you would like next to your residential neighborhood. Consider what would like to have for commercial to enhance the city and change other cities' negative view of Brooklyn Park.
- Please think about the safety, congestion, and noise in the area. I was hopeful that this project would increase the appeal of the area, but I think it will just drag the area down.
- Can you start over?
- Is it possible to decrease the height? Any options? Still a parking / traffic concern. . . how will this be addressed??
- My opinion is less is more. Trying to put too much into the space will turn people away due to increased traffic and poor aesthetics. Get a quality retailer that is a destination for others to come to.



# PRE-CONCEPT PROJECT ENGAGEMENT

## TIMELINE

**2018**

EDA purchases Park and Ride site for redevelopment

**2020**

Brooklyn Park staff and LISC begin 2-year engagement process

**Feb – Mar, 2020**

(3) Corridor Development (CDI) Initiative Workshops

**Nov 2021**

(2) Workshops to restart the project

**Nov 2022**

City issues RFQ seeking a developer

## SUMMARY OF 2021 – 2022 ENGAGEMENT PROCESS

- Community outreach through mailers, fliers, email, social media, website, flyers distributed to immediate neighborhood, and targeted outreach to contacts
- Public meetings supplemented by online survey and website link.

## RECOMMENDATIONS FOR REDEVELOPMENT (summarized)

### Goal 1: Mixed-Use options that complement and enhance the surrounding area

- Food:** Restaurant, brewery, small grocery, neighborhood services
- Housing:** Townhomes, senior affordable, market-rate or mixed-income apartments.
- Goods and Services:** Neighborhood scale retail or office
- Destinations:** Regional recreation or entertainment, shared innovation spaces for ideas and business

Housing type

affordability

commercial

### Goal 2: Uses, Design, and Transportation Features

- Limit impact on existing neighborhood
- Concentrate density near Noble Parkway and step-down density near existing single-family homes
- Promote high quality architecture, materials and design including green infrastructure and sustainability such as solar panels.
- Include elements unique to the specific area
- Maximize setbacks and ensure adequate sight lines and pedestrian areas.
- Allow flex areas for food trucks, markets.
- Utilize landscape to improve bike/ped safety, especially around Noble.
- Build community wealth with a creative financial model.
- Improve public safety.

Design impact

density

## INTERACTIVE BLOCK EXERCISE SCENARIOS



*Small group 3D layouts varied widely ranging in amount of commercial area, some including light industrial and office space, and from no housing proposed to a mix affordability in townhomes and apartments.*



# March 2023

# May 2023

# June 2023

# Aug 2023

**Sept 2023**

# February 2022 Meeting

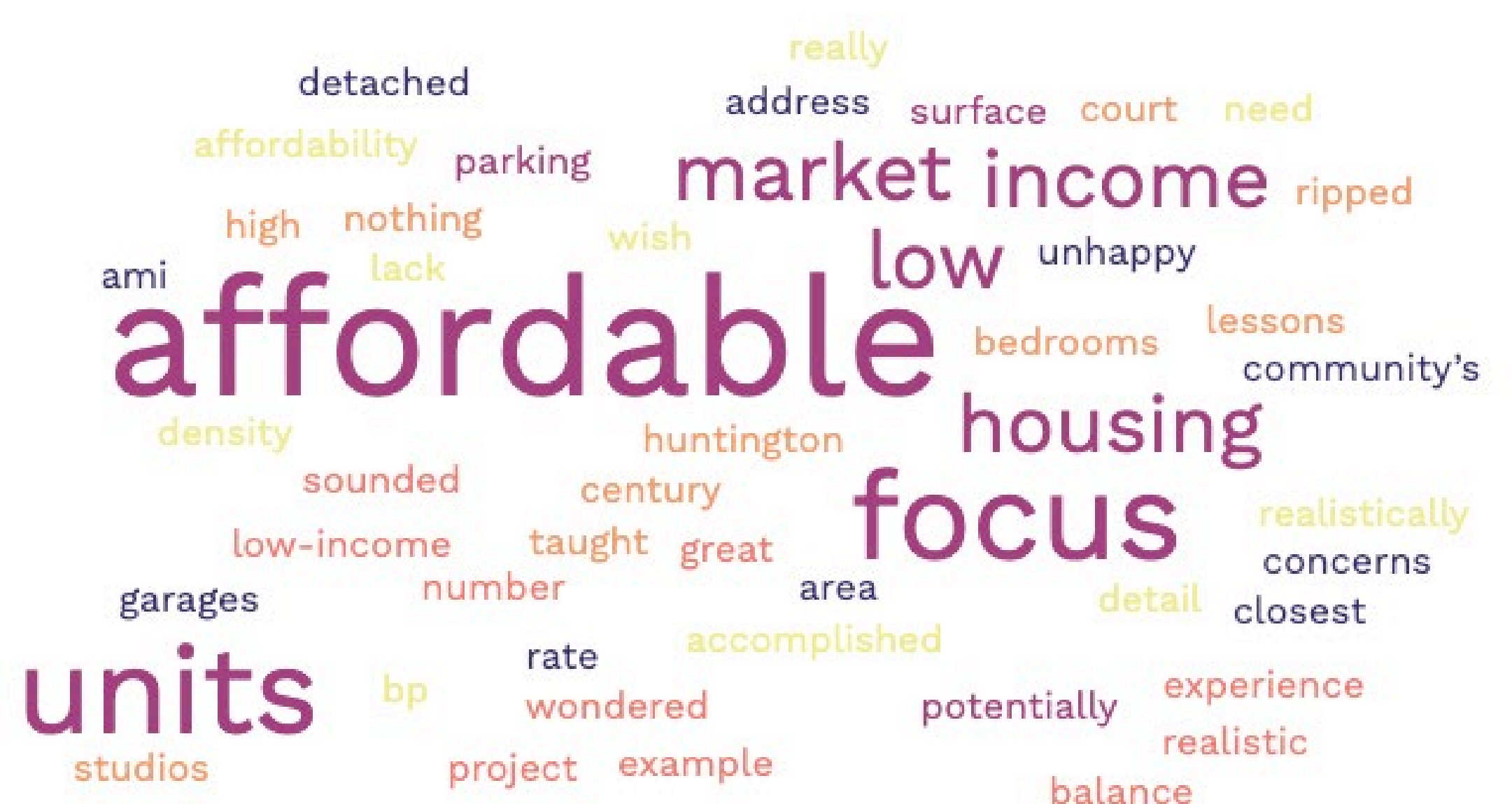
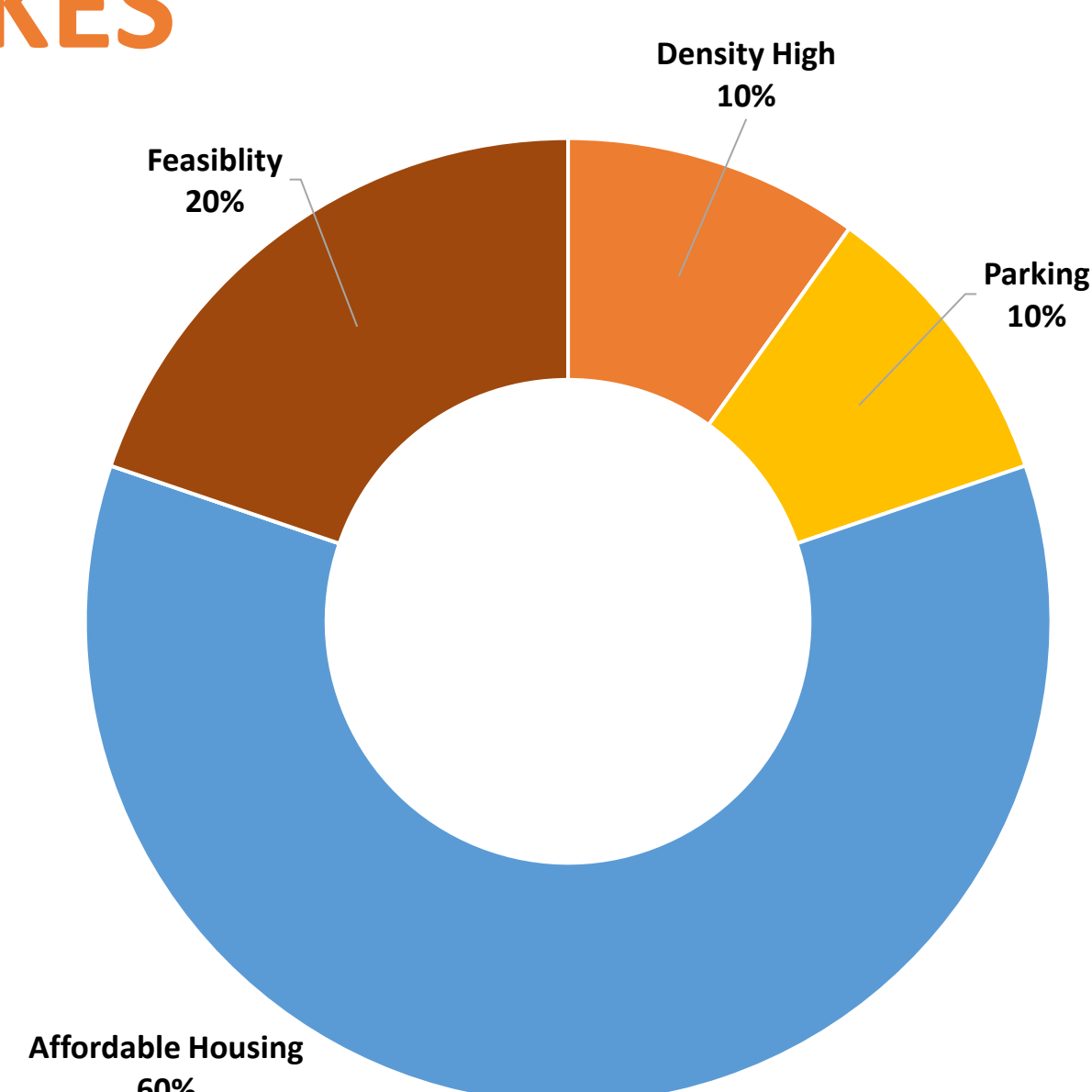
- ## EDA Meetings

## EDA DIRECTIVES FROM MARCH 2023

- 
- A donut chart illustrating the distribution of factors for the 'Density Low' scenario. The chart is divided into six segments of varying sizes and colors, each representing a different factor and its percentage contribution. The segments are: Density Low (78%, dark blue), Building Size (56%, grey), Parking (11%, yellow), Affordable Housing (22%, light blue), Parks / Site Plan (22%, green), and Commercial / Retail (11%, dark blue). The segments are arranged in a circle, with the 'Density Low' segment being the largest and the 'Commercial / Retail' segment being the smallest.
- | Factor              | Percentage |
|---------------------|------------|
| Density Low         | 78%        |
| Building Size       | 56%        |
| Parking             | 11%        |
| Affordable Housing  | 22%        |
| Parks / Site Plan   | 22%        |
| Commercial / Retail | 11%        |

## LIKES

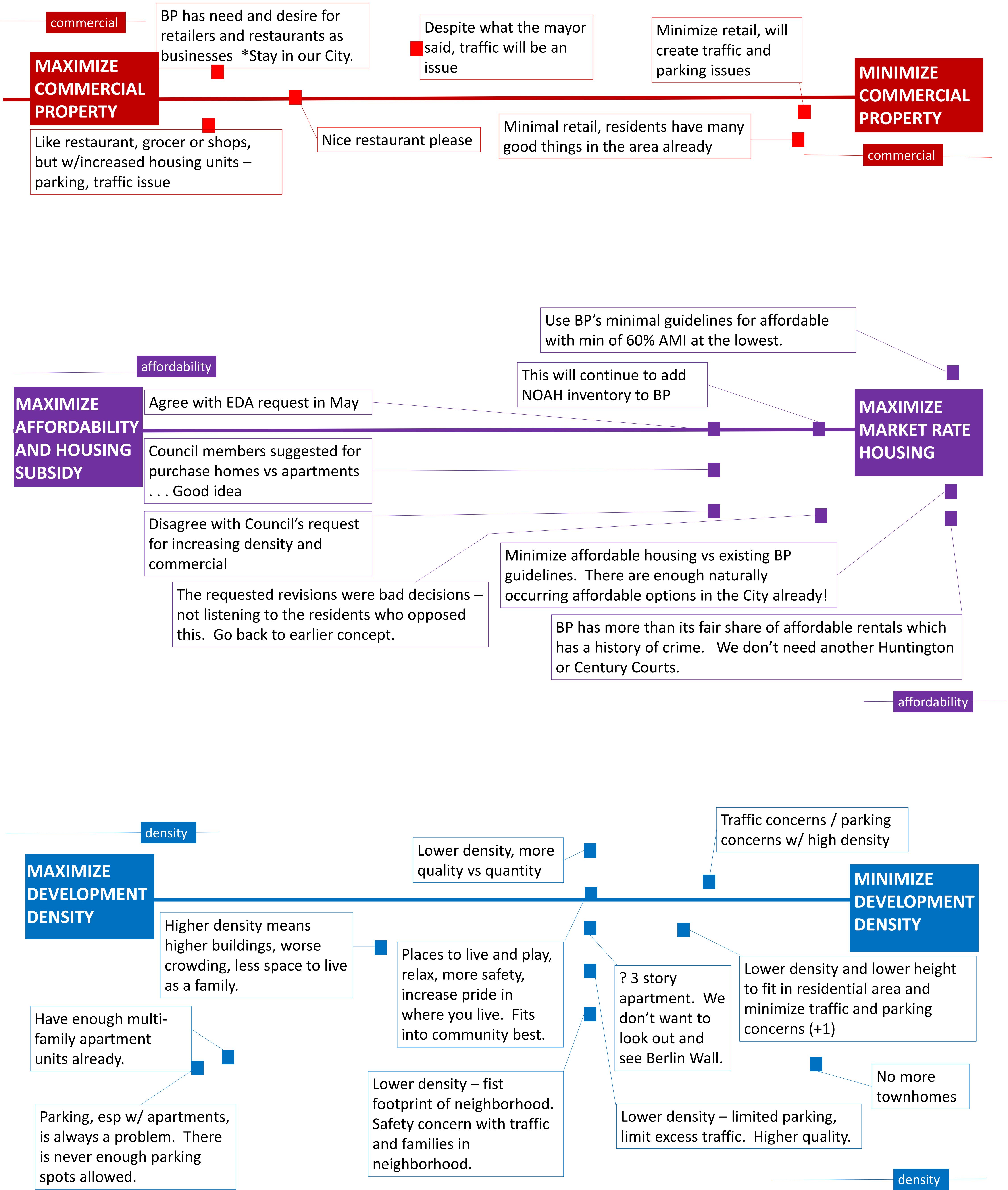
## DISLIKES



# SUMMARY OF WORKSHOP #1 ON JUNE 27, 2023

## CONTINUUM EXERCISES

Continuum exercises asked participants to identify preferred balance point.  
(Comments slightly summarized and clustered to show general groupings.)

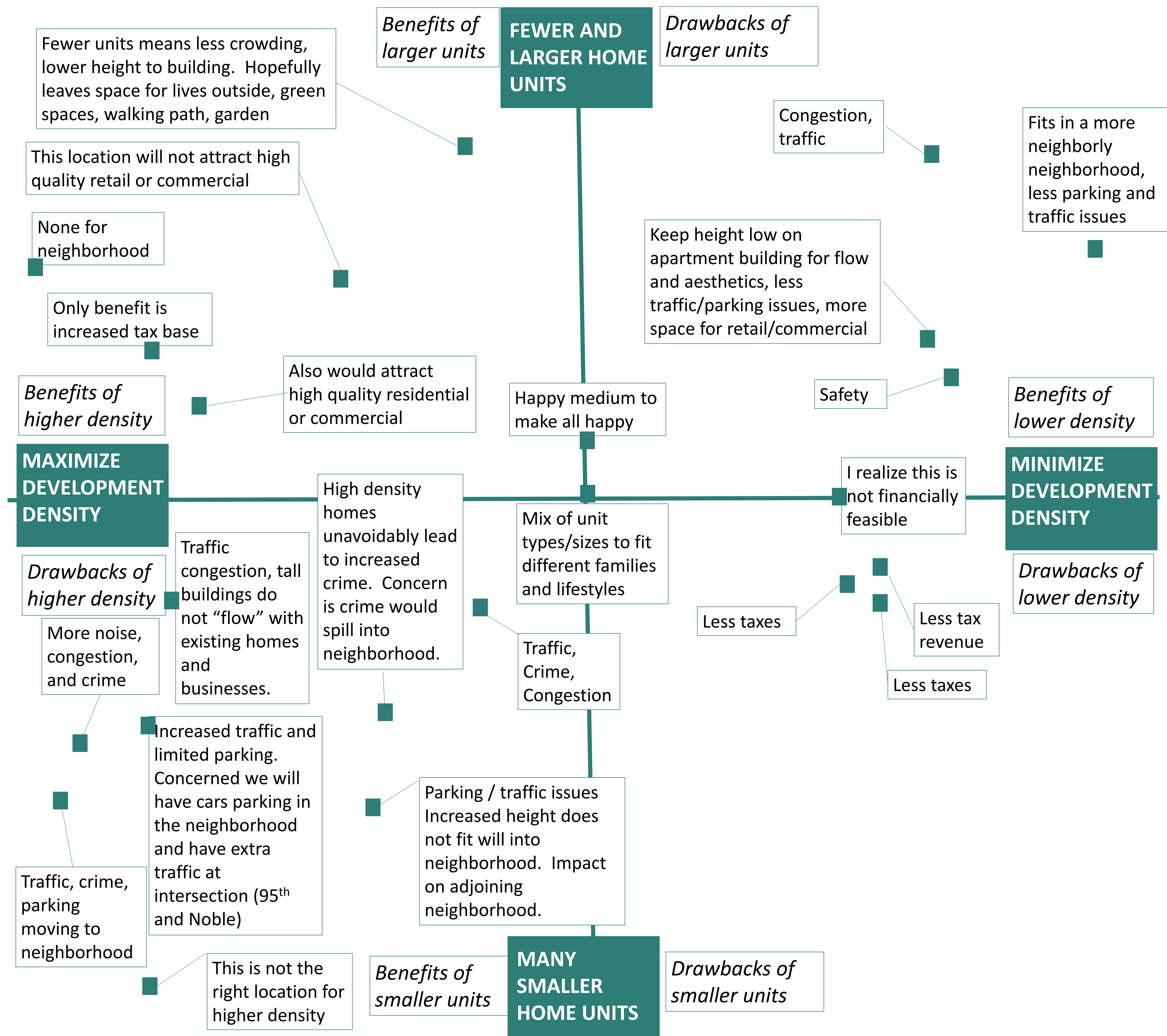




# SUMMARY OF WORKSHOP #1 ON JUNE 27, 2023

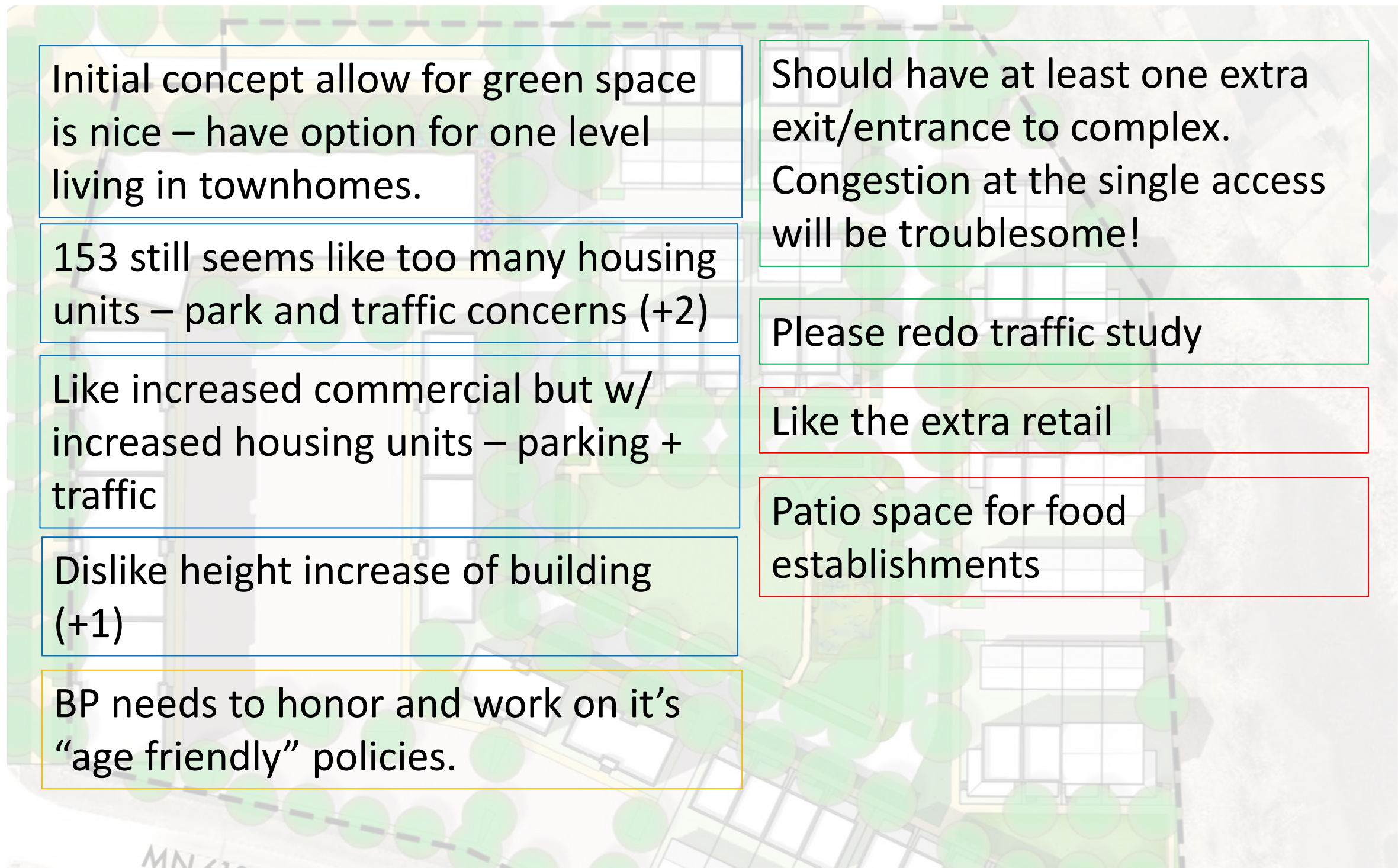
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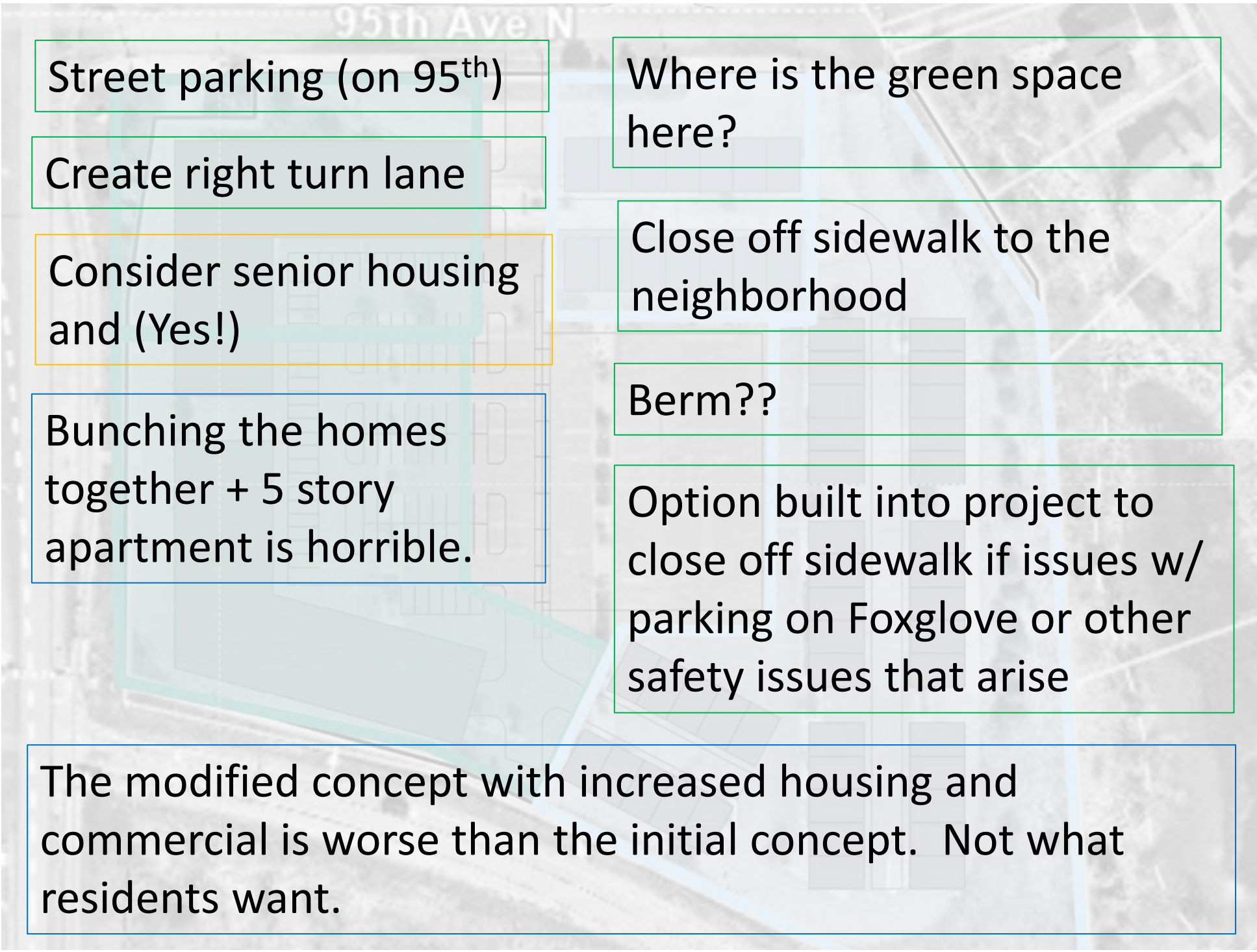


Participants responded to the original and modified layout shown to EDA in May

### ORIGINAL



### REVISED





# CHALLENGES / APPROACH

## CHALLENGES

## APPROACH

<b>DENSITY</b> <ul style="list-style-type: none"><li>Density is desired by some for tax base, financial viability, and affordability in a site near other amenities and transportation corridors.</li><li>Density is undesirable because of the large and tall buildings required, traffic and parking impacts.</li></ul>	<b>DENSITY</b> <ul style="list-style-type: none"><li>Density must be balanced as there is consistent conflicting desires. Project has 154 multifamily units and 34 townhome units.</li><li>All buildings are 4 stories or below</li><li>Layout includes 2 stall garages for townhome units and on street parking.</li></ul>
<b>BUILDING MASSING</b> <ul style="list-style-type: none"><li>Large buildings are undesirable near existing homes</li><li>Desire to concentrate density on Noble and step down to the east.</li></ul>	<b>BUILDING MASSING</b> <ul style="list-style-type: none"><li>Layout responds directly to neighbors’ concerns with gentle density site plan on the eastern side and lowering the total unit count.</li><li>Building heights do not exceed four stories</li><li>Design pulls traffic to the west side</li></ul>
<b>AFFORDABILITY</b> <ul style="list-style-type: none"><li>Concern that Brooklyn Park needs more market rate housing.</li><li>Concern with high level of affordable housing.</li></ul>	<b>AFFORDABILITY</b> <ul style="list-style-type: none"><li>Large reduction in number of affordable rental homes and for-sale homes</li><li>Affordability mix aimed at higher AMI with options for rent and for-sale homes.</li></ul>
<b>COMMERCIAL</b> <ul style="list-style-type: none"><li>Desire for high quality or ‘destination’ restaurant, retail.</li><li>Concerns about noise, traffic, crime.</li></ul>	<b>COMMERCIAL</b> <ul style="list-style-type: none"><li>Interests seem most aligned for nice and destination restaurant/retail; provides adequate space and flexible building size.</li><li>Single story along Noble maximizes visibility and cost-effective construction.</li><li>Shared parking allows for flexible overflow.</li></ul>
<b>HOUSING MIX</b> <ul style="list-style-type: none"><li>Accessible housing needs</li><li>Broad range of needs identified, including senior, families, range of sizes, range of affordability.</li></ul>	<b>HOUSING MIX</b> <ul style="list-style-type: none"><li>1, 2 &amp; 3 story townhome options with 30% of the for-sale housing being affordable</li><li>Higher-density, higher-income apartments allows for a more financially viable development and greater tax revenue.</li></ul>

## EVOLUTIONS OF THE PLAN: BY THE NUMBERS

	Nov 2022	May 2023	CURRENT PROPOSAL
			Aug 2023
<b>Rental Homes</b>	<b>102</b>	<b>153</b>	<b>154</b>
% Affordable	100%	40%	40%
<b>For-Sale Homes</b>	<b>32</b>	<b>45</b>	<b>34</b>
% Affordable	100%	0%	30%
<b>Commercial Space</b>	<b>7K SF</b>	<b>20K SF</b>	<b>10K SF</b>
<b>Green Space</b>	<b>35K</b>	<b>30K</b>	<b>35K</b>



# HELP US FIND A BALANCED LAYOUT

*These next two boards contain an overview of the current proposed site plan with helpful call-outs in the margins. Once you've had a chance to review the new plan, come over to help us design and modify the plan on the nearby worktable.*

## 4 Story Multifamily Bldg

- 154 units
- 250 parking spaces

## Neighborhood Street

- On-street parking

## Green space

- Both amenity and buffer for the neighborhood

## 2 Story Townhomes (8)

- Detached 2-stall garage

## Green space

- Focuses buffer where most effective
- Amenity draws neighborhoods together

## 1 Story Townhomes (3)

- Attached 2-stall garage

## Community Green Space

- Flexible recreation

## 3 Story Townhomes (12)

- Attached 2-stall garages

## 10,000 sf retail (1 story)

- 50 parking spaces

## 2 Story Townhomes (11)

- Detached 2-stall garage

## Plan Elements

- 10,000 sf retail
- 154 Multi-family units
- 34 Townhome units
- Convenient parking located in parking lots and on-street for tenants, guests, and residents.

## Why these recommendations

- Accommodates a large restaurant or destination retail
- Density is important for tax base and affordability; this is balanced by trying to make the design feel less intense
- More market rate housing in response to consistent requests
- East side of plan includes smaller homes to match the scale of existing neighborhood.





Aerial view from the northeast looking southwest



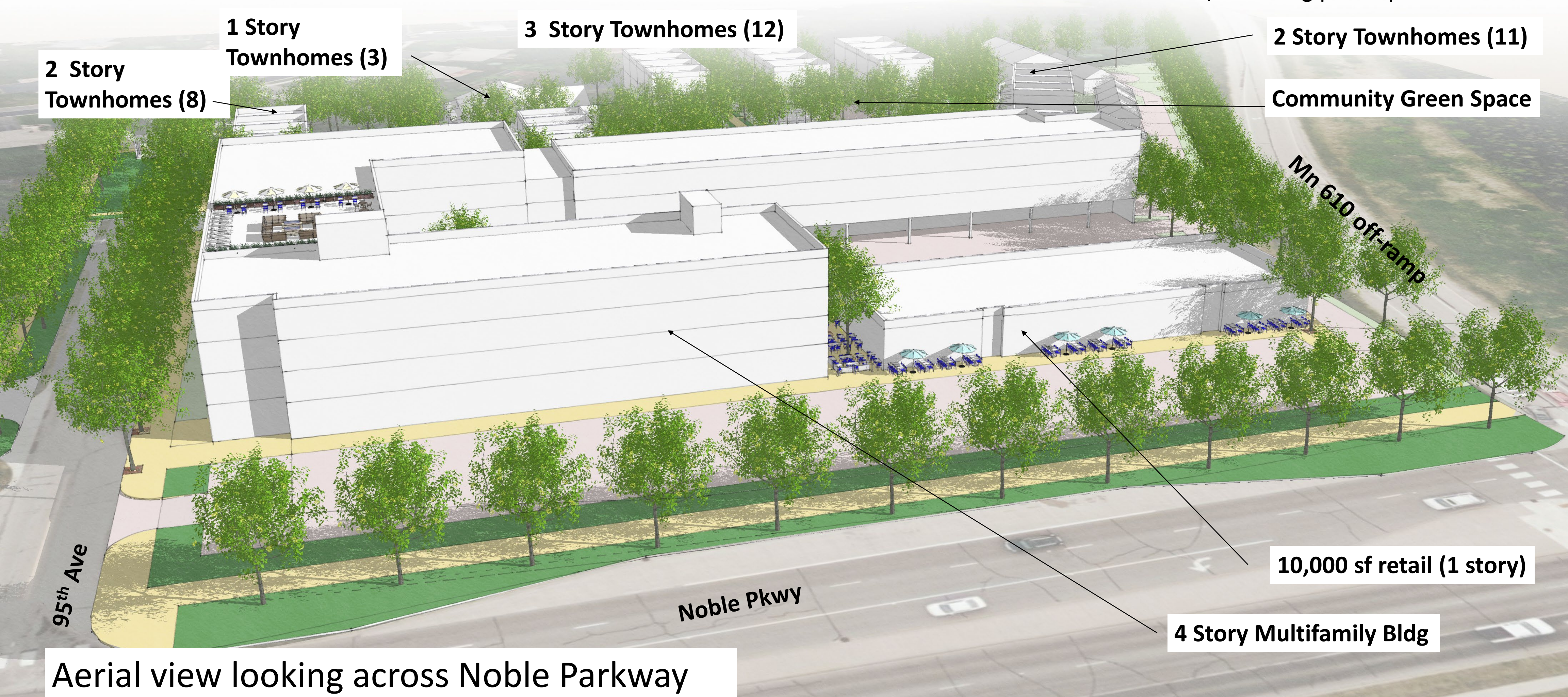
4 Story multifamily buildings (example architecture)



1, 2, and 3 Story townhomes (example architecture)



10,000 sf single story retail could accommodate a large restaurant or several smaller businesses, including patio space.



Aerial view looking across Noble Parkway



# PLAN REVIEW PROCESS

# PLANNING COMMISSION

## CITY COUNCIL

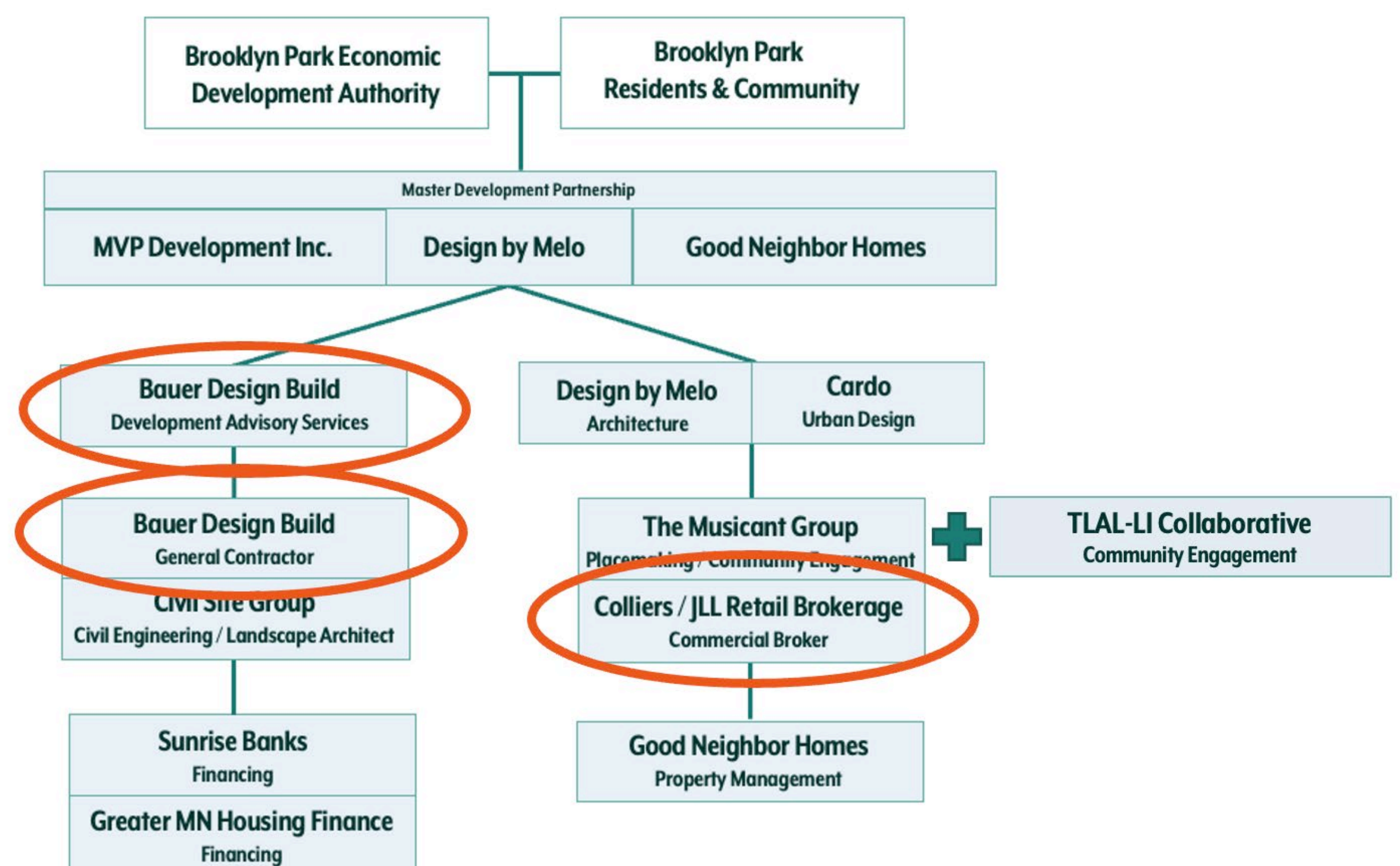
## PHASED CONSTRUCTION

*More detailed work may change plans slightly – significant changes will need consideration for approval*

*Opportunities for community members to further speak with decision makers at key points in the process*

The team is committed to regular EDA and public input opportunity touchpoints at logical milestones or time intervals – schedule to be discussed and communicated. Committed to some neighbor specific engagement as design develops.

In response to concerns about the team's experience, we've added a highly experienced local partner to advise on the development and construction process: **Bauer Design Build**



Community members will be invited to speak and share input at the following established milestones (additional opportunities to be determined)

- EDA at term sheet consideration (anticipated late Summer / early Fall 2023)
- Planning Commission (anticipated Fall 2023)
- City Council considerations. (anticipated Fall 2023)

- Detailed planning review and approvals process
- Commercial real estate market
- Housing market
- Construction costs
- Funding for affordable housing
- Additional site information found during surveys and construction



### **August 3 workshop comments**

#### **Does the current concept balance the needs of the project? (*written comment cards*)**

- Greenspace is improvement. Like 1 story townhomes – need more than 3.
- The design concept looks good, however there is not transparency of the AMI mix for rentals and for sale homes. Also, no transparency in the mix of apartment sizes.
- Design is nice but TOO BIG! No parking, traffic is still a major concern. Too many apartments. Sizes of apartment need to be transparent. Must disclose.
- It is getting better. Still need a developer that has experience. Need to restart search for developer. Parking and traffic still a concern. Need to work with County/City to get Noble ready for huge influx.
- ? I don't feel like it balances needs/desires of neighbors but they have adjusted some. Also, has this company been hired? I thought a popular opinion was to go back and see if others could propose better?
- Not yet, but better. The lower site lines along east side is good.
- Not clear. What is the AMI % (i.e. 30%, 60%, 80% AMI) breakdown. What is the apartment size breakdown of the 154 (i.e. 1 BR, 2 BR, 3 BR)? Parking spaces continue to seem too low – considering most families do have 2 cars . . . or more depending on drivers in unit. Apartment units are too high – reduce # of units.
- I am concerned with the level of activity that this development will attract, even how busy it already is at this time. That intersection has always been busy and I have witnessed 3 accidents in my 10+ years of living in BP.
- Parking concern on Foxglove – permit parking? Greenspace helps. 80% AMI is better than 60% for increasing tax base. Traffic study on Noble Pkwy/97<sup>th</sup> and area is needed. Restaurant around greenspace to create amenity for neighborhood.
- The proposed plan has come a long way. At this stage I'm ready to see if this project has any legs.

#### **What would you like to share or change about the current concept being shown? (*written comment cards*)**

- Fewer apartments and more parking.
- More consideration for senior housing. . . more 1 story townhomes.
- Is there anyway to lower the height of the apartment complex to 3 stories??
- Less apartments. More retail for both City and residents of development. Too large for this area – 3 stories is PLENTY.
- Parking still seems to be an issue. The homes in the adjacent neighborhood are 2x to 3x as big as the townhomes so statement about being equal to adjacent neighborhood is incorrect.
- Would like to see a view of the development from the east side (from the neighborhood).
- Would like to see:
  - Reduce the # of apartment units.
  - Disappointed that retail has been reduced!!

- Concern about if townhomes will sell – w/ sound of Highway 610 – need sound barriers.
- Like:
  - Added a few single-story townhomes – could accommodate seniors or those needing one-level. Could use more of these.
- I do like the 60/40 proposed ratio of market value vs. low income. I would personally prefer a senior apartment living if possible. Greater responsibility and less crime.
- Rooftop seating creates more open space/green space.
- I would like to see more 1-story townhomes closer to the residents (Foxglove Ave N).

**What else would you like to share with the Development Team? (*written comment cards*)**

- Ideas about the location of entrance/exits was good. Listen to the residents/neighbors – they are really trying and have legit concerns.
- More transparency:
  - AMI mix for affordable units
  - Mix of apartment sizes
  - Traffic study
- Really like:
  - Green space
  - Lower level townhomes next to neighborhood
  - Retail space
- How will you deter residents from parking in our neighborhood?
- Where will trash dumpster be placed? Must “NOT” be placed near our development.
- I like more greenspace that has been added. Need 0% affordability. Be more like 610 West looking forward to another updated plan. Can City work with metro to get top level of park and ride permit only for apartment residents to ease parking? How many bedrooms will apartments have? Can a resident of the adjacent neighborhood be on the HOA board? Believe that the parking across 95<sup>th</sup> at the existing strip mall and Noble Mobil will be taken by residents and NOT customers (shown w/ diagram). Too many apartment units each will have at least 2 cars. Need AMI transparency. How are you going to keep residents of new homes/apartments from parking in adjacent neighborhood and across street in business complex? Does the owner of the complex know about this and how do they feel about losing their parking lot?
- Parking and traffic concerns remain high as they have been from the beginning. Drawings look congested and like too much for the space.
- Higher end apartments (like 610) market rate is better here than affordable. More 1 story townhomes.
- This project will negatively impact the single-story neighborhood. Of course, especially those within hearing and sight distance of project site. Adding so many housing units increased everything – noise, traffic, people, trash-littering. What happens if you can’t rent the market rate apartments – then increase affordable units? (This is not good). What is the max # of bedrooms in apartments??? (3 BR? Or are you trying to do 4 BRs??).
- My concern is not only the increase in activity but also an increase in crime level in our community. We currently have a very low level of crime. My hope is that this does not

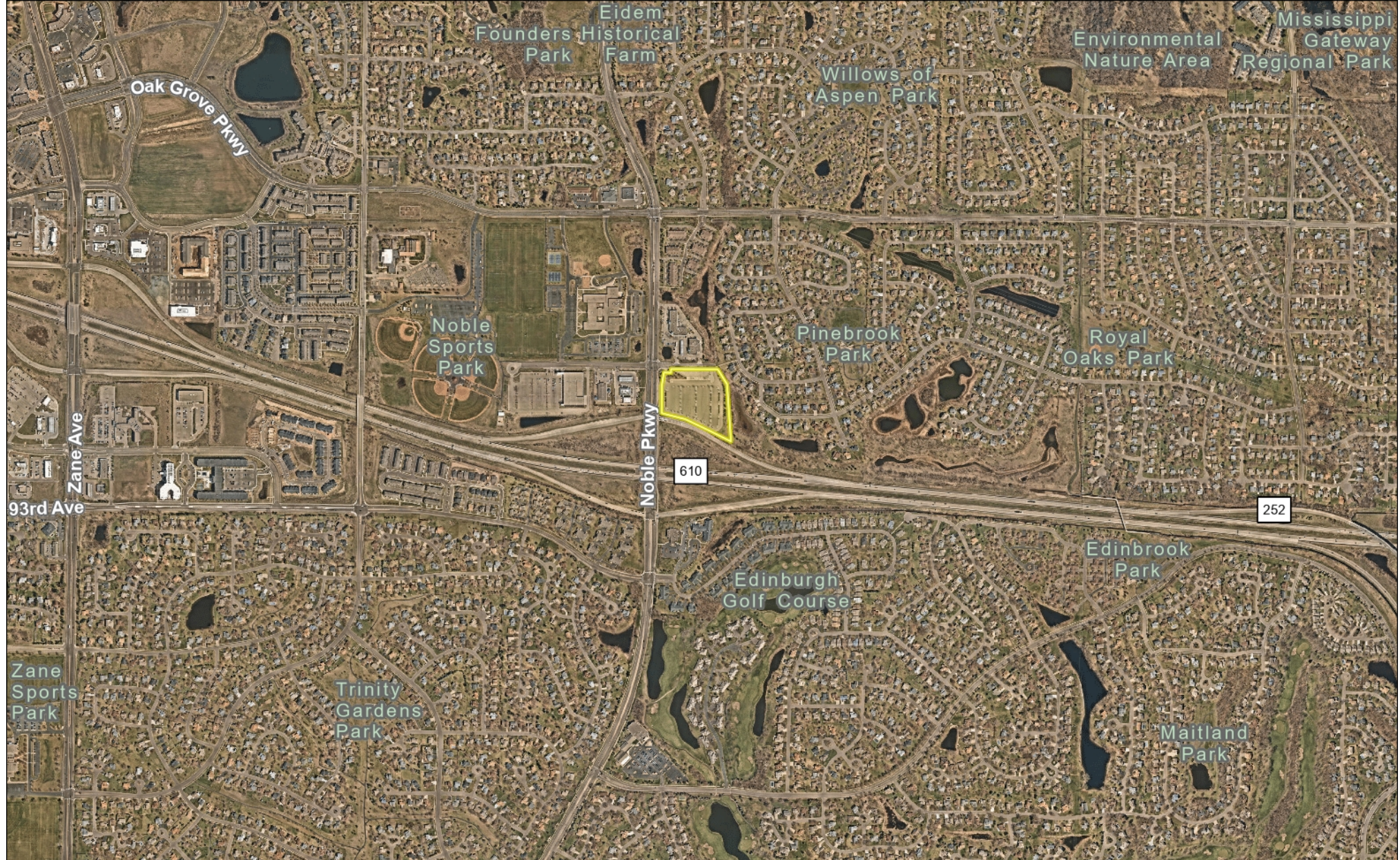
cause an increase in the crime rate. We have a lot of low-income housing in Brooklyn Park.

- We need to do a comprehensive traffic study and have engineers evaluate the drainage. Neighbors, including myself, have concerns about the overflow parking that may occur in the residential neighborhood.

**General comments (*written comment cards and recorded during discussion*).**

- I understand from a city perspective – what seems optional on this site and taxwise etc. But it's a family neighborhood behind this site and we are trying to preserve our quality of life.
- The first entrance into the development looks like it would be hard to take a left turn out of. It also looks like it could easily have cars stacking into the intersection during busy hours.
- Make sure the left turn out / left turn out of the road and parking works with the placement of the driveway across 95<sup>th</sup>.
- Neighbors getting ponding north of the existing storm pond. The upper pond floods – there are cattails that may be backing it up.
- Do we have a mix of units figured out?
- What a sit down restaurant like Maple Grove has. This would also generate tax revenue and be good for families.
- Need more taxable activity.
- Resident noted that they walk almost daily to the commercial properties in the area – Little Italy and others.
- Rather have ownership in townhomes. Who defines if a property can be owned, but then rented out by the owner? Would that be the City or a townhome association.
- Chipotle example is a tough parking lot at lunch – limited routes make it back up.
- Will there be a traffic study?
- Parking and Ride users used to park in the neighborhood and walk over. How did the City remedy this at the new Park and Ride?





Map Scale = 1: 14,476

1,206 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](http://www.brooklynpark.org)





## MEMORANDUM

**DATE:** August 17, 2023

**TO:** EDA Commissioners

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

**SUBJECT:** Status Update

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### 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 July 20th, the Brooklyn Park Development Corporation (BPDC) met to approve the second round of the Small Business Micro Loan Program. The program was initially started with \$100,000, and in its first round, and received a high level of interest with over 40 applicants requesting more than \$400,000 in funding within just two weeks. To accommodate the demand, the BPDC Board approved \$200,000 for the second round, which will include eligibility updates such as, pre and post award orientation meetings, to better assist businesses through the application and funding process and the use of Brooklyn Park's technical resource partnerships to provide further support to the participating businesses.

The BPDC Board also discussed with ACER and representatives from AIGUSA, a cooperative formed by displaced business owners, the acquisition of retail space to accommodate several of the businesses that were displaced. The Board approved moving forward with their application pending the underwriting process by the Boards revolving loan service provider, CDMC Business Financing.

#### **Brooklyn Park Business Council**

The Brooklyn Park Business Council will hold its next meeting at the Small Business Center on September 26th. The quarterly meeting will include a Coffee with the Mayor due to its large success as a stand-alone program earlier in the year. This will give business owners a chance to connect, share and discover Brooklyn Park with an added perspective. In addition, a feature presentation will be given by Reva Chamblis, Metropolitan Council Member for District 2, with updates on the Metro Blue Line Extension.

## **WORKFORCE DEVELOPMENT**

### **BrookLynk**

This summer BrookLynk's high school summer internship program matched 96 youth aged 16-24 that live and/or attend school in Brooklyn Park & Brooklyn Center to paid summer internships. BrookLynk internships are offered in partnership with local employers in the region's top industries including, manufacturing, IT, education, finance and accounting, government, education, and more. During the summer internship experience youth are employed up to 40 hours per week and participate in a series of employer paid professional development workshops facilitated by BrookLynk staff and summer job coaches. This summer's workshop series topics included goal setting and personal mindset, Microsoft Office, and financial literacy. The interns will round out their summer professional development workshops with a field trip to Junior Achievements Finance Park on August 11th followed by the end of summer celebration for interns, families, and employers on August 25th.

### **Community Partnership Program**

In 2022 the city of Brooklyn Park's ARPA & EDA funded Community Partnership Program provided \$200,000 to eight community organizations providing workforce development programs and services to youth and adult residents. The community-based workforce development partners included Youth and Families Determined to Succeed (YFDS), Wanlainjo, Tree House, North Metro Health Institute, MN Zej Zog, Hired, CAPI, and Organizations of Liberians in Minnesota (OLM). Collectively over the last year, these organizations served 188 residents.

The workforce development division is preparing for a 2nd round of the Community Partnership Program and will expand the program to support organizations that serve Brooklyn Center residents. The second round of funding will include ARPA funds from the cities of Brooklyn Park & Brooklyn Center and will include contract extensions to existing partners that have the capacity to serve residents in both cities as well as an open Request for Proposal (RFP) for organizations in Brooklyn Park and Brooklyn Center that provide workforce development programs and services to youth and/or adult residents. Workforce Development staff and Community Development staff at the cities are currently developing the new RFP and will be seeking community input in the coming weeks. The anticipated release for the RFP is fall 2023.

For questions related to the Workforce Development Community Partnership Program please contact Catrice O'Neal, Workforce Development Program Director 763-493-8029 [catrice.oneal@brooklynk.works](mailto:catrice.oneal@brooklynk.works).

### **Brooklyn Park Small Business Center**

The Brooklyn Park Small Business Center is now open and accepting memberships. July the Small Business Center staff began interviewing and awarding memberships. New member interview and selection is an ongoing process until it reaches capacity. 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. The center will also house a number of technical resources and events through various partnerships, including Elevate Hennepin, and the Brooklyn Park Business Council. A Grand opening ceremony will be held at the center on August 23rd at 2:00pm. Senator Klobuchar and other elected officials are scheduled to attend to recognize this accomplishment.





## OTHER

### American Rescue Plan Act (ARPA)

The city of Brooklyn Park is offering a second round of funding to community partners responding to the negative impact of the COVID 19 pandemic. The Brooklyn Park City Council approved \$550,000 for partnership work in 2023 and in July awarded \$250,000 in contract extensions to 10 community partners to continue their work from Round 1. The remaining \$300,000 will be awarded to organizations proposing eligible programs to serve city residents in a new round of Request for

Proposals (RFP). Between August – September, staff will engage and seek input from community members and council on the process and the design of the RFP. The final RFP will be released in early September to the community. Proposals will be reviewed in October and awards are expected to be announced in November. To receive information about the RFP or to provide feedback, complete the RFP interest form at <https://www.brooklynpark.org/city-finances/american-rescue-plan/#interest-and-feedback-form>.

For more information about how the city is using ARPA funds, please visit the city's website at <https://www.brooklynpark.org/city-finances/american-rescue-plan/>.

### Summer Blossom Awards Program

The annual Summer Blossom Awards Program nominations was held from May 15 through July 14. The program is designed to highlight attractive gardens, landscaping, and storm water retrofitting in Brooklyn Park. This competitive program annually recognizes and rewards residents and businesses that strive to improve the City's landscape and attractiveness. There are four categories: single family, townhome, neighborhood, and commercial. Each category was judged on a city-wide competitive basis except for single family. Nominations for single family are divided into four districts. The districts are established by grouping areas of the city with similar sized lots and housing types.

**Grand winners** in each category will receive **\$400** toward materials, an **engraved garden paver**, and **formal recognition** from the Brooklyn Park City Council meeting scheduled for September 11. First Place winners in each single-family district (1, 2, 3 and 4) will receive **\$100** toward materials, an engraved garden paver, as well as formal recognition from the Brooklyn Park City Council.

<https://www.brooklynpark.org/neighborhoods/summer-blossom/>

### Active Grants

Below is a list of active grants managed by EDA staff in partnership with the City's finance department. We are currently managing \$5.3 million in active grants.

Grant name	Amount	Expiration date
Board of Water and Soil Resources (BWSR)	\$20,000	12/31/23
Community Development Block Grant (CDBG)	\$431,500	6/30/24
LCDA Pre-Development: Villas	\$75,000	12/31/23
LCDA Pre-Development: Regent site	\$50,000	6/30/24
LCDA Pre-Development: Zane Commons	\$75,000	12/31/23
LCDA Development: Tessman Ridge	\$1,185,600	12/31/24
LCDA Development: Village Creek Apartments	\$832,000	12/31/23
Hennepin County: Community Investment Initiative	\$500,000	12/31/24
Federal appropriation: Small Business Center	\$1,000,000	12/31/24?
MnDOT Workforce	\$100,000	12/31/2024
WIOA Workforce	\$300,000	6/30/2025
BC ARPA	\$400,000	12/31/2024
MYP Workforce	\$225,000	6/30/2025
Youth Support Services - Workforce	\$40,000	6/30/2025
Total	\$5,233,000	



## MEMORANDUM

**DATE:** August 17, 2023

**TO:** EDA Commissioners

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

**SUBJECT:** Housing Update

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### Overview:

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

### COVID-19 HOUSING UPDATES

#### **Housing Omnibus Bill**

The Housing Omnibus Bill was a historic investment in housing with an approved \$1 billion in one-time funding, \$50 million additional on-going, and a nearly \$400 million a year in the 7-county metro. For more information on all the programs passed at the legislature this year, view attachment 7.2A.

#### **Housing Aid Distribution**

The metro wide sales tax approved by the legislature for affordable housing includes a direct allocation to Brooklyn Park of approximately \$940,000 annually as well as increased funding for County and Statewide housing programs. The EDA will have to consider its options for how to allocate at a minimum the \$940,000 direct allocation, starting in 2024, which will be done through a budget amendment in early 2024.

#### **HomeHelpMN**

HomeHelpMN is a federally funded program created as an emergency response to the COVID-19 pandemic. It provides financial assistance for homeowners behind on their mortgage and other past-due housing expenses.

The program opened on May 7, 2022, and stopped accepting applications on July 7, 2023. Applicants on or prior July 7 will be notified if their application is being reviewed.

For questions or updates, visit the HomeHelpMN web page or call 1-800-388-3226. More resources are available at Find Housing Help (<https://www.mnhousing.gov/housing-help.html>).

#### **Home Improvement Loan Programs Update**

The EDA administers several housing reinvestment programs that provide financial resources to first time homebuyers, single-family and townhome homeowners in the community. Homeowner programs were redesigned in 2019 to increase the number of residents making improvements to their homes and to provide needed resources for future homebuyers. The redesigned and revamped programs have been a huge success, with funds for multiple programs expended rapidly. About 60 loans amounting to over \$800,000 have been closed beginning this January 2023 to date. These are programs administered in partnership with the Center for Energy



and Environment (CEE). The most popular programs are the down payment assistance for the first-time homebuyers, senior deferred loan for seniors and the low interest revolving loan.

## **NEW HOUSING DEVELOPMENT PROJECTS**

### **Real Estate Equities (Western Portion of 9500 Decatur Drive)**

On July 3 the City received notification that Real Estate Equities (REE) received an allocation of tax-exempt bonds for one phase of its two-phased project. Various actions will still be needed this fall from both the EDA and the City Council to accept the bonding allocation and to consider a Tax Increment Financing (TIF) agreement. REE submitted two applications for bonding authority to the Minnesota Office of Management and Budget (MMB) with one application receiving funding and the other not due to lack of available bond allocations. For the project awarded funding (Parcel B), REE aims to begin construction this fall. REE is also submitting an application to the Metropolitan Council's Livable Communities Demonstration Account (LCDA) Development program for additional funds to fill a gap in financing.

This follows the April 17 EDA approval of two updated term sheets for a 350-unit housing proposal on the western portion of 9500 Decatur Drive. The term sheets, one for each phase, include \$1.45 million in TIF and a \$1 million loan for each building/phase for a total of \$4.9 million in financial request from the EDA. On December 12, 2022, the City Council had voted to support REE's tax-exempt bond application.

REE's proposal includes two phases of workforce housing consisting of 1-bedroom, 2-bedroom, and 3-bedroom apartment homes, one of which was awarded bonds and is proceeding towards construction. 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 North - NHCC Site)**

The Tessman Ridge apartment community is under construction. Phase 1, which is the portion currently under construction, includes 71 units with 8 efficiency, 12 one-bedroom, 32 two-bedroom, 14 three-bedroom and 5 four-bedroom units. The EDA purchased and now owns the full site at 6900 85th Avenue N from Minnesota State Colleges and Universities (MnSCU) and sold 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. Additionally, there is approximately 1-acre of property held by the EDA for commercial use at the intersection of 85th Avenue N and College Parkway.

### **Village Creek Apartments (7621 Brooklyn Boulevard)**

On July 27 the City received notification that the Village Creek Apartments project received an allocation of tax-exempt bonds from Minnesota Management and Budget (MMB). George Group North is now working to secure expedited funding from the U.S. Department of Housing and Urban Development (HUD) and begin construction in late 2023/early 2024. Currently various other loan agreements and approvals expire at the end of 2023, so additional short extensions may be needed if HUD's financing timeline extends the beginning of construction to early 2024.

On Tuesday, June 20, the EDA approved an updated Tax Increment Financing (TIF) agreement for the above financing structure. The approved term sheet and development agreement include a total of \$2.1 million in assistance. Approved EDA assistance includes:

- \$370,000 land-write down
- \$900,000 in upfront Tax Increment Financing (TIF) funds (from Housing Set Aside)
- \$535,000 in pay as you go (PAYGO) TIF funds over 15 years from newly created Housing TIF district

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 North, Stonybrook Townhomes were built in 1970s and consist of 88 buildings with 352 individually owned townhome units. Construction work on the project is currently underway.

## **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](http://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 North (community engagement workshops held on June 27 and Aug 3)
- 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](http://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:**

7.2A Housing Legislative Recap

### Challenge Program

**Sec. 2, subd. 2.** Appropriates \$60.425M in FY24 & \$60.425M in FY25. The base appropriation in FY26 and each year beyond is \$12.925M. Establishes the following set asides: 1) \$6.425M each year is made available for the first 11 months exclusively for housing projects for American Indians (par. b).; 2) \$5M in FY24 is made available to Urban Homeworks to expand deeply affordable homeownership in Minneapolis neighborhoods with over 40% of residents identifying as Black, Indigenous, or People of Color (BIPOC) and at least 40% of residents making less than 50% of the area median income (AMI). Funds must be used to acquire, rehabilitate, and construct homes to be sold to households with incomes of 50-60% AMI (par. c); and 3) \$2M one-time is earmarked for the Rondo Community Land Trust (par. d).

### Workforce Housing Development

**Sec. 2, subd. 3.** Appropriates \$19.5M in FY24 & \$19.5M in FY25. Allows Minnesota Housing Finance Agency (Minnesota Housing) to fund projects with a portion of income and rent restricted units and enables the agency to award funds to properties that include owner-occupied homes (par. a). The base appropriation in FY26 and beyond is \$2M.

### Manufactured Home Park Infrastructure Grant and Loans

**Sec. 2, subd. 4.** Appropriates \$16M in FY24 & \$1M in FY25. The base appropriation for this program in FY26 and beyond is \$1M.

### Workforce Homeownership Program

**Sec. 2, subd. 5.** Appropriates \$20.25M in FY24 & \$250,000 in FY25. The base appropriation in FY26 and beyond is \$250,000.

### Housing Trust Fund

**Sec. 2, subd. 6.** Appropriates \$11.646M in FY24 & \$11.646 in FY25.

### Homework Starts with Home

**Sec. 2, subd. 7.** Appropriates \$2.750M in FY24 & \$2.750M in FY25.

### Rental Assistance for Mentally Ill

**Sec. 2, subd. 8.** Appropriates \$5.338M in FY24 & \$5.338M in FY25. Requires Minnesota Housing to prioritize proposals that target, in part, eligible persons who desire to move to more integrated settings (par. a). Authorizes Minnesota Housing to use a part of the appropriation for risk mitigation funds, landlord incentives, or other costs necessary to decrease the risk of homelessness (par. b). The base appropriation for this program in FY26 and beyond is \$5.338M.

### Family Homeless Prevention

**Sec. 2, subd. 9.** Appropriates \$55.269M in FY24 & \$10.269M in FY25. Requires Minnesota Housing to award up to \$1M in grants in FY24 to eligible applicants to create or expand risk mitigation programs to reduce landlord financial risks for renting to persons eligible for the Family Homeless Prevention and Assistance Program (FHPAP). Eligible programs may use funds for administrative costs, outreach and coordination staff, and to reimburse landlords for the cost of nonpayment of rent or damage above the costs covered by the security deposit. The agency may give priority to applicants that secure matching funds from a local unit of government, business, or nonprofit organization. This appropriation is onetime (par. b). For FY24 & FY25, allows qualified families to receive more than 24 months of rental assistance (par. c). Authorizes Minnesota Housing to grant funds to entities other than counties in the metropolitan area if the agency determines that the metropolitan area needs additional resources (par. d). Enables new grantees to work with a local continuum of care or a local advisory committee. New grantees that work with a local continuum of care may waive certain project requirements (par. e). Sets aside \$10M to be allocated to federally recognized American Indian Tribes (par. f). Sets aside \$2.4M in FY24 for a grant to Neighbored House (par. g). The base for this program in FY26 and beyond is \$10.269M.

## Home Ownership Assistance Fund

**Sec. 2, subd. 10.** Appropriates \$50.885M in FY24 & \$885,000 in FY25. Dispenses funds into the housing development fund's Homeownership Assistance Fund program. Directs Minnesota Housing to strengthen its efforts to address Minnesota's racial homeowner disparity gap. Requires Minnesota Housing to collect, on a voluntary basis, demographic information of applicants for agency programs intended to benefit homeowners and homebuyers (par. a). The base appropriation in FY26 and beyond is \$855,000.

## Affordable Rental Investment Fund

**Sec. 2, subd. 11.** Appropriates \$4.218M in FY24 & \$4.218M in FY25. Directs funds to create the housing development fund's Family Rental Housing Funds. These funds are to finance, acquire, rehabilitate, and restructure debt of federally assisted rental property and for making equity take-out loans (par. a). Requires owners of federally assisted rental property to continue participating in the program and extend any existing low-income affordability restrictions for the maximum term permitted (par. b). Enables funds to be used to acquire, rehabilitate, and restructure debt of existing supportive housing properties and naturally occurring affordable housing (par. c).

## Owner Occupied Housing Rehabilitation

**Sec. 2, subd. 12.** Appropriates \$2.772M in FY24 & \$2.772M in FY25. Directs funds to be used for the rehabilitation of owner-occupied housing under the housing development fund (par. a). Allows Minnesota Housing to make grants and loans without rent or income restrictions (par. b).

## Rental Housing Rehabilitation

**Sec. 2, subd. 13.** Appropriates \$3.743M in FY24 & \$3.743M in FY25. Directs funds to rehabilitation loan funds in the housing development fund. Authorizes Minnesota Housing to apply the processes and priorities adopted to administer the economic development and housing challenge program for rental housing (par. a). Clarifies that grants or loans may be made without rent or income restrictions of owners or tenants (par. b).

## Homeownership Education, Counseling and Training

**Sec. 2, subd. 14.** Appropriates \$1.857M in FY24 & \$1.857 in FY25. The base for this program in FY26 and beyond is \$857,000

## Capacity-Building Grants

**Sec. 2, subd. 15.** Appropriates \$3.145M in FY24 & \$3.145M in FY25. Directs funds to the housing development fund's Capacity Building Program grants. Sets aside \$170,000 in FY24 to Open Access Connections (par. a). Directs \$445,000 in FY24 to the Community Stabilization Project to: 1) deliver services and curriculum to renters and property owners to preserve deeply affordable rental units; 2) help create entry-level employment opportunities for renters; and (3) construct a secure space for documents and identification for those experiencing homelessness (par. b). The base for this program in FY26 and beyond is \$645,000.

## Build Wealth Minnesota

**Sec. 2, subd. 16.** Appropriates \$5.5M in FY24 & \$500,000 in FY25. Sets aside \$500,000 for the family stabilization services plan (par. a). Sets aside \$5M in the first year for the 9,000 Equities Fund loan pool to provide first mortgages or equivalent financing to households from underserved communities of color who are struggling to access mortgages. Up to \$1M may be used for the Stairstep Foundation to support completion of the Family Stabilization Services Plan program (par. b).

## Housing Infrastructure

**Sec. 2, subd. 17.** Appropriates \$100M in FY24 & \$100M in FY25. Appropriates cash to the Housing Infrastructure Bond program and requires funds to be allocated to eligible projects under the housing infrastructure bond statute (Minnesota Statutes, sec. 462A.37, subd. 2).

## Supportive Housing

**Sec. 2, subd. 18.** Appropriates \$25M in FY24 direct funds to a new program established under Minnesota Statutes, sec. 462A.42. See Article 2 summary.

## First-Generation Homebuyers Down Payment Assistance

**Sec. 2, subd. 19.** Appropriates \$50M in FY24. Directs funds to a new program established under Minnesota Statutes, sec. 462A.41). See Article 2 summary.



### **Community-Based First-Generation Homebuyers Down Payment Assistance**

**Sec. 2, subd. 20.** Appropriates \$100M in FY24. Directs Minnesota Housing to grant funds to Midwest Minnesota Community Development Corporation (MMCDC). Authorizes MMCDC to act as the program administrator. After three years from the start of the program, MMCDC shall remit any unused funds to Minnesota Housing. Requires Minnesota Housing to use any remitted funds for the administration of the First-Generation Homebuyers Down Payment Assistance Fund.

### **Local Housing Trust Fund Grants**

**Sec. 2, subd. 21.** Appropriates \$4.8M in FY24. Directs funds to the local housing trust funds program (Minnesota Statutes, sec. 462C.16) (par. a). Makes grantees eligible to receive a grant amount equal to 100 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government, up to \$150,000, and in addition, an amount equal to 50 percent of the public revenue committed that is more than \$150,000 but not more than \$300,000 (par. b). Requires grantees to use grant funds within eight years of the receipt for uses authorized in Minnesota Statutes, sec. 462C.16, subd. 3 and benefiting households with incomes at or below 115 percent of the state median income. Minnesota Housing shall deposit remitted funds into the housing development fund (par. c).

### **Greater Minnesota Housing Infrastructure Grant Program**

**Sec. 2, subd. 22.** Appropriates \$5M in FY 24.

### **Stable Rental Housing Mediation**

**Sec. 2, subd. 23.** Appropriates \$3M in FY 24. Directs grant funds to Community Mediation Minnesota to administer a statewide housing mediation program to support renters and residential rental property owners (par. a). Requires funds be used to: 1) provide housing dispute services; 2) increase awareness of and access to housing dispute resolution services; 3) provide alternative dispute resolution services; 4) partner with culturally specific dispute resolution programs to provide trainings and assist with mediation services; 5) increase mediation services for seniors and renters with disabilities and illnesses that face housing instability; 6) increase the diversity and cultural competency of the housing mediator roster; 7) integrate housing mediation services with navigation and resource connection services, legal assistance, and court services programs; 8) develop and administer evaluation tools to design, modify, and replicate effective program outcomes; and 9) provide administrative expenses (par. b).

### **Manufactured Home Park Cooperative Purchase**

**Sec. 2, subd. 24.** Appropriates \$10M in FY24. Requires Minnesota Housing to grant funds to Northcountry Cooperative Foundation and its controlled affiliated entities to make loans (par. a). Allows funds to be used for a revolving fund under the manufactured home park loans program (Minnesota Statutes, sec. 462A.05, subd. 35) for the purposes of converting manufactured home parks to cooperative ownership (par. b). Requires funds to be used to create and preserve housing that is affordable to households with incomes at or below 80 percent of the greater of state or area median income (par. c). Requires a 30 year covenant requiring that the land be used as a manufactured home park (par. d). Encourages Minnesota Housing to establish a mortgage program to help facilitate the program (par. e). Defines "manufactured home" in accordance with Minnesota Statutes, section 327B.01, subd. 13. Defines "manufactured home park" as the meaning given in Minnesota Statutes, section 327.14, subd.

### **Manufactured Home Lending Grants**

**Sec. 2, subd. 25.** Appropriates \$10M in FY 24.

### **Lead Safe Home Grant Program**

**Sec. 2, subd. 26.** Appropriates \$4M in FY24.

### **High-Rise Sprinkler System Grant**

**Sec. 2, subd. 27.** Appropriates \$10M in FY24. Directs \$4M, in the form of a grant, to CommonBond Communities to install a sprinkler system at Seward Tower West located at 2515 South 9th Street in Minneapolis and Seward Tower East located at 2910 East Franklin Avenue in Minneapolis.

### **First-Time Homebuyer, Fee-Based Home Purchasing Financing**

**Sec. 2, subd. 28.** Appropriates \$10M in FY24. Allows grantees to provide services under the grant contract any time up until June 30, 2026.

### **Community Stabilization**

**Sec. 2, subd. 29.** Appropriates \$45M in FY24 & \$45M in FY25. Sets aside a \$10M grant to AEON for Huntington Place.

### Rent Assistance Program

**Sec. 2, subd. 30.** Appropriates \$46M in FY24. Funds the rent assistance program established in Minnesota Statutes, sec. 462A.2095/Chapter 37, Article 4, sec. 5 (par. a). The base budget in FY26 and beyond is \$23M (par. b).

### Homeownership Investment Grant Program

**Sec. 2, subd. 31.** Appropriates \$40M in FY24.

### Northland Foundation

**Sec. 2, subd. 32.** Appropriates \$1M in FY24. Directs funds to Northland Foundation. Requires funds be used to assist local governments establishing local or regional housing trust funds. Funds may also be used on authorized expenditures established by the Housing Trust Funds for Local Housing Development statute (Minnesota Statutes, sec. 462C.16, subd. 3). Authorizes Northland Foundation to award grants and loans to other entities. Funds are available until June 30, 2025.

### Stable Housing Organization Relief

**Sec. 2, subd. 33.** Appropriates \$50M in FY24.

### Public Housing Rehabilitation

**Sec. 2, subd. 34.** Sets aside \$10M to finance the cost or rehabilitation to preserve public housing. Defines “public housing” in this section as: 1) housing for low-income persons and households and, 2) housing that is financed by the federal government and publicly owned or housing that has been repositioned under the federal Rental Assistance Demonstration or similar program. Allows Minnesota Housing to give priority to proposals that maximize nonstate resources to finance the capital costs, requests prioritization of long-term affordability, and requests prioritization of health, safety, and energy improvements (par. a). Sets aside \$5M as a grant to the Minneapolis Public Housing Authority for the City of Minneapolis and its affiliated entities, including but not limited to Community Housing Resources, to rehabilitate, preserve, equip, and repair its deeply affordable housing units (par. b).

### Availability and Transfer of Funds

**Sec. 2, subd. 35.** Allows money appropriated in the FY24 to be available in FY25. Minnesota Housing may shift or transfer money in FY25 between the Challenge Program, Workforce Housing Development, Manufactured Home Park Infrastructure Grants and Loans, Workforce Homeownership Program, Affordable Rental Investment Fund, Owner-Occupied Housing Rehabilitation, and Rental Housing Rehabilitation to address high-priority housing needs. Minnesota Housing may also shift money between the Home Ownership Assistance Fund and First-Generation Homebuyer Down Payment Assistance after FY24.

### Management and Budget

**Sec. 3.** Appropriates \$200,000 in FY24 to Minnesota Management and Budget (MMB) to fund a study on expediting rental assistance payments. Stipulates Management Analysis and Development conduct the study.