

REGULAR EDA MEETING – AGENDA #2

President Hollies Winston, Vice President Nichole Klonowski, Treasurer Christian Eriksen,
Commissioners Boyd Morson, Xp Lee, Maria Tran, and Tony McGarvey
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.

Si usted necesita esta información en español, llame al 763-424-8000 y solicite un intérprete.

Yog xav tau kev pab, hu 763-493-8059.

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

Our Brooklyn Park 2025 Goals:

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

I. ORGANIZATIONAL BUSINESS

1. CALL TO ORDER/ROLL CALL

2. APPROVAL OF AGENDA

II. 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

3D. PUBLIC ANNOUNCEMENTS

III. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION

4. CONSENT

4.1 Consider Approving the 2024 EDA Meeting Minutes

A. JANUARY 16, 2024 DRAFT REGULAR MEETING MINUTES

4.2 Consider Amending the 2024 EDA Budget to Allow a Line-Item Adjustment Between Contractual Services and Personnel for WorkForce Development

A. RESOLUTION

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

6. GENERAL ACTION ITEMS

- 6.1** Consider Approving a Term Sheet Between the Brooklyn Park Economic Development Authority and Duffy Development for the Development of Tessman Ridge Phase II
 - A.** LOCATION MAP
 - B.** RESOLUTION
 - C.** TERM SHEET
 - D.** SITE PLAN
 - E.** EHLERS FINANCIAL ANALYSIS MEMO
- 6.2** Consider Approval of Amended and Restated Professional Services Agreement for Small Business Center Operations
 - A.** RESOLUTION
 - B.** 2024 SMALL BUSINESS CENTER OPERATING BUDGET (FUND 293)
 - C.** AMENDED AND RESTATED AMENDMENT
 - D.** AMENDED AND RESTATED AGREEMENT – REDLINE FROM ORIGINAL

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

7. DISCUSSION ITEMS

- 7.1** Status Updates
 - A.** BPSBC MEMBER LIST
- 7.2** Housing Updates
- 7.3** Verbal Commissioner Reports and Announcements

V. ADJOURNMENT

Since we do not have time to discuss every point presented, it may seem that decisions are preconceived. However, background information is provided for the EDA on each agenda item in advance from city staff; and decisions are based on this information and past experiences. Items requiring excessive time may be continued to another meeting.

City of Brooklyn Park Request for EDA Action

Agenda Item:	4.1	Meeting Date:	February 20, 2024
Agenda Section:	Consent	Prepared By:	Seng Moua, EDA Secretary
Resolution:	N/A	Presented By:	Kim Berggren, Executive Director
Attachments:	1		
Item:	Consider Approving the January 16, 2024 EDA Meeting Minutes		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO APPROVE THE JANUARY 16, 2024 EDA MEETING MINUTES.

Overview: The minutes are much shorter this month because staff changed the process for completing minutes. Per the EDA attorney, the information provided within the January meeting minutes are the minimum required by law.

For several years the minutes have been produced by an outside vendor. With the availability of online video recordings of the meetings, minutes are rarely used as a reference for previous meeting discussions. Therefore, staff recommends reducing the information provided in the minutes to the minimum required by law so they can be completed in house.

Primary Issues/Alternatives to Consider: N/A

Budgetary/Fiscal Issues: This change to produce minutes in house will save the EDA about \$150-300 per meeting.

Attachments:

4.1A JANUARY 16, 2024 DRAFT REGULAR MEETING MINUTES



Tuesday, January 16, 2024
6:00 p.m.

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

REGULAR EDA MEETING MINUTES – AGENDA #1

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

I. ORGANIZATIONAL BUSINESS

1. CALL TO ORDER/ROLL CALL at 6:05 p.m.

PRESENT: Commissioners' Lee, McGarvey, Eriksen, and President Winston

ABSENT: Commissioners' Morson, Tran, and Klonowski

2. APPROVAL OF AGENDA

MOTION: MCGARVEY SECOND: ERIKSEN

AYES: LEE, MCGARVEY, ERIKSEN, AND WINSTON

NAYS: NONE

MOTION PASSED UNANIMOUSLY.

II. PUBLIC INVOLVEMENT

3. PUBLIC COMMENT AND RESPONSE

3A. RESPONSE TO PRIOR PUBLIC COMMENT - None

3B. PUBLIC COMMENT

3C. PUBLIC PRESENTATIONS - None

3D. PUBLIC ANNOUNCEMENTS - None

III. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION

4. CONSENT

MOTION LEE, SECOND ERIKSEN TO APPROVE THE CONSENT AGENDA.

AYES: MCGARVEY, LEE, ERIKSEN AND WINSTON

NAYS: NONE

MOTION PASSED UNANIMOUSLY.

4.1 Consider Approving the 2023 EDA Meeting Minutes

A. NOVEMBER 20, 2023 DRAFT REGULAR MEETING MINUTES

B. DECEMBER 18, 2023 DRAFT REGULAR MEETING MINUTES

4.2 Consider Approving the Proposed EDA Meeting Dates for 2024

A. 2024 REGULAR EDA MEETING DATES

4.3 Consider Approving a Correction to the Funding Source for \$440,000.00 Loan to Tessman Ridge Brooklyn Park LLC

A. RESOLUTION

MOTION LEE, SECOND ERIKSEN, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-01, APPROVING A CORRECTION TO THE FUNDING SOURCE FOR \$440,000.00 LOAN TO TESSMAN RIDGE BROOKLYN PARK LLC.

AYES: ERIKSEN, LEE, MCGARVEY AND WINSTON

NAYS: NONE

MOTION PASSED UNANIMOUSLY.

4.4 Consider Funding Request for Property Maintenance at Brooklyn Avenues in the Amount of up to \$20,000.00

A. RESOLUTION

B. DRAFT AGREEMENT BROOKLYN PARK EDA AVENUES FOR YOUTH

C. LOCATION MAP

D. PROJECT BID ESTIMATE

MOTION LEE, SECOND ERIKSEN, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-02 APPROVING FUNDING REQUEST FOR PROPERTY MAINTENANCE AT BROOKLYN AVENUES IN THE AMOUNT OF UP TO \$20,000.00.

AYES: LEE, MCGARVEY, ERIKSEN AND WINSTON

NAYS: NONE

MOTION PASSED UNANIMOUSLY.

5. PUBLIC HEARINGS - None

6. GENERAL ACTION ITEMS

6.1 Consider Election of Officers

A. BYLAWS OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY

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

MOTION WINSTON, SECOND ERIKSEN, TO ELECT HOLLIES WINSTON AS PRESIDENT OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY.

AYES: ERIKSEN, LEE, MCGARVEY, AND WINSTON

NAYS: NONE

MOTION PASSED UNANIMOUSLY.

MOTION ERIKSEN, SECOND WINSTON, TO ELECT NICOLE KLONOWSKI AS VICE PRESIDENT OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY.

AYES: LEE, ERIKSEN, MCGARVEY, AND WINSTON

NAYS: NONE

MOTION PASSED UNANIMOUSLY.

MOTION ERIKSEN, SECOND WINSTON, TO ELECT CHRISTIAN ERIKSEN AS TREASURER OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY.

AYES: LEE, ERIKSEN, MCGARVEY, AND WINSTON

NAYS: NONE

MOTION PASSED UNANIMOUSLY.

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

AYES: ERIKSEN, LEE, MCGARVEY, AND WINSTON

NAYS: NONE

MOTION PASSED UNANIMOUSLY.

6.2 Consider Accepting Bids and Awarding Contract in the Amount of \$846,682.00 to SignArt Company for Phases I and II of the City-Wide Wayfinding Project (CIP 2071-24) and Authorize the Executive Director to Execute a Contract

A. RESOLUTION

B. BROOKLYN PARK EDA SIGNART DEVELOPMENT AGREEMENT

C. PUBLIC NOTICE

The purpose of this report is to request the Brooklyn Park Economic Development Authority (EDA) to accept the wayfinding project signage installation bids and award the contract to SignArt Company in the amount of \$846,682.00 for the installation of signage for phases one and two of the wayfinding project. On December 7, 2023, six bids were electronically received and opened. The lowest responsible bidder among all the six submitted bids was SignArt Company. The bid amount factors in the cost of prevailing wage in accordance with the city policy.

After receiving signage bids for all three phases of the project, staff is recommending moving forward with Phases I and II at this time. That is consistent with the \$1M in resources budgeted for this work in 2024. SignArt's bid included the signage manufacturing, fabrication, and installation, and a separate bid is being sought for pavement graphics. That work is estimated to cost approximately \$100,000.00.

MOTION MCGARVEY, SECOND ERIKSEN, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-03, ACCEPTING BIDS AND AWARDING CONTRACT IN THE AMOUNT OF \$846,682.00 TO SIGNART COMPANY FOR PHASES I AND II OF THE CITY-WIDE WAYFINDING PROJECT (CIP 2071-24) AND AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT.

AYES: MCGARVEY, ERIKSEN, LEE AND WINSTON

NAYS: NONE

MOTION PASSED UNANIMOUSLY.

6.3 Resolution Approving and Authorizing the Execution of a Development Assistance Agreement (Decatur Landing II)

- A.** RESOLUTION
- B.** TIF AGREEMENT
- C.** LOCATION MAP

The action tonight is to consider a full Tax Increment Financing (TIF) Development Agreement with Real Estate Equities (REE) for Phase II of their Decatur Landing development. The total subsidy being considered is a \$2 million loan from the Economic Development Authority's (EDA) Housing Set Aside/TIF 3 fund and \$770,000 in TIF for a total of \$2.77 million for Phase II of the project. This is slightly less than the \$2.8 million subsidy provided to Phase I and approved as a TIF agreement on October 16, 2023. Phase II, however, incorporates prevailing wage into the project costs, which was not the case in Phase I.

Since late 2021, the Brooklyn Park City Council and Economic Development Authority (EDA) have supported through various actions a two-phased multifamily housing proposal from Real Estate Equities (REE), a Twin Cities based developer. Actions previously taken by the City Council and EDA include supporting two resolutions to apply for tax-exempt bonds through Minnesota Housing in June and December 2022 and two term sheet approvals in February and November 2022. REE has modified its proposal several times, including adding 9 units to each building at rents affordable to households no more than 30% of the area median income (AMI) based on direction from the EDA in 2022. REE received unanimous approval at the Planning Commission for its 350-unit proposal and its land use approvals at the City Council meeting on April 10, 2023, and the EDA approved two term sheets at its meeting on April 17, 2023, one for each phase.

MOTION LEE, SECOND ERIKSEN, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-04 APPROVING AND AUTHORIZING THE EXECUTION OF A DEVELOPMENT ASSISTANCE AGREEMENT (DECATUR LANDING II).

AYES: LEE, ERIKSEN, MCGARVEY AND WINSTON

NAYS: NONE

MOTION PASSED UNANIMOUSLY.

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

7. DISCUSSION ITEMS

- 7.1** Status Updates – Staff presented verbal updates based on the information provided in the staff report and answered questions.
 - A.** SBC MEMBER LIST
- 7.2** Housing Updates – Staff presented verbal updates based on the information provided in the staff report
- 7.3** Verbal Commissioner Reports and Announcements

V. ADJOURNMENT

Meeting adjourned at: 6:36 P.M.

The Brooklyn Park Economic Development Authority's agenda and packet is posted on the City's website.

To access the agenda and packet, go to www.brooklynpark.org.

The next scheduled EDA meeting is Tuesday, February 20, 2024.

City of Brooklyn Park Request for EDA Action

Agenda Item:	4.2	Meeting Date:	February 20, 2024
Agenda Section:	Consent	Prepared By:	Seng Moua, EDA Secretary Catrice O’Neal, Workforce Development Program Director
Resolution:	X	Presented By:	Kim Berggren, Executive Director
Attachments:	1		
Item:	Consider Amending the 2024 EDA Budget to Allow a Line-Item Adjustment Between Contractual Services and Personnel for WorkForce Development		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-_____ AMENDING THE 2024 EDA BUDGET TO ALLOW A LINE-ITEM ADJUSTMENT BETWEEN CONTRACTUAL SERVICES AND PERSONNEL FOR WORK FORCE DEVELOPMENT.

Overview:

This action is to request EDA approval for an increase to the Workforce development budget for Seasonal Salaries using funds from the Workforce development budget from Contractual Services. In 2024 Workforce development will be hiring Summer Job Coaches and Minnesota Trades Academy BrookLynk interns as seasonal staff. This budget adjustment allows funds already in the budget to be transferred from one line item to another – no new funds are requested.

Primary Issues/Alternatives to Consider: N/A

Budgetary/Fiscal Issues:

The budget amendment is necessary to increase the Seasonal Salaries line item in the 2024 Workforce development budget. This increase will allow summer Job Coaches and Minnesota Trades Academy BrookLynk interns to be hired as seasonal staff to deliver services more effectively and efficiently to youth and meet program outcomes.

The 2024 funding for the hiring of Job Coaches was approved in the budget under Contractual Services. This request allows the transfer of existing funds from Contractual Services to Seasonal Salaries in the 2024 budget.

Attachments:

4.2A RESOLUTION

RESOLUTION #2024-_____

RESOLUTION TO AMENDING THE 2024 EDA BUDGET TO ALLOW A LINE-ITEM ADJUSTMENT
BETWEEN CONTRACTUAL SERVICES AND PERSONNEL FOR WORKFORCE DEVELOPMENT

WHEREAS, the 2024 the Adopted Budget included \$141,449.89 for Contractual Services and \$4,800 for Seasonal Salaries to hire summer Job Coaches for BrookLynk; and

WHEREAS, in 2024 BrookLynk job coaches and Minnesota Trades Academy BrookLynk interns will be hired as seasonal staff to deliver services more effectively and efficiently to youth and meet program outcomes, and

WHEREAS, it is necessary to amend the Seasonal Salaries and Contractual Services line items to properly fund the salaries of seasonal Job Coaches and Minnesota Trades Academy BrookLynk interns, and

WHEREAS, the amendment will decrease the funds allocated to Contractual Services by \$41,500 and increase the funds allocated to Seasonal Salaries by \$41,500.

NOW, THEREFORE, BE IT RESOLVED by the Brooklyn Park EDA to amend the 2024 budget as stated below and for the Finance Director to manage the budget within these funds.

Changes to the GENERAL LEDGER Budget					
Spending Changes					
<u>Fund</u>	<u>Expense Classification</u>	<u>Description</u>	<u>Current Budget</u>	<u>Changes</u>	<u>Amended Budget</u>
Work Force Development	Salaries	Move from Contractual service to Seasonal Salaries	\$ 4,800.00	\$ 41,500.00	\$ 46,300.00
Work Force Development	Contractual Services	Move from Contractual service to Seasonal Salaries	\$ 141,449.89	\$ (41,500.00)	\$ 99,949.89
Total			\$ 146,249.89	\$ -	\$ 146,249.89

City of Brooklyn Park Request for EDA Action

Agenda Item:	6.1	Meeting Date:	February 20, 2024
Agenda Section:	General Action Items	Prepared By:	Sarah Abe, Development Project Coordinator
Resolution:	X	Presented By:	Sarah Abe, Development Project Coordinator
Attachments:	5		
Item:	Consider Approving a Term Sheet Between the Brooklyn Park Economic Development Authority and Duffy Development for the Development of Tessman Ridge Phase II		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-_____ APPROVING A TERM SHEET BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND DUFFY DEVELOPMENT FOR THE DEVELOPMENT OF TESSMAN RIDGE PHASE II.

Overview:

In May of 2021, the Brooklyn Park Economic Development Authority (EDA) approved a purchase agreement with Duffy Development Company (Duffy) for the property located at 6900 85th Avenue North. The agreement included options to purchase both Phase I and Phase II portions of the property in stages to support the development of this site. On June 22, 2023, Duffy closed on Phase I and has proceeded to construction. The purchase agreement allows Duffy to exercise the option to purchase the land for Phase II up until 2 years after the date of the Phase I closing.

Duffy is currently planning for Phase II, which is very similar to Phase I as a 71-unit a mixed-income apartment community. Additionally, Phase II incorporates prevailing wage into the proforma and has added more market rate units to the proposal to maximize the market value of this project. The action tonight is to consider a term sheet that, if approved, would make Duffy more competitive on various funding applications in 2024.

Background:

Minnesota State Colleges and Universities (Minnesota State) owned approximately 6.2 acres of vacant land at the northeast corner of 85th Avenue and College Parkway on behalf of North Hennepin Community College (NHCC). In 2018, Minnesota State designated the site as surplus land, enabling it to be offered for sale. NHCC felt that the location had potential to increase the supply of amenities targeted to students such as affordable housing, daycare, or other small commercial or office uses, and approached the city as a partner in developing the site.

The EDA and City then actively engaged the community with workshops and with local partners to identify potential developments that would not only accommodate the student population of NHCC, but positively impact the community with the inclusion of family-oriented affordable housing units. The EDA completed a Corridor Development Initiative (CDI) community engagement process in 2018 that resulted in an affordable housing vision for the site. Through an RFQ process in 2020, the EDA identified Duffy Development as a partner to construct mixed-income apartments and a daycare at that location. Duffy indicated, at time of selection, the need to split the project into multiple phases to achieve successful acquisition of housing tax credits. However, Minnesota State declined to facilitate this approach since it wanted to dispose of the site in a single transaction. Therefore, the EDA worked diligently with Minnesota State to formalize a purchase agreement for the entire site and allow for the developer to take the time needed to secure two rounds of MN Housing funding applications for the development. On June 22, 2023, the EDA closed on the purchase of the entire 6.2 acre from the State

and immediately sold the Phase I portion to Duffy. Phase II and commercial portions as well as a section of the property held for a proposed municipal well remain the property of the EDA.

Primary Issues/Alternatives to Consider:

- ***What is the Phase II proposal?***

Phase II is proposed to be much the same as Phase I with regard to unit mix and style but the affordability levels are proposed to be different. The proposal is a mixed-income project with 20 market rate units (28% of units), 16 units for families making 30% of the Area Median Income (AMI) (23% of units), and 35 units for families making 60% AMI (49% of units). Below is a breakdown of the unit mix. A second table shows the current rents for the affordable units, though these numbers will be adjusted annually according to guidelines set by the United States Department of Housing and Urban Development (HUD).

Table 1. Proposed unit mix

Bedrooms	30% AMI units	60% AMI units	Market rate units	Totals
0			8	8
1	12			12
2	4	20	8	32
3		10	4	14
4		5		5
Total	16	35	24	71

Table 2. Max rents by bedroom size, 2023

	0	1	2	3	4
30% AMI rent	\$652	\$699	\$838	\$969	\$1,080
60% AMI rent	\$1,087	\$1,165	\$1,397	\$1,615	\$1,801

- ***How is this project being financed?***

Phase II uses the same proposed financing structure as Phase I. It utilizes Low Income Housing Tax Credits (LIHTC), an LCDA grant, Pay-As-You-Go Tax Increment Financing (PAYGO TIF), a land-write down and an additional loan from the EDA. A review by Ehlers, the city's financial consultant, found that Duffy's request of 15 years of TIF (up to \$640,000) and an additional \$900,000 from the EDA is supported for the project to be financially feasible. The additional \$900,000 would come from a variety of sources including a land write-down and a loan from the EDA.

The total request is slightly larger than the Phase I assistance, which was 15 years of a PAYGO TIF note and a \$440,000 loan. The increased amount is due to high construction costs and the inclusion of prevailing wage, though interest rates have stabilized.

Table 3. Sources and uses of financing

Sources	Amount	Pct.	Per unit
First mortgage	6,604,000	25%	93,014
TIF Note	640,000	2%	9,014
Tax credits	14,278,572	55%	201,107
Deferred developer fee (34% of total fee)	1,000,000	4%	14,085
Other EDA sources	900,000	3%	12,676
Other public sources	2,611,965	10%	36,788
TOTAL SOURCES	26,034,537	100%	366,684

Uses	Amount	Pct.	Per unit
Acquisition costs	803,000	3%	11,310
Construction costs	19,551,300	75%	275,370
Professional services	873,437	3%	12,302
Financing costs	1,369,800	5%	19,293

Developer fee	2,950,000	11%	41,549
Cash accounts/escrows/reserves	487,000	2%	6,859
TOTAL USES	26,034,537	100%	366,684

- ***What is the impact to the city's tax base?***

This project will develop a currently vacant piece of privately owned land located in a central part of the city. The estimated market value will be based on income generation of the project. According to the financial consultant, Ehlers, the Estimated Market Value (EMV) for Phase II of this project is anticipated to be \$14,910,000, or approximately \$210,000 per unit. Sonder House, another workforce housing development in neighboring Brooklyn Center developed by REE, has an EMV of \$200,000 per unit (\$25M for 127 units).

With the proposed TIF financing for this project, 95 percent of annually available tax increment will go toward supporting the project cost for no more than 15 years. Portions of this project will be eligible for 4d(1) tax classification (commonly referred to as the affordable housing tax classification), which will reduce the amount of taxes owed as long as the project maintains affordability. After the TIF note is fully paid, the City Council could de-certify the district or keep it open through 26 years and collect increment to fund future affordable housing.

- ***Why is the EDA being requested to approve a term sheet?***

Minnesota Housing annually allocates tax credits through a competitive scoring process. Projects score points by meeting selection and preference criteria established by the Federal Government and Minnesota Housing. There are two sections, permanent capital funding and non-capital contributions, where projects benefit from demonstrating a local partnership with local units of government. Based on the current parameters, Duffy would be able to score more points in these two categories with TIF assistance and a land write-down from the EDA. If a local unit of government elects to support the project financially, a resolution is required for Duffy to claim these points.

Hennepin County's Affordable Housing Incentive Fund (AHIF) program, which has applications due in February, requires a Minnesota Housing workbook be submitted with the application and uses the MN Housing score to influence AHIF awards. Additionally, EDA support for Phase II would make the project more competitive for other funding sources such as the Metropolitan Council's Livable Communities Demonstration Account (LCDA) programs.

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

This development is consistent with several of the Brooklyn Park stated community goals including access to healthy and safe housing, contributing to a thriving economy, and quality housing for all incomes integrated throughout the community.

Next Steps:

If the EDA approves the action item, the next step would be for Duffy to submit their AHIF, tax credit, and other funding applications in 2024. These funding sources are very competitive so there is a possibility Duffy may not secure an allocation in their first attempt. If Duffy secures the necessary funding commitments, Ehlers would conduct a final financial review and verification of Phase II to determine the final recommended amount of public assistance and the EDA would negotiate a final TIF agreement.

Duffy can exercise its option to purchase the Phase II property until June 22, 2025, and is also required to negotiate a new purchase agreement with substantially similar terms by that date.

Budgetary/Fiscal Issues:

The up to \$640,000 in TIF assistance for Phase II is proposed to be financed from PAYGO TIF, which is an annual cash payment generated from the development's own annual tax payments as they are paid. The increased tax revenue from this project would be paid to the developer for up to 15 years. Per TIF laws, the EDA

could capture remaining TIF proceeds after repayment of the developer obligation for up to 26 years and use the excess funds for future affordable housing projects.

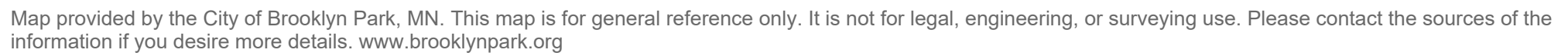
The estimated land write down is currently \$286,000 subject to an updated appraisal. The remaining \$614,000 in EDA assistance is structured as a deferred loan and proposed to be funded from a combination of the Housing Set Aside, TIF 3, or Local Housing Aid (a new source of revenue for affordable housing). The loan would be repayable upon the sooner of sale of the project, re-syndication, or 25 years.

Recommendation:

The Executive Director of the EDA recommends approval.

Attachments:

- 6.1A LOCATION MAP
- 6.1B RESOLUTION
- 6.1C TERM SHEET
- 6.1D SITE PLAN
- 6.1E EHLERS FINANCIAL ANALYSIS MEMO



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

RESOLUTION #2024-_____

RESOLUTION APPROVING A TERM SHEET BETWEEN THE BROOKLYN PARK
ECONOMIC DEVELOPMENT AUTHORITY AND DUFFY DEVELOPMENT FOR
THE DEVELOPMENT OF TESSMAN RIDGE PHASE II

WHEREAS, Duffy Development (the “Developer”), proposed to develop a 71-unit multifamily rental housing facility and related amenities at 6900 85th Avenue North (the “Project”) in the City of Brooklyn Park (the “City”).

WHEREAS, the Developer has presented a project that is consistent with the goals of providing housing as set forth in the Preliminary Term Sheet between the EDA and the Developer (the “Preliminary Term Sheet”).

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

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

1. The Preliminary Term Sheet as presented to the Board is hereby in all respects approved, in substantially the form submitted, and the Executive Director is hereby authorized and directed to negotiate a definitive agreement consistent with the Preliminary Term Sheet on behalf of the EDA for future consideration by the Board.
2. The approval hereby given to the Preliminary Term Sheet includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the Executive Director, subject to the following conditions: (a) such modifications do not materially adversely affect the interests of the EDA; and (b) such modifications do not contravene or violate any policy of the EDA or applicable provision of law.
3. As set forth in the Preliminary Term Sheet, execution of a definitive agreement and payment of the proposed assistance is subject to approval by the EDA after a public hearing as required by Minnesota law.

Preliminary Term Sheet – Duffy Development Phase II

This Term Sheet, dated as of February 20, 2024, is intended to set forth the general terms upon which the Developer (as defined below) and the Economic Development Authority of Brooklyn Park, Minnesota (the “EDA”) may be willing to enter into a Development Agreement (the “Development Agreement”).

1. Developer: Duffy Development Company, Inc., a Minnesota corporation (or a limited partnership or other entity to be formed thereby or affiliated therewith)
2. Property: The land in Brooklyn Park, Minnesota currently owned by the EDA and legally described as Lot 3, Block 1, Tessman Ridge, Hennepin County, Minnesota.
3. Developer Conditions, as determined to date:
 - a. Submission of a Tax Increment Financing Application
 - b. Execution of one or more Development Agreements
 - c. Securing necessary financing for the construction of the Minimum Improvements
 - d. Site Control
 - e. Satisfaction of all Buyer’s Contingencies under that certain Option Agreement between the EDA and the Developer approved by the EDA on May 17, 2021 (the “Option Agreement”)
4. EDA Conditions, as determined to date:
 - a. EDA approval of Construction Plans
 - b. City Council approval of Planning Application
 - c. Establishment of a new Housing TIF District subject to approval after all proceedings required by law
 - d. Execution of one or more Development Agreements
 - e. EDA approval of Property sale after public hearing
 - f. Satisfaction of all Seller’s Contingencies under the Option Agreement.
5. Minimum Improvements: Improvements to the Property will include the construction and equipping of a multifamily rental housing facility with approximately 71 units with a mix of efficiency, 1, 2, 3, and 4-bedroom units.
6. Construction Schedule: Commence construction on the Minimum Improvements by December 31, 2026, and within 30 days after the closing date on the Property, and substantially complete construction by December 31st, 2027. For the purpose hereof, “Commence” shall mean beginning of physical improvement to the Property, including grading, excavation, or other physical site preparation work; and “Complete” shall mean that the Minimum Improvements are sufficiently complete for the issuance of a Certificate of Occupancy. Upon Completion the EDA will issue, if requested by the Developer, a “Certificate of Completion” in recordable form.
7. Public Assistance: Subject to all terms and conditions of the Development Agreement(s) and satisfaction of the requirements of applicable law including a final “but for” analysis, the EDA will reimburse the Developer for costs of construction of the Minimum Improvements as follows:
 - a. in the form of a pay-as-you-go (PAYGO) note in the anticipated amount of up to \$640,000 bearing simple, non-compounding interest at a rate per annum of up to 6.25% (the lesser of 6.25% or the Developer’s actual rate of interest on the first

lien mortgage financing). The PAYGO note will be payable from up to 90% of the tax increment generated from the Property, as determined by the EDA, for a period of up to 15 years.

- b. in the form of a reduction of the cash payment of the purchase price of the Property by an amount equal to 1.1% of the total project costs for the Minimum Improvements as set forth in the Buyer's HTC-1 Workbook submitted to the Minnesota Housing Finance Agency in exchange for the delivery of a promissory Note by the Developer in favor of the EDA, payable, together with interest at the rate of 4% per annum, solely from the tax increments from the housing tax increment financing district generated by the Minimum Improvements after the final payment of the PAYGO note.
- c. in the form of a deferred loan in the amount of up to \$900,000 (which will be reduced by the amount of the reduction of the cash payment of the purchase price of the Property per clause 7.b above) from the EDA's available Housing Set Aside and/or TIF 3 and/or Local Housing Aid Funds to reimburse the costs of the construction for the Housing Facility.

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

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

- 8. Mixed-Income Housing: The Developer agrees the Minimum Improvements will conform in all respects to the City of Brooklyn Park's Mixed-Income Housing Policy and Minnesota Statutes, Section 469.174 through 469.1794, as amended (the "TIF Act") as follows:
 - a. At least 35 of the rental units must be occupied by or available for rent to persons whose income does not exceed 60% of the area-wide median family income for the standard metropolitan statistical area which includes Brooklyn Park, Minnesota, as that figure is determined and announced from time to time by HUD, as adjusted for family size ("AMI"); and those 35 units will also be subject to rent restrictions such that rents shall not exceed 30% of 50% of area median income;
 - b. At least 16 of the rental units must be occupied by or available for rent to persons whose income does not exceed 30% of the AMI (as calculated in accordance with Section 42(g)(1)(C) of the Internal Revenue Code of 1986, as amended); and those 16 units will also be subject to rent restrictions such that rents shall not exceed 30% of 30% of area median income;
 - c. The restrictions will remain in place for 30 years;
 - d. Income certifications will be obtained from each qualifying tenant annually and retained for the longer of 30 years or 2 years after the decertification of the TIF District;
 - e. A household that was income eligible at initial occupancy may be treated as qualifying for additional rental periods as long as the income of the household does not exceed 140% of the applicable AMI; thereafter the first available unit must be rented to a household meeting the applicable income limitation;
 - f. The restrictions will be set forth in a Declaration of Restrictive Covenants recorded against the applicable portion of the Property and restricting subsequent owners of the Property;

- g. The Developer shall not concentrate qualifying tenants in any floor or any area of any building in the facility. The units occupied by qualifying tenants shall reflect the unit mix of the whole facility and shall be located throughout the facility.
9. Fees: Within ten (10) days of approval of this Term Sheet by the EDA Board of Commissioners, Developer shall deposit to the EDA the sum of Ten Thousand Dollars (\$10,000.00) to pay for the reasonable out-of-pocket legal, financial consultant and administrative fees associated with this transaction. Unexpended funds will be returned to the Developer and if additional fund are needed to pay such expenses the Developer shall deposit such additional funds upon request by the EDA.
10. Labor and Contracting Requirements:
- a. The Developer shall prepare, and utilize in its contract with the General Contractor and all subcontracts, a sub-contractor addendum, acceptable to the EDA, which outlines fair labor law compliance, and allows general contractor to withhold payment or cancel contract if violations are discovered (the "Subcontract Addendum").
 - b. Developer shall prohibit use of all disqualified contractors on state "disqualified" list; review list prior to construction commencement with respect to each subcontractor; remove any subcontractor added to the list.
 - c. Developer and all contractors and subcontractors shall comply with all federal, state, and local labor laws.
 - d. If a third party files a claim with the Minnesota Department Labor regarding any contractor or subcontractor doing work on the Property, Developer shall fully cooperate with the Department, including taking any action required by the Department or that Developer otherwise elects to take. Developer shall also fully enforce the contracts with the General Contractor and subcontractors, including enforcing and requiring the General Contractor to enforce the Subcontract Addendum.
 - e. General Contractor will use and enforce the Subcontract Addendum with all subcontractors, and the General Contractor shall, and shall require all subcontractors to, cooperate with the Department of Labor regarding any claim filed with the Department, including taking any action required by the Department or that Developer otherwise elects to take.
 - f. Developer shall certify to the EDA that proper payments to all contractors, subcontractors, and project laborers have been paid prior to the issuance of a Certificate of Completion as a prerequisite to receipt of PAYGO Note or other assistance.
 - g. The construction project shall comply with prevailing wage requirements.
 - h. During construction of the Minimum Improvements, either the EDA or the City may conduct project inquiries and/or site inspections of the Development Property at any time without prior notice by the City or the EDA to confirm compliance with this Agreement. Inquiries and inspections include but are not limited to employee and independent contractor record requests, and employee and independent contractor interviews and meetings.
 - i. Failure to comply with the above points will be an event of default under the development agreement and could result in a penalty such as non-issuance of PAYGO Note and non-payment of other assistance, or, if the PAYGO Note has already been issued, delaying, reducing and/or ceasing PAYGO Note payments.

11. Minimum Assessment Agreement: the Developer will execute and record against the Property a Minimum Assessment Agreement pursuant to which the Property and Minimum Improvements will be assessed based on a minimum market value set forth in the Development Agreement.

12. Miscellaneous:

- a. Transfer of the Property or of the Development Agreement or PAYGO note payments will be subject to EDA consent except for certain limited exceptions including mortgage financing and rentals of housing units in the ordinary course of operations.
- b. Developer covenants to pay property taxes and maintain customary insurance.
- c. Developer will agree to accept Section 8 vouchers.
- d. Developer must keep all units in compliance with local codes and other applicable state and local building codes to ensure the units are decent, safe, and sanitary at all times.
- e. Developer and its agents must adhere to Equal Opportunity, Affirmative Marketing, and Fair Housing practices in all marketing efforts, eligibility determinations and other transactions. The Equal Housing Opportunity logo or statement ("We do business in accordance with the Federal Fair Housing Law. It is illegal to discriminate against any person because of race, color, religion, sex, handicap, familial status, or national origin.") must be used in all advertising of vacant units.
- f. Additional conditions of assistance remain under consideration.

The Developer acknowledges that except for Section 9 above which shall be binding upon the Developer, this Term Sheet shall not be deemed conclusive or legally binding upon either the Developer or the EDA, and neither the Developer nor the EDA shall have any obligations regarding the Property, the Minimum Improvements or the Public Assistance described herein, unless and until a definitive Development Agreement is approved by the EDA board and executed by both the Developer and the EDA.

DUFFY DEVELOPMENT COMPANY, INC.

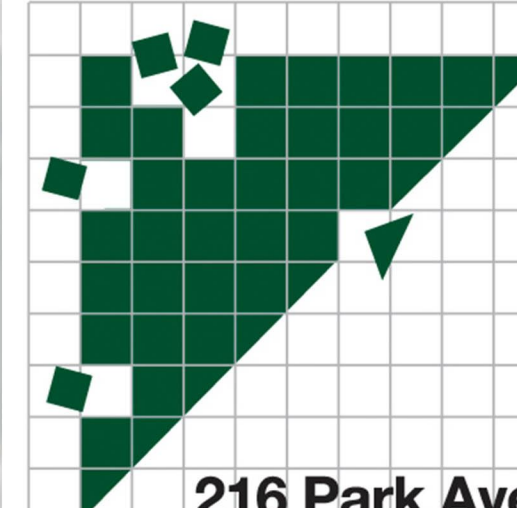
By: _____
Its: _____



TESSMAN RIDGE PHASE II

BROOKLYN PARK
MINNESOTA

Duffy
Development
Company, Inc.



COLE GROUP
ARCHITECTS

216 Park Avenue S., Suite 102 • St. Cloud, MN 56301
Phone: (320) 654-6570 Fax: (320) 230-6570

MEMORANDUM

TO: Sarah Abe, Development Project Coordinator
 FROM: Keith Dahl & Jason Aarsvold – Ehlers
 DATE: February 9, 2024
 SUBJECT: Duffy Development Phase II - Analysis of Financial Request

The Brooklyn Park EDA received a public financial assistance request from Duffy Development Company, Inc. (Duffy) to develop the second phase of Tessman Ridge Apartments located at the intersection of Tessman Parkway and 85th Avenue N. The apartment is proposed to be a 71-unit mixed-income development with market rate units and affordable units at or below 30% and 50% of the area median income (AMI) (the “Project”). The Project would consist of 1, 2, 3, and 4-bedroom units with an anticipated total development cost slightly over \$26 million.

Duffy intends to submit a low-income housing tax credit (LIHTC) application to Minnesota Housing through its competitive process known as the annual Multifamily Consolidated RFP/HTC Round 1. Applications are due the first part of July to Minnesota Housing, however prior to submittal, Duffy also intends to submit grant applications to the Metropolitan Council and Hennepin County.

The purpose of the LIHTC program is to leverage private capital and tax credit equity to support development of new affordable rental housing. Developers’ who utilize this program are required to maintain a specified number of units that meet both income and rent restrictions for 30 years. Income limits and rent maximums are derived by the United States Department of Housing and Urban Development on an annual basis. Generally, new income limits and rent maximums are released in April. Based on the proposed affordability levels in the Project, the maximum income and rent limits for 2023 for Hennepin County are noted below.

Income Limits by Household Size

	1	2	3	4	5	6	7	8
30%	26,100	29,820	33,540	37,260	40,260	43,230	46,230	49,200
50%	43,500	49,700	55,900	62,100	67,100	72,050	77,050	82,000

Maximum Gross Rents by Bedroom Size

	Studio	1	2	3	4	5	6
30%	652	699	838	969	1,080	1,192	1,304
50%	1,087	1,165	1,397	1,615	1,801	1,988	2,173

In addition, it's important to distinguish these maximum rents are inclusive of utility costs, commonly referred to as a utility allowance. These costs are basic utilities for households (electricity, gas, etc.), adjusted by bedroom size. If a tenant is required to directly pay for certain utilities, a developer will receive a portion of the maximum gross rent.



Project Overview:

Duffy has requested TIF assistance over a 15-year term and \$900,000 from the EDA in the form of a land writedown, deferred loan, fee waivers, or a combination of such. If awarded tax credits by Minnesota Housing, construction would commence in 2025. The Project is estimated to cost approximately \$26 million, or \$366,684 per unit.

Based upon our review, the requested public assistance amount requested is supported for the Project to become “financially feasible”. We’ve concluded that TIF assistance not to exceed 15-years projected at a present value of \$640,000 and up to \$900,000 from the EDA’s Housing Set-Aside Fund is supported for the Project under current market conditions. The tables below provide a summary of the sources and uses for the Project based upon the supported amount of public assistance.

SOURCES			
	Amount	Pct.	Per Unit
First Mortgage	6,604,000	25%	93,014
TIF Note	640,000	2%	9,014
Tax Credits	14,278,572	55%	201,107
Deferred Developer Fee (34% of Total Fee)	1,000,000	4%	14,085
EDA Housing Set-Aside	900,000	3%	12,676
Other Public Sources	2,611,965	10%	36,788
TOTAL SOURCES	26,034,537	100%	366,684

USES			
	Amount	Pct.	Per Unit
Acquisition Costs	803,000	3%	11,310
Construction Costs	19,551,300	75%	275,370
Professional Services	873,437	3%	12,302
Financing Costs	1,369,800	5%	19,293
Developer Fee	2,950,000	11%	41,549
Cash Accounts/Escrows/Reserves	487,000	2%	6,859
TOTAL USES	26,034,537	100%	366,684

Next Steps:

If the EDA ultimately supports the Project and the anticipated levels of public assistance, the next step would be for Duffy to submit their applications to the Metropolitan County, Hennepin County, and Minnesota Housing. Low-income housing tax credits are very competitive so there is a possibility it may take a few years for Duffy to receive an allocation to move the Project forward. Once Duffy is awarded tax credits, Ehlers will conduct another financial review and verification of the Project to determine the final recommended amount of public assistance. From there, final terms would be agreed upon between Duffy and the EDA, and the EDA would begin the process to establish a Housing Tax Increment Financing District.

Please contact Keith Dahl or Jason Aarsvold at 651-697-8500 with any questions.

City of Brooklyn Park Request for EDA Action

Agenda Item:	6.2	Meeting Date:	February 20, 2024
Agenda Section:	General Action	Prepared By:	Breanne Rothstein, Consultant
Resolution:	X		Malcolm Hicks, Business Development Coordinator
Attachments:	4		
Item:	Consider Approval of Amended and Restated Professional Services Agreement for Small Business Center Operations		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-_____ APPROVING AN AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT FOR SMALL BUSINESS CENTER OPERATIONS.

Overview:

Indred Alexander of I Alexander Agency is requesting an amendment to the professional services agreement for operations of the Brooklyn Park Small Business Center. The details of the amendment include added scope and increased fee. She is also requesting an amendment of the contract to be extended through 2025. The EDA approved the terms for this current contract in March of 2023, included a lump sum payment of \$25,000 a month to operate the center, according to the estimated needed scope, and is slated to expire end of 2024.

Background:

The EDA approved terms for a contract for the Brooklyn Park Small Business Center (BPSBC) operations with I Alexander Agency at the EDA meeting in March of 2023. The approved terms are as follows:

Duration: Rest of 2023 and through 2024

Cost: \$25,000 per month

Scope:

- 300 hours per month total of staff presence at center (2 FTEs) (one person physically present during normal business hours and special events after hours) including: - full time operations manager - part time desk staff (hired by Indred)
- Day to day management of the people in the space
- Management of vendor work (IT, janitorial, TA, marketing)
- Mail and delivery management
- Event coordination
- Management of members (Fob activation/deactivation, new agreements, expiring agreements)
- Use and work through CoWorks app (communications, member management)

In March of 2023, the Center had not opened and there was no day-to-day experience with running the center. Staff put together an estimate of budget and staffing needs at that time and executed the contract according to those terms approved by EDA.

In August of 2023, the BPSBC opened its doors. Indred Alexander, the center director and operator, has built a team around the needs of the members and community at the small business center. Membership, community interest, and partnership interests continues to grow monthly.

Primary Issues/Alternatives to Consider:

- **What is the status of the current operational contracts?**

The current contract with the operator anticipated 2.5 FTEs at a consulting rate of \$25,000 per month. In March of 2023, the EDA also approved terms for a third party fiscal agent and a third party technical assistance provider at \$4,200 a month. The technical assistance contract was not executed and the fiscal agent contract is set to expire at end of February.

- **What is the request for amendment?**

Indred Alexander has submitted a request for amendment of the existing contract (track changes included as an attachment) to include the following amendments:

#1 – Extend the contract through the end of 2025. The current contract is set to expire end of 2024.

#2 – Increase the scope of the contract to include necessary operation items that the team has been undertaking out of scope. The original operations scope did not include:

- 1) Construction and Property Management. Indred's team is managing all on-site maintenance and on-going construction issues, and has since October 1.
- 2) Fundraising and Advocacy. Indred and her team have been involved in taking meetings and having sponsorship discussions with potential partners.
- 3) Technical Assistance (TA) for businesses. Originally envisioned as a separate contract for managing and organizing all TA, Indred's team has taken on this role including participation in Co-starters, coordinating Elevate Hennepin providers, and connecting businesses to digital and other contractors.
- 4) Added Event Planning and Coordination services. The scope of event coordination is much greater than original contracted.
- 5) Reception/presence at front desk. Due to tours and after hours events, Indred's team usually has 3 to 4 staff on site during the work days and at least one person on site until 8 p.m. or later, twice as much as originally contracted.
- 6) Added Vendor, invoice, and financial coordination. Due to the more than anticipated vendor coordination, Indred's team has been managing work product and coordinating payment between EDA and the vendors.

#3 – Increase the fee to \$50,000 per month through 2024. For 2025, Indred is also requesting a budget \$78,000 per month to accommodate full staff complement. It is anticipated that the 2025 portion of this request would be considered in the 2025 EDA budget approval and would accompany secured financial commitments from project sponsors/partners, therefore is not included in the contract request as written.

#4 –Continue to receive monthly payments at the beginning of the month. Standard practice per City policy is to pay 30 days after delivery of services and receipt of invoice to ensure receipt of services and proper documentation. Small businesses often struggle to manage cash flow and payroll when payment is received after services and so there is an equity and economic development argument to providing a working capital payment. Therefore, a \$50,000 working capital payment is included in this proposed contract amendment. The Finance Director does not recommend a working capital payment due to the risk of not receiving the services.

#5 – Clarify language in the contract around ownership of products and relationship of the parties

#6 – Adjust the contract termination language to allow the contractor to terminate the agreement in the same manner the EDA is allowed.

I Alexander has also requested changes to the insurance section of the contract. Staff will consider this request.

- **What is the impact to the budget?**

In November of 2023, the EDA approved the overall small business center budget, allocating almost \$840K to operation expenses. The approved budget is attached for your review and shows a breakdown of the estimates that went into the approved budgeted amount. When these budget sheets were drafted and approved, it was anticipated that lease costs and CAM costs would be charged to the Small Business Center in 2024. Based on available cash flow in the funds, we have not charged those costs to the project. One way to absorb the increase in operations contract is to eliminate those costs

from the 2024 expenses. Since the EDA owns the Northwind Plaza, and the Plaza does well from a cash flow standpoint without the lease/CAM costs, that strategy doesn't have a negative impact on the EDA's fund or ability to make the interfund loan payment to the EDA General Fund (502). That was the 2022 and 2023 strategy. Elimination of those costs would compensate for the increased in operations costs for the remaining of 2024 and does not require a budget amendment action by the EDA given these expenses remain within the same budget category of other contractual services.

Budgetary/Fiscal Issues:

In November of 2023, the EDA approved the 293 - Small Business Center operations fund budget, showing a \$250,000 transfer from the EDA General Fund to the 293 SBC operating fund. Below is a revised budget summary, based on removal of lease and CAM costs as expenses and updated projections of revenue and expenses.

293 Budget Summary	2024 Approved Budget with additional detail	Proposed Re-Allocation 2024 Budget Detail
REVENUE		
EDA Transfer/Donation	\$250,000	\$250,000
Other Revenue (memberships, charges, etc)	\$600,428	\$473,867
Total Revenue	\$850,428	\$723,867
EXPENSES		
I Alexander Contract	\$300,000	\$550,000
Other Contracts/Vendors	\$223,867	\$113,867
Lease/CAM to Northwinds	\$314,000	0
Total Expenses	\$837,876	\$723,867

Recommendation:

The Executive Director of the EDA recommends approval.

Attachments:

- 6.2A Resolution
- 6.2B 2024 Small Business Center Operating Budget (Fund 293)
- 6.2C Amended and Restated Amendment
- 6.2D Amended and Restated Agreement – Redline from Original (To be available Monday)

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

RESOLUTION #2024-_____

APPROVING AN AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT
FOR SMALL BUSINESS CENTER OPERATIONS

WHEREAS, the Brooklyn Park Economic Development Authority (the "Authority"), a public body corporate and politic, was created pursuant to Minnesota Statutes, Sections 469.090 to 469.108 (the "EDA Act"), and possesses all 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, the EDA has created the Small Business Center, a flexible and accessible environment for a wide range of businesses with a particular focus on providing services that assist and enhance opportunities for business owned by women, immigrants, and Black, Indigenous, and People of Color (BIPOC) in the community, providing more avenues for residents and businesses that face the highest barriers to access resources, build wealth, and investment in themselves and their community through entrepreneurship and business ownership; and

WHEREAS, in 2023, the EDA Board approved a Professional Services Agreement (the "Original Agreement") with the Indred Alexander Insurance Agency, LLC (the "Contractor") to manage the Small Business Center Facility; and

WHEREAS, the EDA seeks additional services from the Contractor in exchange for agreeing to certain amendments to the Original Agreement and additional compensation, and it is therefore necessary to amend and restate the Original Agreement to enter in to the attached Amended and Restated Agreement (the "Agreement");

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

1. The Agreement is hereby in all respects authorized, approved, and confirmed, and the proper EDA officials are hereby authorized and directed to execute the Agreement for and on behalf of the EDA in substantially the form of the attached Agreement but with such modifications as shall be deemed necessary, desirable, or appropriate, by the proper City officials and Legal Counsel of the EDA, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.
2. The Executive Director of the EDA and the proper EDA officials are hereby authorized to execute and deliver any and all documents deemed necessary to carry out the intentions of this resolution and the Agreement.

Account	Account Description	2021 Actual Amount	2022 Actual Amount	2023 Amended Budget	2023 Actual Amount	2024 Department Requested	2025 Department Requested
Fund 293 - Small Business Center							
EXPENSE							
Department 21 - Community Development							
Supplies							
6206	Operating Supplies	.00	.00	10,000.00	7,667.71	8,000.00	.00

Budget Transactions							
Level	Transaction	Number of Units	Cost Per Unit	Total Amount			
Department Requested	Building Security	1.0000	4,620.00	4,620.00			
Department Requested	CAM	1.0000	200,000.00	200,000.00			
Department Requested	Cleaning	1.0000	41,520.00	41,520.00			
Department Requested	Comcast Internet	1.0000	4,680.00	4,680.00			
Department Requested	Department Requested	1.0000	2,088.00	2,088.00			
Department Requested	Employer Tax	1.0000	60,000.00	60,000.00			
Department Requested	General Maintenance Contract	1.0000	1,500.00	1,500.00			
Department Requested	Human Resources Software	1.0000	4,548.00	4,548.00			
Department Requested	IT Managed Services	1.0000	19,800.00	19,800.00			
Department Requested	Lease/Rent	1.0000	114,000.00	114,000.00			

Department Requested	Marketing & Advertising	1.0000	30,120.00	30,120.00
Department Requested	Networking, Workshops	1.0000	5,000.00	5,000.00
Department Requested	Operator Management Fee	1.0000	300,000.00	300,000.00
Department Requested	Tech Assistance	1.0000	50,000.00	50,000.00
Department Requested Totals				\$837,876.00

Contractual services Totals

\$0.00	\$0.00	\$490,000.00	\$185,184.72	\$837,876.00	\$837,876.00
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Other charges

6802 Bank Fees

.00	1.15	.00	.00	.00	.00
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Other charges Totals

\$0.00	\$1.15	\$0.00	\$0.00	\$0.00	\$0.00
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Department **21 - Community Development** Totals

\$0.00	\$1.15	\$500,000.00	\$195,704.43	\$845,876.00	\$837,876.00
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EXPENSE TOTALS

\$0.00	\$1.15	\$500,000.00	\$195,704.43	\$845,876.00	\$837,876.00
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Fund **293 - Small Business Center** Totals

REVENUE TOTALS

\$0.00	(\$240.48)	\$500,000.00	(\$12.52)	\$850,429.00	\$850,429.00
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EXPENSE TOTALS

\$0.00	\$1.15	\$500,000.00	\$195,704.43	\$845,876.00	\$837,876.00
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Fund **293 - Small Business Center** Totals

\$0.00	(\$241.63)	\$0.00	(\$195,716.95)	\$4,553.00	\$12,553.00
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Account	Account Description	2021 Actual Amount	2022 Actual Amount	2023 Amended Budget	2023 Actual Amount	2024 Department Requested	2025 Department Requested
Fund 293 - Small Business Center							
REVENUE							
	Investment income						
4802	Investment Income	.00	12.52	.00	(12.52)	.00	.00
4808	Change in Market Value-Invest	.00	(253.00)	.00	.00	.00	.00
	Investment income Totals	\$0.00	(\$240.48)	\$0.00	(\$12.52)	\$0.00	\$0.00
	Other revenue						
4824	Donations	.00	.00	.00	.00	250,000.00	250,000.00

Budget Transactions				
Level	Transaction	Number of Units	Cost Per Unit	Total Amount
Department Requested	Small Business Center Funding from 502	1.0000	250,000.00	250,000.00
Department Requested Totals				\$250,000.00

4845	Lease income	.00	.00	250,000.00	.00	416,691.00	416,691.00
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Budget Transactions				
Level	Transaction	Number of Units	Cost Per Unit	Total Amount
Department Requested	Large Conference Room Space	1.0000	3,000.00	3,000.00
Department Requested	Mailboxes	1.0000	9,000.00	9,000.00
Department Requested	Medium Conference Room Space	1.0000	4,500.00	4,500.00
Department Requested	Office	1.0000	172,262.40	172,262.40
Department Requested	Retail	1.0000	212,928.00	212,928.00
Department Requested	Small Conference Room Space	1.0000	1,500.00	1,500.00
Department Requested	Training Room Full	1.0000	9,000.00	9,000.00
Department Requested	Training Room Partial	1.0000	4,500.00	4,500.00
Department Requested Totals				\$416,690.40

4845.01	Lease income Charges for service	.00	.00	.00	.00	183,738.00	183,738.00
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Budget Transactions						
Level	Transaction			Number of Units	Cost Per Unit	Total Amount
Department Requested	Daily Plan			1.0000	4,500.00	4,500.00
Department Requested	Dedicated Desk			1.0000	54,000.00	54,000.00
Department Requested	Digital Signage			1.0000	8,400.00	8,400.00
Department Requested	Extra Printing Cost			1.0000	1,458.00	1,458.00
Department Requested	Extra Storage			1.0000	13,860.00	13,860.00
Department Requested	Hot Desk			1.0000	57,600.00	57,600.00
Department Requested	Locker Boxes			1.0000	4,320.00	4,320.00
Department Requested	Networking Events			1.0000	4,800.00	4,800.00
Department Requested	Organizational Coworking			1.0000	25,500.00	25,500.00
Department Requested	Student Membership			1.0000	1,800.00	1,800.00
Department Requested	Virtual Mailing Address			1.0000	7,500.00	7,500.00
Department Requested Totals						\$183,738.00

Other revenue Totals		\$0.00	\$0.00	\$250,000.00	\$0.00	\$850,429.00	\$850,429.00
Transfers in							
5450	Transfers in	.00	.00	250,000.00	.00	.00	.00
Transfers in Totals		\$0.00	\$0.00	\$250,000.00	\$0.00	\$0.00	\$0.00
REVENUE TOTALS		\$0.00	(\$240.48)	\$500,000.00	(\$12.52)	\$850,429.00	\$850,429.00

**BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
AMENDED AND RESTATED
PROFESSIONAL SERVICES AGREEMENT**

This agreement is made this the ____ day of March, 2024 , by and between I Alexander Agency LLC, DBA Life By Design Management (“Contractor”), a Minnesota limited liability company, and the Brooklyn Park Economic Development Authority (“EDA”), a public body corporate and politic under the laws of the State of Minnesota.

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

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

WHEREAS, Contractor has the necessary expertise to provide management of the facility; and

WHEREAS, on April 21, 2023, Contractor and the EDA entered into a Professional Services Agreement (the “Original Agreement”) wherein Contractor agreed to provide certain Services at the SBC for certain compensation; and

WHEREAS, the Parties wish to continue the relationship but desire to clarify certain terms and increase the Services provided and the amount of compensation; and

WHEREAS, the Parties now wish to enter into this Amended and Restated Agreement (this “Agreement”); and

In consideration of the mutual covenants and promises contained in this Agreement, Contractor and EDA agree as follows:

I. SCOPE OF SERVICES

The EDA agrees to engage Contractor for the following activities: (the “Services”). Provide a staff person on site for at least 1,000 hours per month (approximately 6 FTE’s) including all hours of operation of the SBC and during all special events. Such staff will include, and provide Services including, at a minimum:

Executive Director: (Indred Alexander) (.75 FTE)

- Plans, directs, and oversees the Small Business Center, and ensures that deliverables and functionality are achieved as defined in the Small Business Center Operators Agreement, funding documentation, and subsequent Small Business Center plans.
- Maintains accountability for the management of all resources assigned to the Small Business Center.
- Works closely with Wellington management to oversee and manage the operations within budget, including opportunities for cost containment.

- Serves as the primary liaison between the Small Business Center and the Small Business Center Sponsor (EDA).
- Manages both service and process quality activities for the Small Business Center.
- Provides insight into Small Business Center health by reviewing process and product activities for adherence to standards and plans.
- Works with EDA staff to prepare an annual budget.
- Solicits input and feedback from business, both members and non- members, to guide operations, including performing routine surveys.
- Participates in an in-depth Program Evaluation, anticipated for Summer 2023.
- Provides construction and maintenance management of the tenant space.
- Provides fundraising and advocacy, develops relationships, conducts tours, and generates revenue/sponsorship support for the center.
- Oversees property management operation, including coordinating work to be completed on the building or space.
- Manages the work of the subcontractors that the EDA contracts and pays.
- Designs, develops, and implements technical assistance and services for members.
- Performs all other related duties as required.

Community Management Team: (3.25 FTE)

- Community Management Team plays a vital role as the faces members will see most. They will shape the culture and community of BPSBC.
- Responsible for day-to-day operations of the facility.
- Provides support to members, and directly impacts membership growth and retention.
- Manages communications and relationships with members, making sure the facility is inviting and productive.
- Serves as representative to the broader community and facilitates activities that build community awareness and public support.
- Collaborates with the Marketing Team to plan and promote monthly events to draw in new members and allow current members to network and connect.
- Coordinates member and third-party events, serving as the primary contact for organizations and groups using the facility to host events.
- Manages billing, door access, event management, and resource management using

coworking software operating system.

- Manages third party tools and resources that are available to the member community.
- Coordinates and manages new member onboarding and member interactions.
- Schedules, sets up, and coordinates the smooth facilitation of all networking events, training activities, small business technical assistance.
- Oversees the administrative task of sorting, notifying, and delivering mail/packages to departments and members within the center. Maintains and organizes mailroom with packages, envelopes, and other items.
- Ensures adequate availability of supplies and the maintenance of the Mailroom, Breakroom, and all other related storage rooms.
- Operates/uses and manages the Center's photocopier, fax and scanning machines, and all print room activities/functions.
- Ensures recruitment, day of, and support for all events hosted by the center or by members.
- Assists in event coordination and programming.
- Greets and guides members and guests.
- Ensures security protocols by monitoring front door.
- Membership assistance or guidance with member services.

Marketing/Sales/Communications Team: (2 FTE)

- Markets and advertises co-working space and events on social media and through other local marketing channels.
- Manages email marketing communications including a newsletter.
- Plans and manages marketing budget for the facility, marketing activities and member engagement activities.
- Execute and maintain the marketing strategy.
- Manages marketing communications.
- Act as a liaison with City's Communication Department.
- Manages marketing and advertising vendors and budgets.
- Manage internal and external communications and publicity opportunities.
- Assists Community Management Team with event planning and internal events.
- Manage outside sales activities and relationships that include memberships, internal sponsorships, digital marketing, space, and workshop opportunities.

Sales Manager

- Manages outside sales activities and relationships that include memberships, internal sponsorships, digital marketing, space, and workshop opportunities.

II. DELIVERABLES AND REPORTING

1. CONTRACTOR will submit a monthly membership report that includes member name(s), business name, type of business and services provided, number of employees, membership type and date joined.
2. CONTRACTOR will submit to the EDA a quarterly report including the following:
 - Number of members at each level, and the percentage capacity filled at each level.
 - Number of canceled and new member contracts.
 - A narrative of successes.
 - A narrative of identified places for improvement.
 - Needs/requested areas of support.
 - Updated staffing plan for the upcoming quarter with names of staff people, roles, titles, weekly work schedule (hours) and work duties.
3. CONTRACTOR will submit an annual report by June 1 of each year including the results of a member survey. Contractor will design the survey with input from the EDA.

III. COMPENSATION AND TIMING OF PAYMENT

Upon signing of this Agreement, EDA will provide Contractor \$50,000 for working capital. Thereafter, the City will pay Contractor a total of \$50,000 per month for the above-described services and deliverables, with a re-evaluation of payment with the 2025 budgeting process and based on secured revenue sources. Contractor will submit invoices for payment, which may be submitted either once per month for a \$50,000 payment or twice per month for \$25,000 payments. Payment will be made within thirty days of receipt of an invoice. In recognition of receipt of the working capital, Contractor will submit invoices for the final month of Services but will not receive payment. The compensation is based on the estimated hours projected to complete the scope of services and deliverables by the contractor and contractor's staff.

IV. TERM AND TERMINATION

1. Period of Performance. This Agreement shall terminate on December 31, 2025.

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

V. CONTRACT PERFORMANCE AND MODIFICATION

1. Assignment. For all work provided for under this Agreement, Contractor shall not assign its rights or obligations without receiving the express written consent of EDA.
2. Amendments. The terms of this Agreement may be changed or modified by mutual agreement of EDA and Contractor. Such amendments, changes, or modifications shall be effective only on the execution of written amendment(s) signed by EDA and Contractor.

VI. WORK PRODUCT

All reports, data, materials, information, and other work products ("EDA information") prepared and developed in connection with the provision of services contemplated in this Agreement shall become the property of EDA. Such information does not include information about specific businesses who are solicited for membership or become members. Contractor may disclose EDA information to third parties provided that the EDA has approved such disclosure, which approval shall not be unreasonably withheld.

VI. MISCELLANEOUS PROVISIONS

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

Kim Berggren, kimberly.berggren@brooklynpark.org

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

Indred Alexander indred@ialexanderagency.com

3. Conflict of Interest. Contractor certifies that to the best of its knowledge, no EDA employee or employee or officer of any agency interested in this Agreement has any pecuniary interest in Contractor or with this Agreement and that no person associated with Contractor has any interest that would conflict in any manner or degree with the performance of this Agreement.
4. Relationship of the Parties. This Agreement shall not constitute, create, give effect to, or

otherwise imply a joint venture, partnership, or formal business organization of any kind between EDA and Contractor. Other than as necessary to perform the duties described herein, Contractor shall act as an independent contractor and not as an agent for the EDA, and Contractor shall not have any authority to bind the EDA.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principles. Each Party irrevocably submits to the jurisdiction of the federal or state courts in Hennepin County, Minnesota for the purposes of any suit, action or other proceeding arising out of this Agreement and each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the federal or state courts in the State of Minnesota.
6. Counterparts. This Agreement may be executed in several counterparts. If so executed, each of such counterparts shall be deemed an original for all purposes and all counterparts shall, collectively constitute an agreement. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.
7. Indemnification. To the fullest extent permitted by law, Contractor, agrees to indemnify and hold harmless EDA, its officers, agents, and employees from all claims, suits, or actions of any kind, nature, or character, and the reasonable costs, disbursements, and expenses of defending the same, including but not limited to, reasonable attorneys' fees, consulting project management services, and other technical, administrative or professional assistance to the extent caused by the negligence, breach of contract or misconduct of Contractor or its subcontractors, agents, or employees under this Agreement or arising out of the failure to obtain or maintain the insurance required by this Agreement.

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

8. Insurance. Contractor, and all sub-contractors, will maintain insurance coverage for:
 - Worker's Compensation and Employer Liability: Coverage A as per state statute; and Coverage B.\$100,000 per accident, \$500,000 per disease, per policy year, and \$100,000 per employee. Contractor shall provide EDA with a current certificate of insurance.
 - General Liability in an amount of not less than \$1,000,000 per occurrence and \$2,000,000.00 in the aggregate and will provide information as to specific limits upon receipt of this signed Agreement. Contractor shall provide EDA with a current certificate of General Liability insurance. Such certificate shall list EDA as additional insureds and contain a statement that such policy of insurance shall not be canceled unless thirty (30) days written notice (ten (10) days' written notice for non- payment of premiums) is provided to EDA.
9. Compliance with Laws. Contractor shall exercise due professional care to comply with applicable federal, state and local laws, rules, ordinances and regulations.

10. Entire Agreement. This Agreement, any attached exhibits and any addenda or amendments signed by the parties shall constitute the entire agreement between EDA and Contractor and supersedes any other written or oral agreements between EDA and Contractor. This Agreement can only be modified in writing signed by EDA and Contractor.
11. Data Practices Act Compliance. Any and all data provided to Contractor, received from Contractor, created, collected, received, stored, used, maintained, or disseminated by Contractor pursuant to this Agreement shall be administered in accordance with, and is subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.
12. Audit Disclosure. The Contractor must allow the City, or its duly authorized agents, and the state auditor or legislative auditor reasonable access to the Contractor's books, records, documents, and accounting procedures and practices that are pertinent to Services provided under this Agreement for a minimum of six years from the termination of this Agreement.
13. No Discrimination. Contractor agrees not to discriminate in providing products and services under this Agreement on the basis of race, color, sex, creed, national origin, disability, age, sexual orientation, status with regard to public assistance, or religion. Violation of any part of this provision may lead to immediate termination of this Agreement.
14. Waiver. No waiver of any provision or of any breach of this Agreement shall constitute a waiver of any other provisions or any other or further breach, and no such waiver shall be effective unless made in writing and signed by an authorized representative of the party to be charged with such a waiver.
15. Headings. The headings contained in this Agreement have been inserted for convenience of reference only and shall in no way define, limit, or affect the scope and intent of this Agreement.
16. Severability. In the event that any provision of this Agreement shall be illegal or otherwise unenforceable, such provision shall be severed, and the balance of the Agreement shall continue in full force and effect.

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

CONTRACTOR

**BROOKLYN PARK ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Indred Alexander

By: _____
Kim Berggren, Executive Director

BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
AMENDED AND RESTATED
PROFESSIONAL SERVICES AGREEMENT

This agreement is made this the ~~21st~~ day of ~~April~~March, ~~2023~~2024, by and between I Alexander Agency LLC, DBA Life By Design Management ~~and~~ ("Contractor"), a Minnesota limited liability company, and the Brooklyn Park Economic Development Authority ("EDA"), a public body corporate and politic under the laws of the State of Minnesota.

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

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

WHEREAS, Contractor has the necessary expertise to provide management of the facility;
and

WHEREAS, on April 21, 2023, Contractor and the EDA entered into a Professional Services Agreement (the "Original Agreement") wherein Contractor agreed to provide certain Services at the SBC for certain compensation; and

WHEREAS, the Parties wish to continue the relationship but desire to clarify certain terms and increase the Services provided and the amount of compensation; and

WHEREAS, the Parties now wish to enter into this Amended and Restated Agreement (this "Agreement"); and

In consideration of the mutual covenants and promises contained in this Agreement, Contractor and EDA agree as follows:

I. SCOPE OF SERVICES

The EDA agrees to engage Contractor for the following activities: (the "Services").
 — Provide a staff person on site for at least ~~300~~1,000 hours per month (approximately 6 FTE's) including all hours of operation of the SBC and during all special events. Such staff will include, and provide Services including, at a minimum:

○ Executive Director: (Indred Alexander): ~~responsible for the following tasks: (.75 FTE)~~

- Plans, directs, and oversees the Small Business Center, and ensures that deliverables and functionality are achieved as defined in the Small Business Center Operators Agreement, funding documentation, and subsequent Small Business Center plans.
- Maintains accountability for the management of all resources assigned to

the Small Business Center.

- Works closely with Wellington management to oversee and manage the operations within budget, including opportunities for cost containment.
- Serves as the primary liaison between the Small Business Center and the Small Business Center Sponsor (EDA).
- Manages both service and process quality activities for the Small Business Center.
- Provides insight into Small Business Center health by reviewing process and product activities for adherence to standards and plans.
- Works with EDA staff to prepare an annual budget.
- Solicits input and feedback from business, both members and non-members, to guide operations, including performing routine surveys.
- Participates in an in depth Program Evaluation, anticipated for Summer 2023.
- Provides construction and maintenance management of the tenant space.
- Provides fundraising and advocacy, develops relationships, conducts tours, and generates revenue/sponsorship support for the center.
- ~~Performs all other related duties as required~~ Oversees property management operation, including coordinating work to be completed on the building or space.

~~Manager (Full-time)~~

- Manages the ~~entire~~ work of the subcontractors that the EDA contracts and pays.
- Designs, develops, and implements technical assistance and services for members.
- Performs all other related duties as required.

Community Management Team: (3.25 FTE)

- Community Management Team plays a vital role as the faces members will

see most. They will shape the culture and community of BPSBC.

- Responsible for day-to-day operations of the ~~Center and leads in all technical disciplines and service delivery of the Small Business Center~~ facility.
- Provides support to members, and directly impacts membership growth and retention.
- Manages communications and relationships with members, making sure the facility is inviting and productive.
- Serves as representative to the broader community and facilitates activities that build community awareness and public support.
- Collaborates with the Marketing Team to plan and promote monthly events to draw in new members and allow current members to network and connect.
- Coordinates member and third-party events, serving as the primary contact for organizations and groups using the facility to host events.
- Manages billing, door access, event management, and resource management using coworking software operating system.
- Manages third party tools and resources that are available to the member community.
- Coordinates and manages new member onboarding, and member interactions.
 - ~~Coordinates, manages and supervises all vendor performance.~~
 - ~~Ensures IT and Digital Systems provide a great user experience of the Center network infrastructure.~~
 - ~~Performs network architecture, database, software development, security, testing, key FOB management, change & replacement management, release management, and all other technical areas of the Center network infrastructure and security systems.~~
 - ~~Provides managerial and technical support to the Director, implements/executes all policies, processes, and procedures, manages, and coordinates all activities between the Center stakeholders.~~
 - ~~Manages and coordinates all business relationships, activities and transactions between selected vendors and all other service providers in direct consultation with the Director.~~
 - ~~Performs all aspects of engagements, marketing, public information dissemination, public and members service delivery, membership fees, public fees, and any other related financial requirements/transactions in direct consultation with the Director.~~
 - ~~Performs all other related duties as required.~~

~~○ Assistant Manager~~

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

~~○ Center Facilitators~~

- Schedules, sets up, and coordinates the smooth facilitation of all networking events, training activities, small business technical assistance.
- Oversees the administrative task of sorting, notifying, and delivering mail/packages to departments and members within the center. Maintains and organizes mailroom with packages, envelopes, and other items.
- Ensures adequate availability of supplies and the maintenance of the Mailroom, Breakroom, and all other related storage rooms.
- Operates/uses and manages the Center's photocopier, fax and scanning machines, and all print room activities/functions.
- Ensures recruitment, day of, and support for all events hosted by the center or by members.
- Assists in event coordination and programming.
- Greets and guides members and guests.
- Ensures security protocols by monitoring front door.
- Membership assistance or guidance with member services.

Marketing/Sales/Communications Team: (2 FTE)

- Markets and advertises co-working space and events on social media and through other local marketing channels.
- Manages email marketing communications including a newsletter.
- Plans and manages marketing budget for the facility, marketing activities and member engagement activities.
- Execute and maintain the marketing strategy.
- Manages marketing communications.
- Act as a liaison with City's Communication Department.
- Manages marketing and advertising vendors and budgets.
- Manage internal and external communications and publicity opportunities.
- Assists Community Management Team with event planning and internal events.
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Sales Manager

- Manages outside sales activities and relationships that include memberships, internal sponsorships, digital marketing, space, and workshop opportunities.

II. DELIVERABLES AND REPORTING

1. CONTRACTOR will submit a monthly membership report that includes member name(s), business name, type of business and services provided, number of employees, membership type and date joined.
2. CONTRACTOR will submit to the EDA a quarterly report including the following:
 - Number of members at each level, and the ~~percent~~percentage capacity filled at each level.
 - Number of canceled and new member contracts.
 - A narrative of ~~Successes~~successes.

- A narrative of identified places for ~~improvement~~ **CONTRACTOR** improvement.
- Needs/requested areas of support.
- Updated staffing plan for the upcoming quarter with names of staff people, roles, titles, weekly work schedule (hours) and work duties.

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

III. COMPENSATION AND TIMING OF PAYMENT

Upon signing of this Agreement, EDA will provide Contractor \$50,000 for working capital. Thereafter, the City will pay Contractor a total of ~~\$25,000~~ \$50,000 per month for the above-described services and deliverables. ~~Payment to,~~ with a re-evaluation of payment with the 2025 budgeting process and based on secured revenue sources. Contractor will submit invoices for payment, which may be submitted either once per month for a \$50,000 payment or twice per month for \$25,000 payments. Payment will be made within thirty days of receipt of an invoice. In recognition of receipt of the working capital, Contractor ~~is due on~~ will submit invoices for the ~~1st of every~~ final month, ~~starting June 1, 2023 and ending December 1, 2024~~ of Services but will not receive payment. The compensation is based on the estimated hours projected to complete the scope of services and deliverables by the contractor and contractor's staff.

IV. TERM AND TERMINATION

1. Period of Performance. This Agreement shall terminate on December 31, ~~2024~~ 2025.
2. Termination of Agreement. EDA and Contractor both shall have the right to terminate this Agreement at any time and for any reason by submitting written notice of termination to the other party at least sixty (60) calendar days prior to the specified effective date of the termination. In addition, the EDA and Contractor shall have the right to terminate this Agreement on twenty (20) calendar days written notice if EDA's or Contractor's performance is not timely or is substantially unsatisfactory or if Contractor has violated any of the terms, conditions, or agreements contained in this Agreement. ~~In either event, on~~ Upon the termination of this Agreement, all finished and unfinished documents and work papers prepared by Contractor pursuant to this Agreement shall become the property of EDA ~~and,~~ subject to disclosure by Contractor to third parties as reflected in Section VI herein. Contractor will be entitled to a pro-rata payment for services up to the date of termination.

V. CONTRACT PERFORMANCE AND MODIFICATION

1. Assignment. For all work provided for under this Agreement, Contractor shall not assign its rights or obligations without receiving the express written consent of EDA.
2. Amendments. The terms of this Agreement may be changed or modified by mutual agreement of EDA and Contractor. Such amendments, changes, or modifications shall be effective only on the execution of written amendment(s) signed by EDA and Contractor.

VI. WORK PRODUCT

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

VI. MISCELLANEOUS PROVISIONS

1. EDA's Authorized Agent. The EDA's authorized agent for purposes of administration of this Agreement is:
 - ~~Kim Berggren, kimberly.berggren@brooklynpark.org~~
 - ~~The dedicated staff member for this Agreement is:~~
 - ~~Breanne Rothstein, Breanne.rothstein@brooklynpark.org~~
2. Contractor's Authorized Agent. Contractor's authorized agent for purposes of administration of this Agreement is:
 - Indred Alexander indred@ialexanderagency.com
3. Conflict of Interest. Contractor certifies that to the best of its knowledge, no EDA employee or employee or officer of any agency interested in this Agreement has any pecuniary interest in Contractor or with this Agreement and that no person associated with Contractor has any interest that would conflict in any manner or degree with the performance of this Agreement.

4. Relationship of the Parties. This Agreement shall not constitute, create, give effect to, or otherwise imply a joint venture, partnership, or formal business organization of any kind between EDA and Contractor. Other than as necessary to perform the duties described herein, Contractor shall act as an independent contractor and not as an agent for the EDA, and Contractor shall not have any authority to bind the EDA.
5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principles. Each Party irrevocably submits to the jurisdiction of the federal or state courts in Hennepin County, Minnesota for the purposes of any suit, action or other proceeding arising out of this Agreement and each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the federal or state courts in the State of Minnesota.
6. Counterparts. This Agreement may be executed in several counterparts. If so executed, each of such counterparts shall be deemed an original for all purposes and all counterparts shall, collectively constitute an agreement. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.
7. Indemnification. To the fullest extent permitted by law, Contractor, agrees to indemnify and hold harmless EDA, its officers, agents, and employees from all claims, suits, or actions of any kind, nature, or character, and the reasonable costs, disbursements, and expenses of defending the same, including but not limited to, reasonable attorneys' fees, consulting project management services, and other technical, administrative or professional assistance to the extent caused by the negligence, breach of contract or misconduct of Contractor or its subcontractors, agents, or employees under this Agreement or arising out of the failure to obtain or maintain the insurance required by this Agreement.

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

8. Insurance. Contractor, and all sub-contractors, will maintain insurance coverage for:
 - Worker's Compensation and Employer Liability: Coverage A as per state statute; and Coverage B.\$100,000 per accident, \$500,000 per disease, per policy year, and \$100,000 per employee. Contractor shall provide EDA with a current certificate of insurance.

- General Liability in an amount of not less than \$1,000,000 per occurrence and \$2,000,000.00 in the aggregate, and will provide information as to specific limits upon receipt of this signed Agreement. Contractor shall provide EDA with a current certificate of General Liability insurance. Such certificate shall list EDA as additional insureds and contain a statement that such policy of insurance shall not be canceled unless thirty (30) days written notice (ten (10) days' written notice for non- payment of premiums) is provided to EDA.
- 9. Compliance with Laws. Contractor shall exercise due professional care to comply with applicable federal, state and local laws, rules, ordinances and regulations.
- 10. Entire Agreement. This Agreement, any attached exhibits and any addenda or amendments signed by the parties shall constitute the entire agreement between EDA and Contractor and supersedes any other written or oral agreements between EDA and Contractor. This Agreement can only be modified in writing signed by EDA and Contractor.
- 11. Data Practices Act Compliance. Any and all data provided to Contractor, received from Contractor, created, collected, received, stored, used, maintained, or disseminated by Contractor pursuant to this Agreement shall be administered in accordance with, and is subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.
- 12. Audit Disclosure. The Contractor must allow the City, or its duly authorized agents, and the state auditor or legislative auditor reasonable access to the Contractor's books, records, documents, and accounting procedures and practices that are pertinent to Services provided under this Agreement for a minimum of six years from the termination of this Agreement.
- 13. No Discrimination. Contractor agrees not to discriminate in providing products and services under this Agreement on the basis of race, color, sex, creed, national origin, disability, age, sexual orientation, status with regard to public assistance, or religion. Violation of any part of this provision may lead to immediate termination of this Agreement.
- 14. Waiver. No waiver of any provision or of any breach of this Agreement shall constitute a waiver of any other provisions or any other or further breach, and no such waiver shall be effective unless made in writing and signed by an authorized representative of the party to be charged with such a waiver.
- 15. Headings. The headings contained in this Agreement have been inserted for convenience of reference only and shall in no way define, limit, or affect the scope and intent of this Agreement.
- 16. Severability. In the event that any provision of this Agreement shall be illegal

or otherwise unenforceable, such provision shall be severed, and the balance of the Agreement shall continue in full force and effect.

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

CONTRACTOR **BROOKLYN PARK ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____ Date: _____ By: _____

Indred Alexander Kim Berggren
~~Its:~~ Executive Director

CONTRACTOR

By: Its:

~~Indred Alexander~~

Date: _____

Final Contract - I Alexander

Final Audit Report _____ 2023-04-24

Created:	2023-04-24
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Padding cell	

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MEMORANDUM

DATE: February 15, 2024

TO: EDA Commissioners

FROM: Kim Berggren, EDA Executive Director

SUBJECT: Status Update

Overview:

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

BUSINESS DEVELOPMENT

Small Business Center



The Brooklyn Park SBC has continued in its growth as it reaches a total of 39 members through several networking events and other outreach strategies. The SBC expanded its services by creating a new presentation room that will allow for larger gatherings, workshops, and events. On February 8th, Mayor Hollies Winston utilized the newly arranged space to share his 2024 Legislative Overview, where he discussed his economic development

vision for the City of Brooklyn Park.

In collaboration with Hennepin County, the SBC is hosting the CEO Start Program, powered by CO. STARTERS a nationally recognized community-based approach to economic development. The program will be entering its 4th week of the cohort styled curriculum, geared towards turning local entrepreneurs passion and ideas into a tested concept ready to launch.



WCCO will be airing a segment on the BPSBC on February 22 on their morning show at 5, 5:30, 6, 6:30, and 7 a.m. They will featuring individual sections of the Center and membership offerings. Indred and one or two other members may be included in the segment.

Brooklyn Park Development Corporation

The Brooklyn Park Development Corporation is currently in the process of completing the applicant review for its second round of the Small Business Micro Loan. With over 40 applicants, the BPDC in partnership with Stearns Bank, looks to award up to \$400,000 in loans for the growth of Brooklyn Park's Small business community.

Brooklyn Park Business Council

The MetroNorth Chamber of Commerce, which serves over 700 businesses and organizations throughout the north metro area, has new leadership and additions to the Board of Directors.

Andrea Melberg Thompson, Major Gift Officer with Allina Health Foundation, is the 2024 Board Chair. Working with Andrea on the executive team are Vice Chair John Hacker with Design Ready Controls, Treasurer Kim Nybo with Kimberly A. Nybo Insurance Agency, Inc., and Past Chair Stefani Havel with Stefani Havel LLC.

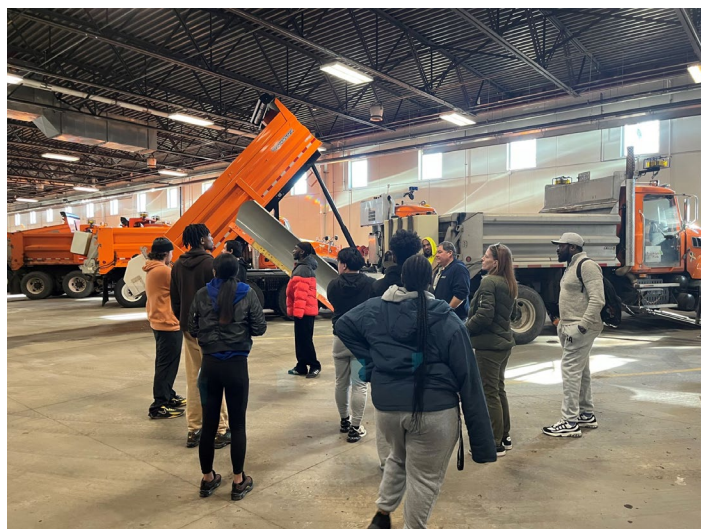
Two new members recently joined the Board: Kevin Lloyd, Gener Manager at Everon (ADT Commercial) and Josh Kuss, CFO at Walters Recycling & Refuse.

Continuing into 2024 on the Board of Directors are Abigail Johnson with TriNet, Alison Miles with Connexus Energy, Bob Hylland with MagnFi Credit Union, Chris Tiedeman with Weber Johnson Public Affairs, Heather Farr with The Vision Companies, Mike Kaeding with Norhart, Nate Klauser with Edward Jones, Scott Hanson with Mille Lacs Corporate Ventures.

The next Business Council Meeting will take place at the City Hall Chambers, March 28th beginning at 8:00 am and will feature Commissioner Jeffrey Lunde to share Hennepin County updates and opportunities.

WORKFORCE DEVELOPMENT

Career Pathways



On January 22nd BrookLynk launched its construction and trades career pathway program. In its second year the program expanded offering a 6-week work readiness training to prepare adults 18+ interested in a career in highway heavy construction and public works. During the training program participants attend classes at Hennepin Technical College to earn OSHA 10 certification and learn small engine repair skills. The program also partnered with local civil engineering firm PE Services to provide training on topics including intro to inspection, writing and communication, underground utility inspection, and concrete testing

and inspection. Upon completion of the training program, participants will receive ongoing job coaching, support services, and assistance with obtaining a class D driver's license or attending commercial driver's license (CDL) training provided by the Minnesota Department of Transportation (MnDOT). Additionally, participants that successfully complete the 6-week training program will be invited to apply for seasonal public works positions at the cities of Brooklyn Park, Brooklyn Center, and Golden Valley.



In addition to attending work readiness training participants toured the City of Brooklyn Park's water plant where they were introduced to Dan Ruiz, Director of Operation and Maintenance who shared his professional experience in public works. On February 14th, participants also visited the Local 49ers Union training center in Hinckley, MN. This year's program successfully enrolled twenty-two participants who will graduate on February 21st.

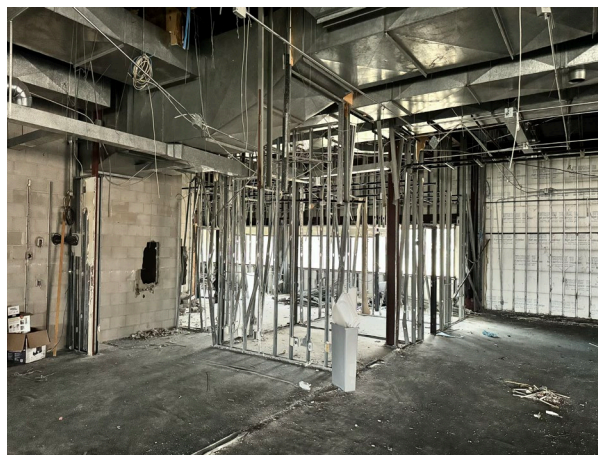
For more information on this program and other adult workforce development programs and services contact Carmen Bibiano, Career Pathways Program Manager carmen.bibiano@brooklynk.works.

OTHER

Community Development Block Grant (CDBG) Request for Proposals

The CDBG program funds are issued to various federal agencies annually by the U.S. Department of Housing and Urban Development (HUD). The funds are designed to promote economic development and housing stability in communities across the country primarily benefitting low to moderate income households. The City of Brooklyn Park is an entitlement city and therefore receives about \$400,000 annually that is used to finance the Home Rehab Deferred Loan Program and other capital improvement projects in the community. The Request for Proposals (RFP) was issued on January 18, 2024, and submissions for public service organizations that provide various programming activities in the community should be proposed to the County by February 15, 2024.

Library Demolition



In November 2023, the EDA authorized a contract for the demolition of the former Hennepin County Library located at 8600 Zane Ave N. The demolition contractor, Building Code Tech, has been working on asbestos remediation and removal of materials such as wiring and metal from the structure. Demolition is anticipated to begin the week of February 12 and be completed by the end of February. The structure is being demolished to make way for plans for a new fire station at that location.

American Rescue Plan Act (ARPA)

The City's strategic priorities related to the use of the ARPA funds are in progress in a variety of areas as staff and community partners continue to work to alleviate the aftermath of the COVID 19 pandemic. Initiatives directly implemented by staff in collaboration with community partners include violence interruption and intervention related activities. Specific programs include Health on the Go (HOTG), embedding mental health workers with the Police, and various youth related programs related to our Youth Entrepreneurship, Career Pathways programs and partnership with Brooklyn Bridge Alliance to address violence and public health related needs. Other programs include our city projects related to safety and emergency management, and programs aimed at specific youths in the community. Additionally, community partners who were awarded funding from the 2022 cohort to extend their work continue to deploy funds to directly address the needs of residents with a new cohort of organizations who were awarded funding in December 2023 preparing to begin work in the community in 2024.

Attachments:

7.1A BPSBC Member List



Brooklyn Park Small Business Center Member List

Business Name

- | | |
|--|---|
| 1. Workhorse Marketing | 20. Bahsco Global Holdings |
| 2. ENGAGEC COMMUNITY SERVICES | 21. Family Trust Home Health |
| 3. Fairy God Mother of Tech | 22. Universal Legends of Legacy |
| 4. Tambah & Sons Construction And Services LLC | 23. Push Strategist LLC |
| 5. Thrive LLC | 24. MN Zej Zog |
| 6. PSI | 25. ENGAGEC COMMUNITY SERVICES |
| 7. United Towing Recovery Roadside | 26. R.A. Legacy Enterprise Productions |
| 8. Scholar School LLC | 27. Mathumo Law Office PC |
| 9. Caminos Mental Health, LLC | 28. Shalom Transportation Network and Logistics llc |
| 10. JEM Consulting , GBC - member 1 | 29. Alapa |
| 11. JEM Consulting , GBC - member 2 | 30. Fourshadezholic@gmail.com |
| 12. JEM Consulting , GBC - member3 | 31. The Village BP |
| 13. Guaranteed America, LLC | 32. TMA Consulting LLC |
| 14. Life By Design Management | 33. Toni Arielle Haire Loft |
| 15. MFAM Capital LLC | 34. TNT Training |
| 16. Divine Beauty Co LLC | 35. ENGAGEC COMMUNITY SERVICES |
| 17. Paadio Inc | 36. Victor Jones Consulting LLC |
| 18. Benson Entertainment & Events | 37. Victorious LLC |
| 19. PWRME Athletica | 38. Beauty by Whitney |



MEMORANDUM

DATE: February 15, 2024

TO: EDA Commissioners

FROM: Kim Berggren, Executive Director

SUBJECT: Housing Update

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.

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. In the fiscal year 2024, the EDA allocated \$1 million for the home improvement programs administered by CEE. 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 80 loans amounting to over \$950,000 have been closed beginning January 2023 to December 31, 2023. 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. Additional details on loan usage and demographics breakdown will be shared in the March EDA meeting.

NEW HOUSING DEVELOPMENT PROJECTS

Real Estate Equities (Western Portion of 9500 Decatur Drive)

Phase II of this project is now moving forward. On January 9, Real Estate Equities (REE) was awarded a tax-exempt bond allocation from the Minnesota Office of Management and Budget (MMB). At the January 2024 EDA meeting, the EDA also approved a Tax Increment Financing (TIF) agreement for Phase II which included up to \$770,000 in TIF and \$2 million from the EDA's Housing Set Aside/TIF3 funds. The City Council will still need to hold a public hearing and consider approving various documents this spring related to the tax-exempt bond allocation from MMB. Construction on this project is anticipated to begin in Spring or early Summer 2024.

The Phase I TIF agreement was approved by the EDA in October and the bond documents were approved by the City Council on November 13. Phase I is also financed with a tax-exempt bond

allocation from MMB. REE has begun construction on this phase of the project. The total amount approved for Phase I was up to \$800,000 in TIF and a \$2 million loan from the EDA's Housing Set Aside Fund.

REE's project 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.

Work for Phase II will begin shortly if full funding can be secured. Duffy may begin preparing applications to Hennepin County's Affordable Housing Incentive Fund (AHIF) as well as the Metropolitan Council's Livable Communities Demonstration Account – Transit Oriented Development (LCDA-TOD) grant in February of 2024. Phase II is anticipated to include applying for additional financing and a separate land sale for the remainder of the property.

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 LCDA-TOD grant (awarded for Phase I, intending to apply for additional funds for Phase II), 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)

George Group North is still working to secure its funding, which requires re-applying for a tax-exempt bond allocation and re-securing funds from the EDA. Its Development Assistance Agreement with the EDA and a \$832,000 Livable Communities Development Grant from the Met Council expired on December 31, 2023. If this project receives state financing, the EDA could consider renewing its agreement with the developer.

The proposed Village Creek Apartments would be located on EDA-owned land at 7621 Brooklyn Boulevard. The proposal includes 83 units of mixed-income housing and a 10,000 square foot commercial component. The EDA first considered this project in 2018.

RE-HABILITATION PROJECTS

Huntington Place Apartments

The anticipated January community meeting at Huntington Place is on hold until Aeon can fill the vacant resident services position who coordinates the meeting. The Mayor, City Staff, Aeon representatives and 17 residents attended the October quarterly meeting and discussed both opportunities for residents as well as concerns that need to be addressed.

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 have been 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 almost completed and is expected to wrap up in the spring of 2024.

HOMEOWNERS' ASSOCIATIONS - HOAS

During the October 2nd City Council work session, staff presented information regarding how the city currently interacts with Homeowners Associations (HOAs) in Brooklyn Park. At the meeting Council Members heard from staff and an HOA attorney about the challenges that exist within HOA communities. Council Members directed staff to explore various ways of working with HOAs in the community to create a sense of accountability and access to needed resources for homeowners. Based on the feedback received at the HOA meetings and the Council work session, staff developed a plan that included creating a website for resident to access resources and connecting with a technical assistance provider to work with residents on HOA issues and questions. Both next steps are currently underway, and the webpage can be viewed on the city website link.

<https://www.brooklynpark.org/housing/homeowner-resources/homeowners-associations/>

OTHER HOUSING NEWS AND UPDATES

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.

New Tenant Protection Policies from the state of Minnesota

The state of Minnesota recently adopted into law several renter protection policies that will take effect on January 1, 2024. Additional details regarding these protections can be found at <https://homelinemn.org/public-policy/> or call at 612-728-5767.

Notice Before Nonpayment of rent Evictions takes effect January 1, 2024.

Landlords must issue a 14-day written notice before filing evictions for non-payment of rent, which account for approximately 90% of evictions. This notice must, among other things, state how much is owed, will provide tenants with more preparation time.

Eviction Expungement Reform takes effect on January 1, 2024. Previously, Eviction records were permanent, and few were expunged. It will be easier to get an expungement and many expungements are mandatory, including all evictions three years old. Any other ongoing Evictions can't be publicly reported until the case is final.

Fees Disclosure Requirement takes effect on January 1, 2024. Landlords must disclose all non-optional fees on both the front page of the lease and in any advertisements.

Heat Requirements takes effect on January 1, 2024. Between October 1 and April 30, landlords must maintain a minimum temperature of 68 degrees in rental units.

Privacy Rights Expanded effective January 1, 2024. Landlords must give a minimum of 24 hours' notice before entering a resident's unit, the penalty for violations is increased, and tenants can sue after moving and use it as a defense in an eviction action.

Emergency Repair List Expanded. As of January 1, 2024, Repair emergencies will now include a non-working refrigerator, air conditioning, and serious infestations.

Court Fees Reduced for Emergency Cases as of January 1, 2024, Court fees have been reduced from approximately \$300 to around \$70 for two types of emergency rental housing cases such as Emergency Tenant Remedies Actions and Lockout Petitions.

Ability to End Lease for Medical Issues as of January 1, 2024. In limited circumstances, this law allows a tenant to end their lease early to move into a medical facility with two months' notice.

Right to Counsel in Public Housing Breach-of-Lease Evictions as of August 1, 2023. A tenant in public housing is entitled to free representation in a breach of lease case.

No Pet Declawing and Devocalization Allowed as of January 1, 2024. If a landlord accepts pets, they won't be able to require either declawing or devocalization.

Right to Move-in and Move-Out Inspections as of January 1, 2024. Tenants have a right to request both a move-in and a move-out inspection, minimizing security deposit disputes about damages.

No Forced Early Lease Renewals as of January 1, 2024. Landlords can't force the tenant to renew the lease more than 6 months before the lease is over.

Limitations on Crime-Free Ordinance Lease Provisions as of June 1, 2024, Landlords can't evict a tenant for committing most crimes if the crimes were committed somewhere other than on the property.

Community Housing Discussion Forum

Senator Susan Pha of Brooklyn Park convened a Housing Community Discussion on Thursday, January 25th, 2024, from 6-8 pm in the Brooklyn Park City Council Chambers. About 50 participants graced the occasion. Notable attendees included Commissioner Lunde, Commissioner Jennifer Ho, Commissioner Reva Chamblis, Dr. Johnson of AEON, several state senators and representatives and Council Member McGarvey. Additionally, several members representing local nonprofit organizations also attended.



At this Housing Community Discussion, community members, housing advocacy organizations, and legislators discussed in depth about the current housing situation in the communities. State senators and representatives shared various steps they have taken at the state legislature to address the affordable housing crisis in the state. Legislators further reported that they are currently working on legislation to address the discrimination of section 8 voucher and subsidy holders.

32nd Annual Brooklyn Park Real Estate Forum

The 32nd Annual Real Estate Forum will be held on March 7, 2024, at the Edinburgh Clubhouse from 8:00 am to 12:00 pm. The Real Estate Forum event brings together realtors and brokers from the Twin Cities region to discuss and learn about housing market trends and other development opportunities in the community as well as the region.

The keynote speaker will feature Senator Susan Pha whose speech will be centered around building and enriching emerging communities as well as David Arbit of the Minneapolis Area Association of Realtors who will lead the discussion on housing regional market trends. If you would like to attend, please contact John Kinara at john.kinara@brooklynpark.org or 763 493 8054.

Housing Information

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

- Key Facts on Housing 2022 (Minnesota Housing Partnership)
 - <https://mhponline.org/mhp-releases-key-facts-on-housing-2022/>
- Regional Housing Affordability Dashboard (Minneapolis Federal Reserve)

- <https://minneapolisfed.shinyapps.io/Itasca-Housing-Dashboard/> - Indicators
- <https://minneapolisfed.shinyapps.io/Itasca-Housing-Dashboard/> - Tracking three key goals for region
- Indicators for an Inclusive Regional Economy (disaggregated by cultural community) (Center for Economic Inclusion)
<https://indicators.centerforeconomicinclusion.org/>
- The applications dashboard provides data on the number of homeowners who have submitted financial assistance inquiries through www.homehelpmn.org
<https://homehelpmn.org/dashboard/>
- New Hennepin County link that provides comprehensive information on housing programs, activities, and policies.
<https://www.hennepin.us/housing/>

Staff Participation in Housing Groups

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

- 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

State of Housing in Black America Report

- The National Association of Real Estate Brokers has released its annual State of Housing in Black America Report. A summary of the report and a link to the full report can be found here:
<https://www.hocmn.org/blog-post/nareb-releases-2023-state-of-housing-in-black-america-report/>

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 and Training Program, (May 2019/August 2023)
- Mixed-Income Housing Policy (2017)
- Tenant Notification Ordinance (October 2019)
- Homeowner Programs re-vamp (2019)
 - Senior Deferred Loan Program
 - Down Payment Assistance Program (tripled investment in 2021)

- Code Correction Loan Program
- Revolving Loan Program
- Rental Rehabilitation Loan Program (for 1-16-unit rental properties. Details available at www.mncee.org/services/financing/brooklynpark/-1) (April 2020)
- Community Engagement and Environmental Sustainability Program (April 2020)
- Affordable Housing Preservation and Development Program (July 2019)
- Brooks Landing and Brook Gardens Rehabilitation Project (2019-2020)
- Park Villa Housing Improvement Area (HIA) Project
- Autumn Ridge Apartments Rehabilitation
- Evergreen Elevator Project (2022)
- Sunrise Court Second HIA Project (2022)

Attachments: N/A