

Monday, March 17, 2025

Immediately after Special City Council Work Session at 6:00 PM

EDA Work Session will follow the Regular EDA Meeting in Room A203

REGULAR EDA MEETING – AGENDA #3

President Hollies Winston, Vice President Nichole Klonowski, Treasurer Shelle Page,
Commissioners Christian Eriksen, Amanda Xiong, Maria Tran, and Tony McGarvey
Executive Director Tim Gladhill, 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 February 18, 2025, EDA Regular Meeting Minutes

A. FEBRUARY 18, 2025, DRAFT REGULAR MEETING MINUTES

4.2 Consider Approving the Greater Minneapolis St Paul Region Regional Economic Development Partnership (MSP) Investor Proposal for an Annual Investment of \$35,000.00

A. RESOLUTION

B. GREATER MSP INVESTOR LETTER

- 4.3** Consider Scheduling a Public Hearing on _____ for the Sale of EDA Owned Land Located at PID 0111921220094 for \$2,000.00
- A.** RESOLUTION (to be available Monday)
 - B.** APPRAISAL

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** Review Huntington Place Apartments Loan Forgiveness Request
- A.** RESOLUTION (to be available Monday)
 - B.** LETTER FROM WINTHROP & WEINSTINE ON BEHALF OF AEON BP LLC
 - C.** RENTER RESOURCES FLYER
 - D.** AEON (SELLER) TALKING POINTS
 - E.** MAS CAPITAL (BUYER) RESPONSES
 - F.** AEON LETTER TO CITY OF BP

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

7. DISCUSSION ITEMS

- 7.1** EDA Status Updates
- A.** MICROBUSINESS LOAN FLYER
 - B.** REAL ESTATE FORUM FLYER
- 7.2** Verbal Commissioner Reports and Announcements

Meeting will recess and reconvene in Room A203 for the Work Session. This portion will not be televised but will be audio recorded.

V. WORK SESSION

8. WORK SESSION ITEMS

- 8.1** Brooklyn Park Business Development Support, Retention, and Expansion Strategies
- 8.2** Discuss a Potential 4D (1) (1) Low-Income Rental Classification Program for the City of Brooklyn Park
- A.** VILLA DEL CORONADO PROPERTY TAXES ANALYSIS
 - B.** THE GROVES APARTMENTS PROPERTY TAXES ANALYSIS

VI. ADJOURNMENT

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

The Brooklyn Park Economic Development Authority's agenda and packet is posted on the City's website. To access the agenda and packet, go to www.brooklynpark.org.
The next scheduled EDA meeting is Monday, April 21, 2025.

City of Brooklyn Park Request for EDA Action

Agenda Item:	4.1	Meeting Date:	March 17, 2025
Agenda Section:	Consent	Prepared By:	Seng Moua, EDA Secretary
Resolution:	N/A	Presented By:	Tim Gladhill, Executive Director
Attachments:	1		
Item:	Consider Approving the February 18, 2025 EDA Regular Meeting Minutes		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO APPROVE THE FEBRUARY 18, 2025 EDA REGULAR MEETING MINUTES.

Overview: N/A

Primary Issues/Alternatives to Consider: N/A

Budgetary/Fiscal Issues: N/A

Attachments:

4.1A FEBRUARY 18, 2025 DRAFT REGULAR MEETING MINUTES

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
FEBRUARY 18, 2025, MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1A. CALL TO ORDER: Vice President Klonowski at 6:03 p.m.

ROLL CALL PRESENT: Vice President Nichole Klonowski, Treasurer Shelle Page and Commissioners Christian Eriksen, Amanda Cheng Xiong, Tony McGarvey, and Maria Tran. Staff: Executive Director Tim Gladhill, Senior Project Manager Dylan Armstead, Housing and Redevelopment Coordinator John Kinara, EDA Secretary Seng Moua, and EDA Attorney Joseph Sathe.

ABSENT/EXCUSED: President Hollies Winston.

1B. APPROVAL OF AGENDA

MOTION ERIKSEN SECOND PAGE APPROVING THE AGENDA AS PRESENTED. MOTION PASSED UNANIMOUSLY.

II. WORK SESSION

2. WORK SESSION ITEMS:

- 2.1 Review Huntington Place Apartments Loan Forgiveness Request
- A. Letter from Winthrop & Weinstine on Behalf of AEON BP LLC
 - B. Renter Resources Flyer
 - C. AEON (Seller) Talking Points
 - D. MAS Capital (Buyer) Responses
 - E. AEON Letter to City of BP

The meeting was recessed at 7:02 p.m. and reconvened at 7:08 p.m.

III. PUBLIC INVOLVEMENT:

3. PUBLIC COMMENT AND RESPONSE:

- 3A. Response to Prior Public Comment: Executive Director Tim Gladhill reported that there were no public comments at the last meeting.
- 3B. Public Comment: Executive Director Tim Gladhill summarized the letter received from a resident who requested that the EDA not forgive the Huntington Place loan that was discussed in worksession tonight. He stated that the letter will be entered into the record.
- 3C. Public Presentations: None.
- 3D. Public Announcements:

IV. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION:

4. CONSENT:

- 4.1 Consider Approving EDA Meeting Minutes.

- A. January 21, 2025 Draft Regular Meeting Minutes
- 4.2 Consider Appointing Commissioner Amanda Xiong as the Economic Development Authority Representative for the Brooklyn Park Development Corporation
 - A. Resolution
- ~~4.3 Consider Approving a Budget Amendment to the 2025 Budget to Include \$2,000,000 from the Housing Set Aside Account for Deferred Loan Obligation to Brooklyn Park AH, II LLLP (Decatur Landing II)~~
 - ~~A. Resolution~~
- 4.4 Consider Authorizing Submittal of a Grant Application in the Amount of \$250,000 and Execution of Agreement with Hennepin County for Transit Oriented Communities (TOC) Program Funding
 - A. Resolution
 - B. Location Map
 - C. Concept Designs
- 4.5 Consider Authorizing Submittal of a Grant Application to the Cities for Financial Empowerment Fund for the Summer Jobs Connect Initiative
 - A. Resolution
- 4.6 Consider Authorizing the Submittal of a Youth at Work Grant Application
 - A. Resolution
- ~~4.7 Consider Authorizing the Brooklyn Park Economic Development Authority to Enter into a Housing Management Agreement with Kimberly Homes, LLC and a Memorandum of Understanding with Kimberly Homes, LLC and Simpson Housing Services, Inc. Related to the Transitional Housing Facility Located at 7600 69th Avenue North~~
 - ~~A. Resolution~~
 - ~~B. Housing Management Agreement~~
 - ~~C. Memorandum of Understanding~~
- 4.8 Consider Approving the Dedication of Permanent and Temporary Easements Across the Northern Edge of 7601 and 7621 Brooklyn Boulevard to Hennepin County at the Intersection of Brooklyn Boulevard and Welcome Avenue
 - A. Resolution
 - B. CSAH 152 All Parcels Graphics
 - C. CSAH 152 Final Concept Plan

Commissioner McGarvey requested to remove Item 4.7 from the Consent Agenda for further discussion.

Commissioner Tran requested to remove Item 4.3 from the Consent Agenda for further discussion.

Vice President Klonowski stated that Items 4.3 and 4.7 will be moved to be considered as Items 6.2 and 6.3.

UPON A UNANIMOUS VOTE, THE CONSENT AGENDA WAS APPROVED AS AMENDED.

5. PUBLIC HEARINGS:

- 5.1 None.

6. GENERAL ACTION ITEMS:

- 6.1 Consider Approving the Select Joint Proposal from Fairmount Properties and Buro Happold as the Finalist for the BioTech Innovation District Project

and Direct the Executive Director to Forward a Final Contract to a Future Meeting

Executive Director Tim Gladhill provided background on the previous direction of the City Council/EDA to consider a biotech innovation district in the northwest planning area. He provided details on the site as well as information that was included in the RFP.

Randy Ruttenberg, Fairmount Properties, provided background on their experience, noting that rarely do they see a project that is such a great fit for their collective skills. He stated that they are a consultant but also have experience in development and, therefore, can look through the lens of both a consultant and developer to present a plan that is both financeable and achievable.

Foroozan Mohtashemipour, Fairmount Properties, introduced the other members of the team and stated that they intend to present their strategy and approach to executing the programming for this biotech district. She stated that they feel that this innovation district is a transformative initiative. She stated that this public/private partnership will catalyze economic growth.

Elliot Felix, Buro Happold, provided information on the different teams that would come together to work on the project to deliver the results in the most efficient manner possible.

Ms. Mohtashemipour, Mr. Ruttenberg, and Mr. Felix presented details of their proposal, including the members and value of their Advisory Board members, the core team members for the project, and the programming, financing, and development experience that their team brings; as well as the engagement, strategy, and infrastructure work that would be done.

The group participated in a brief icebreaker activity where the EDA was asked to envision what they would want the biotech district to be described as in a headline when opening.

Commissioner Cheng Xiong replied that she would want to see a focus on the opportunity provided for Brooklyn Park residents to thrive and prosper in a community where people can live, play, and work.

Commissioner McGarvey stated that he would like to see a large biotech company opening in this location, noting that he would like to see great businesses providing an opportunity for the employment of residents.

Commissioner Eriksen commented that as someone who grew up in Brooklyn Park, the history of development has been profoundly boring. He stated that he imagines less of a headline and more of a picture of a spectacular building.

Commissioner Page stated that she would love to see a headline that people can understand and feel excited about. She stated that she would love to see this as a beautiful place with opportunity.

Ms. Mohtashemipour, Mr. Ruttenberg, Mr. Felix, and Ms. Wirth Lorenzo continued to review their proposal and strategy, their approach, the deliverables proposed within, and the proposed 18-month timeline.

Vice President Klonowski provided additional details on the interviews that were conducted and was thankful that the groups were willing to combine together in order to provide the best of both worlds for the City. She stated that she would like more information on stakeholder engagement and how they can ensure the ability for generational wealth-making for people who may not have had that opportunity before.

Ms. Wirth Lorenzo stated that they bring a range of activities and methods to stakeholder engagement and provided different examples.

Mr. Ruttenberg commented on the jobs and training commitments that companies entering the district will need to make in order to provide those opportunities for generational wealth.

Commissioner McGarvey thanked the representatives for the well-put-together presentation. He referenced the mention of federal grants and asked how much of this concept would be reliant on federal grants, as that is somewhat of an unknown right now.

Mr. Ruttenberg recognized that some changes are being made on the federal level, but this is being built on bare land, and therefore, there are still other opportunities through the state, region, and local sides.

Commissioner McGarvey stated that there has been a reference to housing and noted that concept has fallen through before noting the previous intention to have housing around the Target site.

Mr. Felix replied that in order to create the described vision, people can thrive, live, learn, work, and play you would need a mix of uses. He stated that they would help to understand the right mix of uses and would also review the things available nearby the site. He stated that they would develop the right mix of uses within the space.

Economic Development Director Tim Gladhill stated that the market reality and analysis is a huge element as well, as they do not want to plan for things that will not realistically move forward.

Ms. Mohtashemipour stated that with each administration, things ebb and flow. She stated that there are always opportunities at the federal level, although sometimes there are more or less. She stated that they look at the opportunities to determine if/how they can fit into those opportunities.

Commissioner Eriksen stated that it sounds like there would be some type of community amenity and asked how that type of space would come to be in a project of this nature, specifically whether the different users would all contribute to that shared space.

Ms. Mohtashemipour replied that through market analysis and community needs, many of the programs in the community center are fee for use type facility.

Mr. Felix replied that they would work to complement what already exists in the community, noting the community college and small business center that already exist in the community.

Commissioner Eriksen stated that several years ago, there was a proposal for a center for innovation in the arts, which would have been a collaboration between the school district, community college, and the City. He stated that perhaps that could be a good fit that could meet the needs of the business community during the day and the entertainment community in the evening.

Mr. Felix recognized that many businesses could benefit from a gathering/meeting space during the day, and the space could also be used for performances in the evenings.

Vice President Klonowski stated that people assume this will be a group of industrial buildings similar to other areas in the community. She asked how this group would work to ensure this is not just a collection of industrial buildings.

Mr. Ruttenberg replied that they are doing this around the country in ways that do not look like typical industrial buildings. He provided examples of buildings with retail or restaurants on the ground level with other uses on the upper levels or back space of the building.

Commissioner Page noted the experience part of the team has with Brooklyn Center and asked if that would assist in creating synergy.

Economic Development Director Tim Gladhill commented that Bolton & Menk is a common consultant in the metro area and provided some large project examples in other communities. He stated that it is not a competition or conflict of interest.

Commissioner Page asked for additional information on a member of the Advisory Board.

Ms. Mohtashemipour provided additional details on the individual and the experience that he would bring, as well as the benefit of having different-sized companies providing input throughout the process.

Mr. Ruttenberg provided details on opportunities for business incubation that could be provided.

Commissioner Page stated that she would like to hear more information on the employee base.

Mr. Ruttenberg provided more details on the different sizes of the employee bases. He stated that while they would like to attract large companies, they would also look for smaller companies that will continue to grow.

Commissioner Page asked if there would be common spaces for hybrid/remote workers.

Mr. Ruttenberg replied that the district will have street-level retail with companies above, residential, and potentially a hotel. He stated that they would include some space of that nature for hybrid workers but would not want to duplicate what is provided at the small business center.

Economic Development Director Tim Gladhill noted some of the forecasts for this area. He noted that while they may attract a large business or two,

they would want to see more of a mix of smaller companies that will continue to grow and stay within Brooklyn Park.

Ms. Mohtashemipour stated that is the goal of innovation districts to provide a cross-section for businesses of different sizes to grow.

Commissioner Tran commented that she noticed the goal to create a sense of belonging. She recognized that America was built on immigrants and those who come here from other cultures to become an American. She asked how they would work to create a sense of belonging for all.

Ms. Wirth Lorenzo stated that they do have an inclusive engagement process to determine how the framework will be successful in this community and reflect the diversity within the community.

Economic Development Director Tim Gladhill commented that there is a robust engagement team that would be followed throughout the contract, noting that community development and engagement of the City would be involved in the process.

Commissioner Tran commented that some of the land is privately owned and asked if this could move forward if those are not willing sellers.

Economic Development Director Tim Gladhill replied that the City cannot force individuals to develop, but they set the stage to ensure that proper development would occur when the property is sold. He stated that Target is a stakeholder in this process as it owns 100 acres. He stated that property owners are eager to develop on the east and west sides of TH 169. He stated that if a homeowner wanted to stay in their property, they would plan around them and provide the opportunity for that owner to develop in the future when they wish to sell. He stated that the City is not looking to purchase property, just guide and plan for the future.

Commissioner Tran provided an idea that could help promote groundbreaking.

Commissioner Eriksen stated that he got the sense that Buro Happold understands what the City wants through this project. He recognized that there are some similar/competing projects in other communities and asked how this site would be promoted over other locations, such as the riverbank at the U of M or Rochester.

Mr. Felix stated that this is a question they will answer through this work together. He stated that part of that lies in understanding the comparative strengths and weaknesses of those areas mentioned and the ecosystem nearby. He stated that manufacturing would be easier in this location than the others mentioned and explained that they will work to understand the benefits of the assets in this area. He recognized the benefit of having more space compared to areas with higher real estate values and more compacted spaces.

Commissioner Eriksen commented that responders to the RFP can see potential in this concept and asked how that potential could be described.

Ms. Mohtashemipour stated that there is already potential in this community, given the life sciences companies that are already here. She

stated that they will look at how they can bring that together in collaboration to build upon that and incentivize other companies to do the same.

Economic Development Director Tim Gladhill stated that there are small footprints in other areas and recapped some of the comments that staff hear from these companies that are continuing to grow and looking for more space and opportunity. He stated that this would be a full-service campus for those businesses.

Commissioner Cheng Xiong stated that she would love to see the engagement plan for the training programs catering to the current residents. She stated that the potential and talent are already here with a large immigrant and BIPOC community who are looking to build generational wealth and equity. She recognized that there are language barriers and wanted to know how that would be addressed through engagement. She stated that since the pandemic, a lot of large companies have been looking for talent out of state and asked the percentage of employees that would be hired locally.

Mr. Felix commented that they look forward to creating that plan and will keep those comments in mind as they do that. He explained how they would bring together different elements to ensure the mix of uses address the goals and existing gaps.

Commissioner Page stated that the City has BrookLynk, and perhaps they can deepen those links to the schools to provide career training and growth opportunities for students.

Economic Development Director Tim Gladhill stated that they do have the goal to provide the link between BrookLynk and the innovation district.

MOTION ERIKSEN, SECOND PAGE, TO SELECT THE JOINT PROPOSAL FROM FAIRMOUNT PROPERTIES AND BURO HAPPOLD AS THE FINALIST FOR THE BIOTECH INNOVATION DISTRICT PROJECT AND DIRECT THE EXECUTIVE DIRECTOR TO FORWARD A FINAL CONTRACT TO A FUTURE MEETING. MOTION PASSED UNANIMOUSLY.

- 6.2 Consider Approving a Budget Amendment to the 2025 Budget to Include \$2,000,000 from the Housing Set Aside Account for Deferred Loan Obligation to Brooklyn Park AH, II LLLP (Decatur Landing II)
A. Resolution

Commissioner Tran asked how the loan amount for this project was determined.

Senior Project Manager Dylan Armstead replied that EDA City staff, financial advisors, and legal counsel determined the amount last summer. He provided additional details on the application process and required documentation. He stated that this did not move forward in 2024, and therefore, the budget amendment is requested tonight.

Commissioner Tran asked why this was not approved in 2024.

Senior Project Manager Dylan Armstead noted the documentation that was provided in November and the related review that occurred. He stated that

because this was planned in 2024, it was not included in the 2025 budget, and therefore, the budget amendment is necessary.

Commissioner Tran asked if the documents are available for the public to view or could be shared with the EDA.

EDA Attorney Joseph Sathe replied that most of the documents should be public, depending on how they are classified under the Data Practices Act. He stated that this agreement was approved in June of 2024 by the EDA, but due to the timing, it has rolled over into 2025, and the budget amendment will reflect the change.

Senior Project Manager Dylan Armstead commented that he could forward the available documents to the members of the EDA.

Commissioner Tran asked if the applicant came to the City because they could not obtain financing.

Economic Development Director Tim Gladhill explained that the applicant presented a request for financial assistance that followed all the proper channels and was approved by the EDA. He stated that this is an issue of accounting because the year changed over from 2024 to 2025.

Vice President Klonowski reiterated that this project was approved, and this is strictly an issue of timing and, therefore, does not need to see any additional information. She stated that the Council asked staff to place more items on the Consent Agenda, and therefore, it is the job of the Commissioners to ensure their questions are answered during the call-around and not bring them up at the meeting every time. She stated that if there is still a reason it should be brought up after the questions are answered by staff, that could be done by pulling the item from the Consent Agenda.

Commissioner Page stated that she did ask questions about this during the call-around and was informed that this was already approved and this was an issue of accounting.

Commissioner Tran asked if her question is a problem to the Chair.

Vice President Klonowski stated that it is not a problem but a waste of time as ample opportunity is provided for members to ask questions prior to the meeting. She stated that if the questions are still going to be asked at the meeting, staff would then have the time to prepare documentation that could have been brought if necessary.

MOTION ERIKSEN, SECOND XIONG, TO WAIVE THE READING AND ADOPT RESOLUTION #2025-04, APPROVING A BUDGET AMENDMENT TO THE 2025 BUDGET TO INCLUDE BROOKLYN PARK AH II, LLLP (DECATUR LANDING II). MOTION PASSED UNANIMOUSLY.

- 6.3 Consider Authorizing the Brooklyn Park Economic Development Authority to Enter into a Housing Management Agreement with Kimberly Homes, LLC and a Memorandum of Understanding with Kimberly Homes, LLC and Simpson Housing Services, Inc. Related to the Transitional Housing Facility Located at 7600 69th Avenue North

- A. Resolution
- B. Housing Management Agreement
- C. Memorandum of Understanding

Commissioner McGarvey noted that he asked some questions earlier during the call-around but would still need clarity on page 11, Section 7.5, D., related to the insurance. He stated that Sections A, B, and C also mention different types of insurance. He asked if the agent would ensure all contractors and subcontractors comply with all of the mentioned insurance types.

Housing and Redevelopment Coordinator John Kinara replied that is correct as it was drafted by the City Attorney. He stated that the selected vendor would abide by those stipulations.

Commissioner McGarvey commented that he wanted to ensure that the workers would be employees and not day workers.

MOTION MCGARVEY, SECOND KLONOWSKI, TO WAIVE THE READING AND ADOPT RESOLUTION #2025-08, AUTHORIZING BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY TO ENTER INTO A HOUSING MANAGEMENT AGREEMENT WITH KIMBERLY HOMES, LLC AND SIMPSON HOUSING SERVICES, INC. RELATED TO THE TRANSITIONAL HOUSING FACILITY LOCATED AT 7600 68TH AVENUE NORTH. MOTION PASSED UNANIMOUSLY.

V. DISCUSSION:

7. DISCUSSION ITEMS

7.1 EDA Status Updates

Executive Director Tim Gladhill noted that most of these items were addressed during the worksession and meeting. He noted an upcoming development tour with the Planning Commission and City Council. He stated that the City was successful in selling and closing an EDA property to Christina's Childcare.

7.2 Verbal Commissioner Reports and Announcements

Vice President Klonowski referenced the feeling that Commissioner Tran expressed about being cut off in her comments. She explained that each member of the EDA has a button to request to speak; they are then called on to speak, and when the next person begins speaking, the previous speaker is out of the queue. She stated that if they want to speak again, they again push the button and repeat the process. She stated that the call-arounds are for the benefit of everyone to allow questions to be asked ahead of time in an effort to save time at the meetings. She stated that it is also a professional courtesy to staff to allow them to prepare for questions that arise related to items on the Consent Agenda.

Commissioner Tran commented that she felt that Vice President Klonowski jumped in to respond before she was finished making her comments. She stated that when the call-around happened, it was not a good time for her to ask the questions as she was busy with something else. She stated that she felt it necessary to ask the question when a request is made for \$2,000,000. She reported on a housing problem within their HOA related to storm damage and repairs that should have

been covered by the insurance. She commented that 15 homeowners will be taking the HOA to court.

Commissioner Page thanked the residents from Brooklyn Park who took the time to provide written comments related to Huntington Place. She stated that those comments were read and considered, and they are working diligently to find a solution. She clarified that Commissioner Tran did vote on the funds to be allocated in 2024, and the action tonight was related to whether the action could be carried over to 2025. She also spoke about the process for members to speak and be respectful at the meetings.

IV. ADJOURNMENT:
Meeting adjourned at 9:06 p.m.

City of Brooklyn Park Request for EDA Action

Agenda Item:	4.2	Meeting Date:	March 17, 2025
Agenda Section:	Consent	Prepared By:	Malcolm Hicks, Interim Economic Development and Housing Director
Resolution:	X	Presented By:	Malcolm Hicks, Interim Economic Development and Housing Director
Attachments:	2		
Item:	Consider Approving the Greater Minneapolis St Paul Region Regional Economic Development Partnership (MSP) Investor Proposal for an Annual Investment Of \$35,000.00		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2025-_____, APPROVING THE GREATER MINNEAPOLIS ST PAUL REGION REGIONAL ECONOMIC DEVELOPMENT PARTNERSHIP (MSP) INVESTOR PROPOSAL FOR AN ANNUAL INVESTMENT OF \$35,000.00.

Overview:

Brooklyn Park has an opportunity to strengthen its economic development strategy by investing in the GREATER MSP Partnership at an annual cost of \$35,000. This investment aligns with the city's population size and strategic interest in the MedTech sector, supporting its broader goal of establishing a BioTech Innovation District in the Northwest area of Brooklyn Park.

Background:

GREATER MSP is a cross-sector economic development partnership with over 300 investors, including businesses, cities, counties, universities, and community organizations. Its mission is to accelerate regional competitiveness and inclusive economic growth. By joining this coalition, Brooklyn Park can leverage its resources, expand its influence, and capitalize on regional efforts to attract and grow key industries.

Primary Issues/Alternatives to Consider:

• Should Brooklyn Park invest in GREATER MSP?

Investing in GREATER MSP would allow Brooklyn Park to enhance its economic development strategy, support the creation of a BioTech Innovation District, and connect with regional MedTech initiatives. However, the alternative would be to pursue independent efforts to attract investment and talent, which may require additional resources and partnerships.

• How does this investment align with Brooklyn Park's strategic goals?

Brooklyn Park aims to establish itself as a leader in the BioTech Innovation and MedTech sectors. GREATER MSP's Minnesota MedTech 3.0 initiative, business attraction efforts, and workforce development programs directly support these goals. Without this partnership, Brooklyn Park may face challenges in securing regional and federal funding opportunities for its BioTech Innovation District.

Budgetary/Fiscal Issues:

The proposed annual investment of \$35,000 is based on Brooklyn Park's population size and aligns with contributions from similar-sized municipalities. The funding would be allocated from the city's EDA a general fund.

Next Steps:

- Engage with GREATER MSP to outline specific collaboration opportunities related to the BioTech Innovation District and MedTech initiatives.
- Establish key performance indicators (KPIs) to measure the impact of Brooklyn Park's investment in GREATER MSP over time.
- If approved, finalize the investment agreement and begin participation in regional initiatives.

Recommendation:

The Executive Director of the EDA recommends approval.

Attachments:

4.2A RESOLUTION

4.2B GREATER MSP INVESTOR LETTER

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

RESOLUTION #2025-_____

RESOLUTION APPROVING THE GREATER MINNEAPOLIS ST PAUL REGION REGIONAL
ECONOMIC DEVELOPMENT PARTNERSHIP (MSP) INVESTOR PROPOSAL FOR AN ANNUAL
INVESTMENT OF \$35,000.00

WHEREAS, the Brooklyn Park Economic Development Authority ("EDA") seeks to advance economic growth through strategic partnerships that enhance business attraction, workforce development, and regional collaboration, ensuring the city's long-term economic vitality and alignment with broader metropolitan growth strategies; and

WHEREAS, the GREATER MSP Partnership is a regional economic development organization fostering business expansion, workforce development, and innovation; and

WHEREAS, Brooklyn Park aims to establish a Bio District and strengthen its MedTech sector, aligning with GREATER MSP's initiatives; and

WHEREAS, a \$35,000 annual investment, based on Brooklyn Park's population and regional engagement, will support economic opportunities and business attraction; and

WHEREAS, participation in GREATER MSP will enhance Brooklyn Park's competitiveness and access to funding and strategic partnerships;

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

1. The EDA approves the annual investment of \$35,000 for the GREATER MSP Partnership.
2. The Executive Director or designee is further authorized to take all necessary actions to ensure effective participation and implementation of economic initiatives and authorized to execute necessary agreements and documents.



It takes leadership to build and grow an economy. We are those leaders.

Under coalitions forged by GREATER MSP Partnership, investor organizations are solving global challenges, developing new industries and creating inclusive economic opportunity that reaches everyone across our region.

Innovative partnerships will solve the complex problems affecting our region.

Coalitions led by GREATER MSP are taking action to strengthen our region's global sectors, build our talent base, advance inclusion and tell our region's story to the nation and the world. **Together, we are doing what none of us can do alone.**



GREATER MSP is the economic development partnership for the Greater Minneapolis–Saint Paul region, a cross-sector partnership of 300+ businesses, cities, counties, universities, startups, foundations and community organizations. Our mission is to accelerate regional competitiveness and inclusive economic growth.

Build the future of our region with us. This is our moment.

Right now, working coalitions led by GREATER MSP are:

- Inventing the next generation of smart medical technology concurrent to the region's federal designation as a Tech Hub. (More than 130 leaders—from Medtronic to Medical Alley to the Metropolitan Economic Development Association to the University of Minnesota—are actively involved.)
- In line to win millions of dollars in federal CHIPS & Science Act funds to reenergize our state's legacy as a trailblazer in semiconductor manufacturing.
- Launching the world's first sustainable aviation fuel hub to decarbonize air travel and develop new sources of green energy (lead partners: Delta, Ecolab, Xcel Energy and Bank of America).

These are only three nation-leading accomplishments among the 50 projects we're now engaged in led by 800 leaders. Today, we are creating solutions to the most pressing challenges facing our region's economy. We're building the cleaner, smarter industries our region, nation and world need to realize our vision for inclusive economic growth.

Big things are happening here— and we want you to be part of it.

This is an outstanding moment for you to get active. In 2024, the GREATER MSP Partnership will accelerate our work toward building a regional talent strategy and driving a new climate economy. Your leadership will strengthen the impact, with rewards for your own recruitment and advancement goals.

In the GREATER MSP Partnership, we don't wait for good news. We make it.

Join the leadership of GREATER MSP by adding your voice and investing in our region's strength. Your annual investment is calibrated to the size of your company and your significance to this region's economy.



[Learn more.](#)

 **Join us, and let's build our
future economy now.**
www.greatersp.org

GREATER MSP
Minneapolis Saint Paul Regional Economic Development Partnership



City of Brooklyn Park Request for EDA Action

Agenda Item:	4.3	Meeting Date:	March 17, 2025
Agenda Section:	Consent	Prepared By:	Dylan Armstead, Senior Project Manager
Resolution:	X	Presented By:	Dylan Armstead, Senior Project Manager
Attachments:	2		
Item:	Consider Scheduling a Public Hearing on _____ for the Sale of EDA Owned Land Located at Pid 0111921220094 for \$2,000.00		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION # _____, APPROVING SCHEDULING A PUBLIC HEARING ON _____ FOR THE SALE OF EDA LAND LOCATED AT PID 161192122094 FOR \$2,000.00.

Overview:

The purpose of this report is to request the Economic Development Authority (EDA) Board of Commissioners to consider a petition for the sale of EDA owned land located on 92nd Avenue near Zane Avenue. If consideration is given, a Public Hearing is required to be scheduled for the April 21, 2025, EDA meeting.

Background:

5901 Zane Avenue North homeowner Adam Schiesl is wishing to purchase a 0.05-acre parcel owned by the EDA. The homeowner has maintained the property and recently became aware of it being owned by the EDA. Adam has procured an appraisal to estimate the value of the land, and this appraisal serves as a petition to the EDA.

The appraised value is \$2,000.

Next steps would include a Public Hearing taking place on April 21, 2025, at the next EDA meeting. There the EDA can consider entering into a purchase agreement with the homeowner. It is recommended that any future approval for selling the property come with an easement to encompass the water and sewer lines. City staff would then work towards the transfer and sale.

Recommendation:

Staff recommends that the EDA schedule the Public Hearing and recommends approval of this request.

Attachments

- 4.4A RESOLUTION (to be available Monday)
- 4.4B APPRAISAL

APPRAISAL OF



LOCATED AT:

48 Address Unassigned (PID # 16-119-21-22-0094)
Brooklyn Park, MN 55443

CLIENT:

Adam Schiesl
5901 92nd Avenue North
Brooklyn Park, MN, 55443

AS OF:

February 5, 2025

BY:

Kyle Engdahl

02/12/2025

Adam Schiesl
5901 92nd Avenue North
Brooklyn Park, MN, 55443

File Number: 25-5901

In accordance with your request, I have appraised the real property at:

48 Address Unassigned (PID # 16-119-21-22-0094)
Brooklyn Park, MN 55443

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as vacant. The property rights appraised are the fee simple interest in the site.

In my opinion, the defined value of the property as of February 5, 2025 is:

\$2,000
Two Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.


Kyle Engdahl

Land Appraisal Report

File No. 25-5901

PURPOSE: The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal. Client Name/Intended User Adam Schiesl, E-mail travelingschiesl@gmail.com, Client Address 5901 92nd Avenue North, City Brooklyn Park, State MN, Zip 55443, Additional Intended User(s) N/A, Intended Use Opinion of market value as of February 5, 2025.

SUBJECT: Property Address 48 Address Unassigned, City Brooklyn Park, State MN, Zip 55443, Owner of Public Record Brooklyn Park Econ Dev Auth, County Hennepin, Legal Description BROOKLYN PARK EDA DIV 3 ZANE OUTLOT A, Assessor's Parcel # 16-119-21-22-0094, Tax Year 2024, R.E. Taxes \$ 0.00, Neighborhood Name -, Map Reference E1-77, Census Tract 0268.12, Property Rights Appraised [X] Fee Simple [] Leasehold [] Other (describe)

SALES HISTORY: My research [] did [X] did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal. Prior Sale/Transfer: Date Price Source(s) RMLS/County Records, Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) No prior sales or transfers of the subject and comparables, over the prescribed time periods, were noted after researching the MLS and county records.

Offerings, options and contracts as of the effective date of the appraisal To the knowledge of the appraiser, as of the effective date of the appraisal, there were no offerings to purchase or rent the subject property.

NEIGHBORHOOD: Neighborhood Characteristics, One-Unit Housing Trends, One-Unit Housing, Present Land Use %, Neighborhood Boundaries See Attached Addendum, Neighborhood Description See Attached Addendum, Market Conditions (including support for the above conclusions) See Attached Addendum

SITE: Dimensions Irregular, Area 2070 sqft. +/-, Shape Irregular, View Residential, Specific Zoning Classification R1, Zoning Description Detached Single-Family Estate District, Zoning Compliance [] Legal [] Legal Nonconforming (Grandfathered Use) [] No Zoning [X] Illegal (describe), Highest and best use of the subject property See Attached Addendum, Utilities Public Other (describe), FEMA Special Flood Hazard Area [] Yes [X] No, FEMA Flood Zone X, FEMA Map # 27053C0201F, FEMA Map Date 11-04-2016, Site Comments The subject is a south-facing, generally level interior lot that backs to a commercial space. The lot consists of vacant land with a tree in the middle and grass surrounding it. Due to its shape and size, the lot is considered non-buildable or excess land.

MARKET DATA ANALYSIS: Table with columns ITEM, SUBJECT, COMPARABLE NO. 1, COMPARABLE NO. 2, COMPARABLE NO. 3. Rows include Address, Proximity to subject, Sales Price, Price \$/ Sqft, Data Source, Date of Sale and Time Adjustment, Location, Site/View, View, Buildable, Topography, Water/Sewer, Sales or Financing Concessions, Net Adj. (Total), Indicated Value of Subject.

Summary of Sales Comparison Approach See Attached Addendum

RECONCILIATION: Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report as of February 5, 2025, which is the effective date of this appraisal, is: [X] Single point \$ 2,000 [] Range \$ to \$ [] Greater than [] Less than \$, This appraisal is made [X] "as is," [] subject to the following:

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as " the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
8. This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.
9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

Land Appraisal Report

File No. 25-5901

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

Definition of Value: Market Value Other Value: _____

Source of Definition: The Dictionary of Real Estate Appraisal 6th Edition

Market value is defined as the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1) buyer and seller are typically motivated;
- 2) both parties are well informed or well advised and acting in what they consider their own best interests;
- 3) a reasonable time is allowed for exposure in the open market;
- 4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

ADDRESS OF THE PROPERTY APPRAISED:

48 Address Unassigned

Brooklyn Park, MN 55443

EFFECTIVE DATE OF THE APPRAISAL: February 5, 2025

APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 2,000

APPRAISER

Signature: *Kyle Engdahl*

Name: Kyle Engdahl

Company Name: Mill City Appraisals

Company Address: 5933 Abbott Avenue South

Edina, MN 55410

Telephone Number: 612-404-7852

Email Address: kyle@millcityappraisals.com

State Certification # 40521216

or License # _____

or Other (describe): _____ State #: _____

State: 40521216

Expiration Date of Certification or License: 08/31/2026

Date of Signature and Report: 02/12/2025

Date of Property Viewing: 02/05/2025

Degree of property viewing:

Did personally view Did not personally view

SUPERVISORY APPRAISER

Signature: _____

Name: _____

Company Name: _____

Company Address: _____

Telephone Number: _____

Email Address: _____

State Certification # _____

or License # _____

State: _____

Expiration Date of Certification or License: _____

Date of Signature: _____

Date of Property Viewing: _____

Degree of property viewing:

Did personally view Did not personally view

Client: Adam Schiesl

File No.: 25-5901

Property Address: 48 Address Unassigned

Case No.:

City: Brooklyn Park

State: MN

Zip: 55443

Neighborhood Boundaries

The subject's "Neighborhood" is bordered to the north by Minnesota State Highway 610, to the west by West Broadway Avenue, to the south by Brooklyn Boulevard, and to the east by Noble Avenue North.

Neighborhood boundaries are generally defined by major roadways, city limits, or natural boundaries.

Neighborhood Description

The subject is located in the City of Brooklyn Park. The subject's previously defined "neighborhood" consists largely of single family homes which vary in style, size, age quality, and price range. Government support facilities are located within a short distance. Recreational facilities include area lakes, parks, and golf courses with Edinburgh Golf Course, just east. The Minneapolis central business district is located appx. fourteen miles south and can be accessed via Minnesota State Highway 610, just north.

Note: "Other" Land Use % consists of but is not limited to a variety of land uses including vacant land, park/green space, religious buildings, health care facilities, and governmental facilities.

Neighborhood Market Conditions

According to InfoSparks, an interactive market analysis tool presented by the Minneapolis Area Association of Realtors, single family homes in the subject's area are selling within a one month marketing period. The sales to asking price ratio in the subject's neighborhood is appx. 100%. Property values of single family homes in the subject's previously defined neighborhood have been stable (+1.0%) over the previous twelve months. (See Attached)

Based on data from the MLS and county records, in the twelve months preceding the effective date of this appraisal, the area surrounding the subject property (within six miles) has shown vacant lot sales prices ranging from \$50,000 to \$380,000.

Highest and Best Use

The subject property is a small parcel of land zoned R1 (Detached Single-Family Estate District). The zoning designation is intended for detached single-family residential dwellings; however, due to the parcel's limited size and irregular shape, it does not meet the minimum requirements for a buildable lot under current zoning regulations.

To determine the highest and best use of the subject property, the following four criteria were analyzed:

Legally Permissible: The subject property is zoned for single-family residential use. However, due to its size and shape, it does not meet zoning requirements for a buildable lot.

Physically Possible: The site's small size and irregular configuration severely limit any potential development. It lacks the necessary dimensions for residential construction.

Financially Feasible: It is not financially feasible to construct a home on such a small piece of land.

Maximally Productive: The most practical and beneficial use of the subject property is assemblage with an adjacent property to enhance its utility or value. This could include use as additional yard space, landscaping, or for other ancillary purposes that benefit an adjoining owner.

Conclusion:

The highest and best use of the subject property, as vacant, is assemblage with an adjacent property for complementary use. The site does not have independent development potential due to its size, shape, and zoning constraints.

Comments on Sales Comparison

The comparables were chosen based on their overall similarities to the subject in style, size, location, quality, features, etc., and were adjusted for variations. Comparables #1 and #2 were given the most weight due to their similarities to the subject, specifically their proximity and the timeliness of their sale. Comparable #3 is included as an unbuildable lot comparable to the subject and is given very little weight due to the differences in location. Comparable #4 is an active/pending listing and cannot be given any weight.

Comparable #3 sold more than six months prior to the effective date of this appraisal. However, based on its overall similarities to the subject, this sale is considered a better indicator of value for the subject than some more recent sales.

The "Location" adjustment towards the top of the grid reflects any adverse or beneficial aspects affecting a comparable or the subject property. Comparables #1 and #3 are located adjacent to a park. Comparable #2 fronts a busy street. Comparable #4 does not have any locational impacts. All four comparables have been adjusted accordingly.

The adjustment for "Site" takes into consideration factors such as lot size, terrain, tree coverage, and landscaping. All four comparables have larger lot sizes than the subject and have been adjusted at \$1.20 per square foot.

The adjustment for "Buildable" considers the ability of the subject and comparables to support the construction of a single-family home. Comparables #1, #2, and #4 are all buildable lots based on their size, zoning, etc. The subject and Comparable #3 are not buildable lots. Due to the lack of utility associated with non-buildable lots like the subject, a significant adjustment (80%) has been applied to comparables that have the ability to support home construction.

In analyzing the market for non-buildable lots in the Twin Cities Metro, it was found that there are very few comparable sales available. A thorough search extending back six years yielded no directly comparable non-buildable lot sales within the subject's general area, indicating a lack of recent market activity for this specific property type. Due to this absence of

Client: Adam Schiesl

File No.: 25-5901

Property Address: 48 Address Unassigned

Case No.:

City: Brooklyn Park

State: MN

Zip: 55443

directly comparable sales, it was necessary to include sales of buildable lots while making appropriate adjustments to reflect the subject property's non-buildable status.

Additional Comments:

Neither of the following two statements apply to Kyle Engdahl regarding the subject property...

- any current or prospective interest in the subject property or parties involved; and
- any services regarding the subject property performed by the appraiser within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.

A reasonable exposure time for the subject property is 60 to 90 days.

Google Maps photos were used in place of the original photos taken when driving past comparables.

Subject Property Identification:

The appraiser has viewed all readily accessible areas of the subject. This complete visual inspection is not intended to be the same depth or for the same purpose as a home inspection. The appraiser has viewed the property solely for valuation purposes and to observe property characteristics that a typical purchaser would consider in their decision making process, as well as those items outlined in the assumptions and limited conditions and certification to this appraisal. The appraisal does not guarantee that the property is free of defects or environmental problems.

Sources of Information:

The appraisal is based on the information gathered from public records; viewing of the subject property, neighborhood and comparable properties; and other sources specifically identified in this report. When conflicting information has been discovered, the sources deemed most reliable have been used.

Certification of Geographic Competency:

The undersigned appraiser certifies to Geographic Competency for the completion of this report. As required for compliance

with USPAP, I have the experience, knowledge and expertise to appropriately complete this assignment.

Explanation of Adjustments:

All of the adjustments to the comparables were extracted from the market to the best of the appraiser's ability. They represent the market's reaction to the differences between the subject and the comparables. These methods are utilized to the degree that available data allows, in some cases, the data is too limited to be conclusively definitive and the adjustments can be as "qualitative" (reflecting generally positive or negative market influences) as they are "quantitative" (irrefutably derived from raw data and information). All of the adjustments are deemed self-explanatory unless otherwise noted in the "Summary of Sales Comparison Approach" section. Multiple adjustments are often unavoidable due to the multiple features that shape the value of the subject and the lack of any properties with the "exact" features of the subject. As a result, some line, net and gross adjustments may exceed the 10%, 15% and 25% guidelines respectively.

SUBJECT PROPERTY PHOTO ADDENDUM

Client: Adam Schiesl	File No.: 25-5901	4.3B Page 10
Property Address: 48 Address Unassigned	Case No.:	
City: Brooklyn Park	State: MN	Zip: 55443



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: February 5, 2025
Appraised Value: \$ 2,000



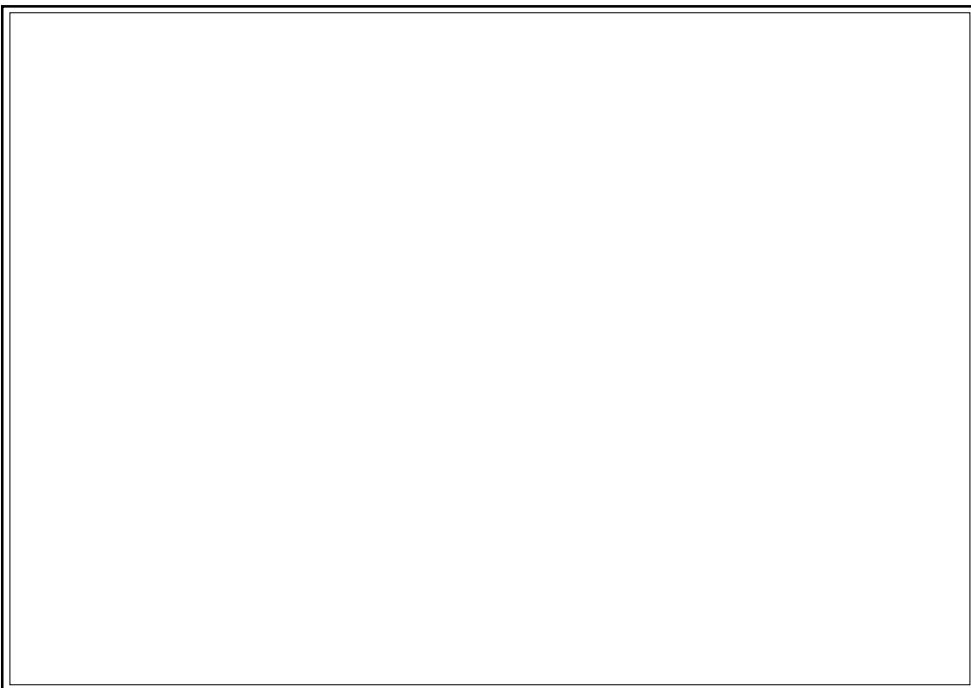
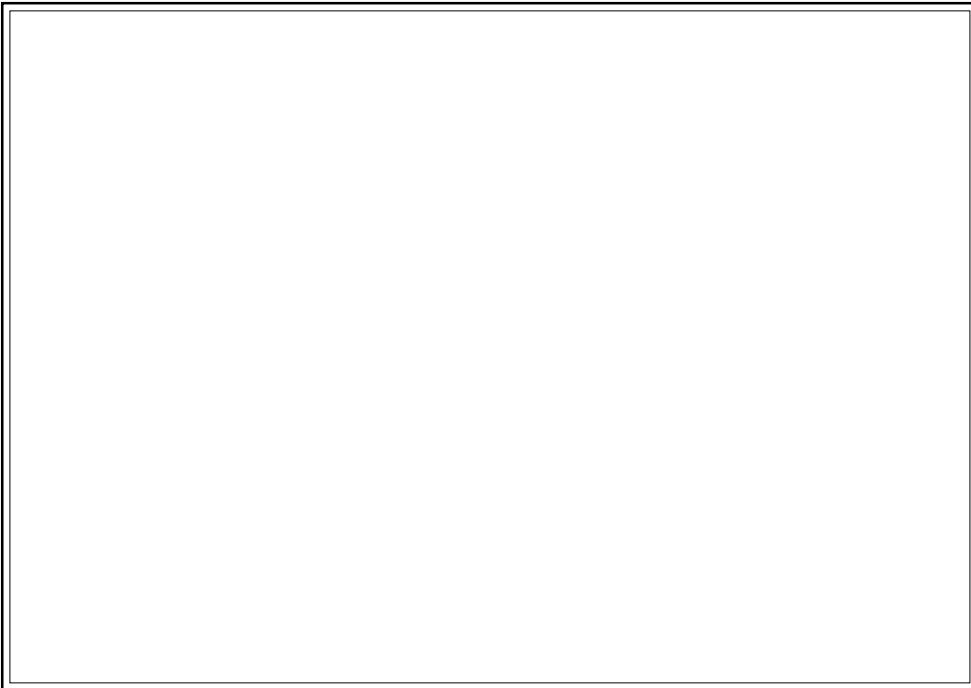
**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE



ADDITIONAL PHOTO



COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Adam Schiesl	File No.: 25-5901	4.3B Page 12
Property Address: 48 Address Unassigned	Case No.:	
City: Brooklyn Park	State: MN	Zip: 55443



COMPARABLE SALE #1

6931 Perry Avenue North
Brooklyn Center, MN 55429
Sale Date: Clsd. 05/17/2024
Sale Price: \$ 126,500



COMPARABLE SALE #2

1411 Winnetka Avenue North
Champlin, MN 55316
Sale Date: Clsd. 12/23/2024
Sale Price: \$ 159,800



COMPARABLE SALE #3

TBD 166th Street NW
Big Lake, MN 55309
Sale Date: Clsd. 06/15/23
Sale Price: \$ 11,000

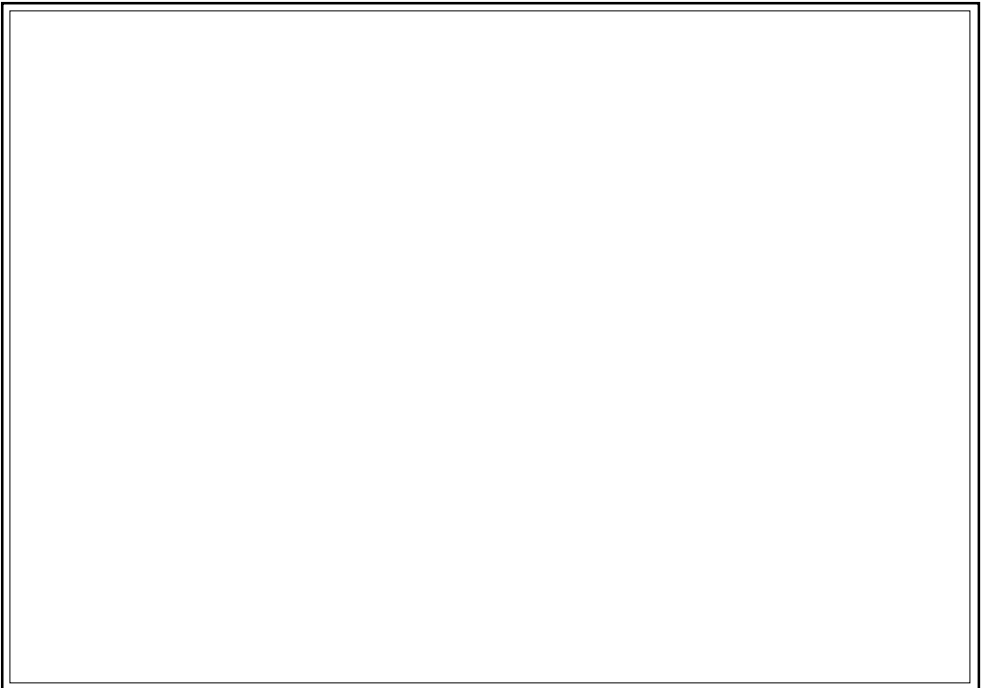
COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Adam Schiesl	File No.: 25-5901	4.3B Page 13
Property Address: 48 Address Unassigned	Case No.:	
City: Brooklyn Park	State: MN	Zip: 55443



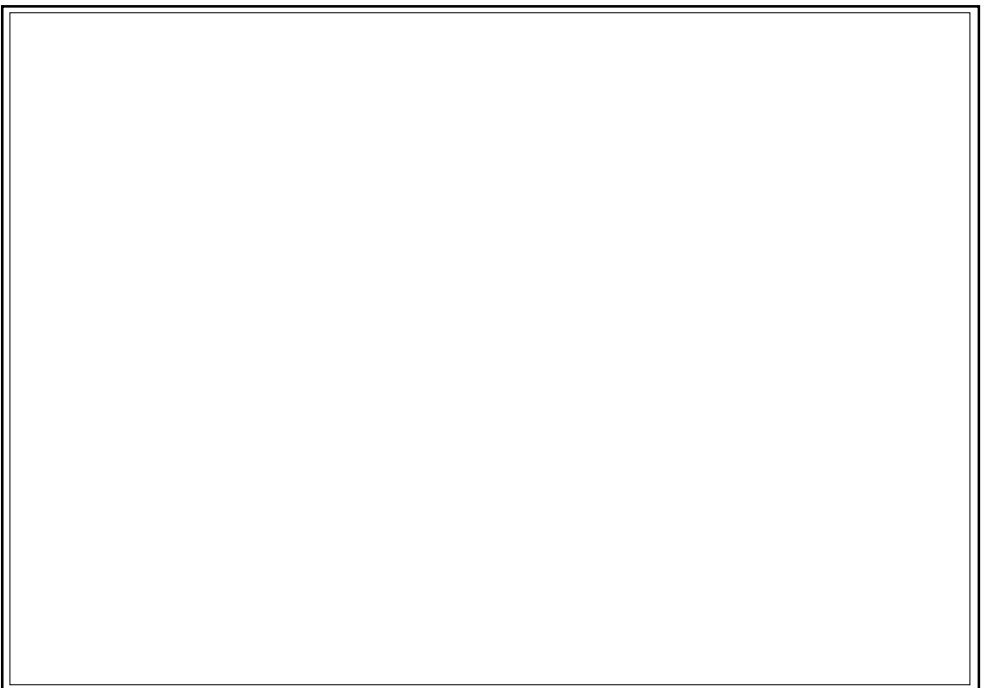
COMPARABLE SALE #4

XXXX Green Hjaven Drive N
Brooklyn Park, MN 55445
Sale Date: Active-Pending
Sale Price: \$ 90,000



COMPARABLE SALE #5

Sale Date:
Sale Price: \$

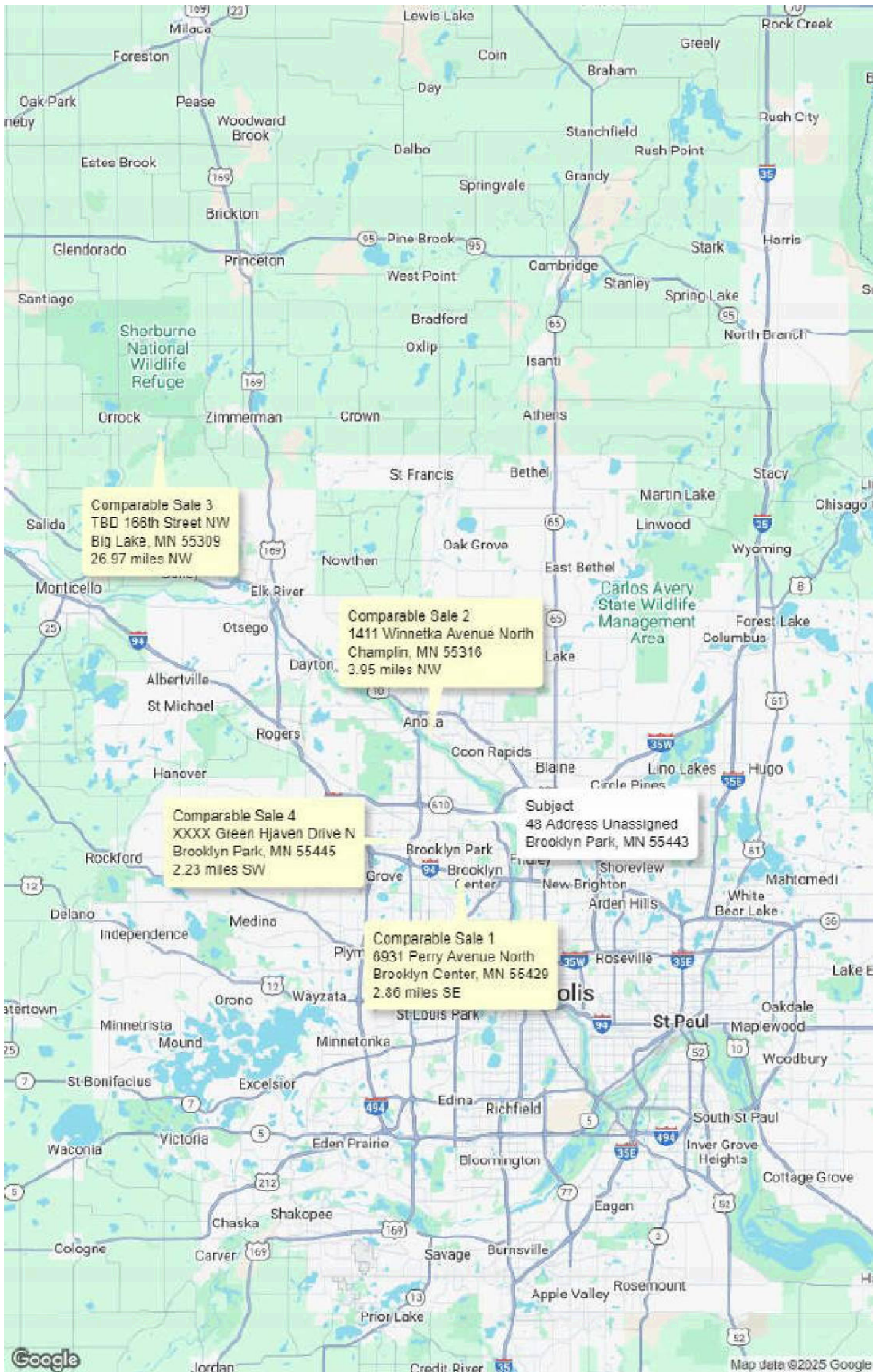


COMPARABLE SALE #6

Sale Date:
Sale Price: \$

LOCATION MAP

Client: Adam Schiesl	File No.: 25-5901
Property Address: 48 Address Unassigned	Case No.:
City: Brooklyn Park	State: MN Zip: 55443



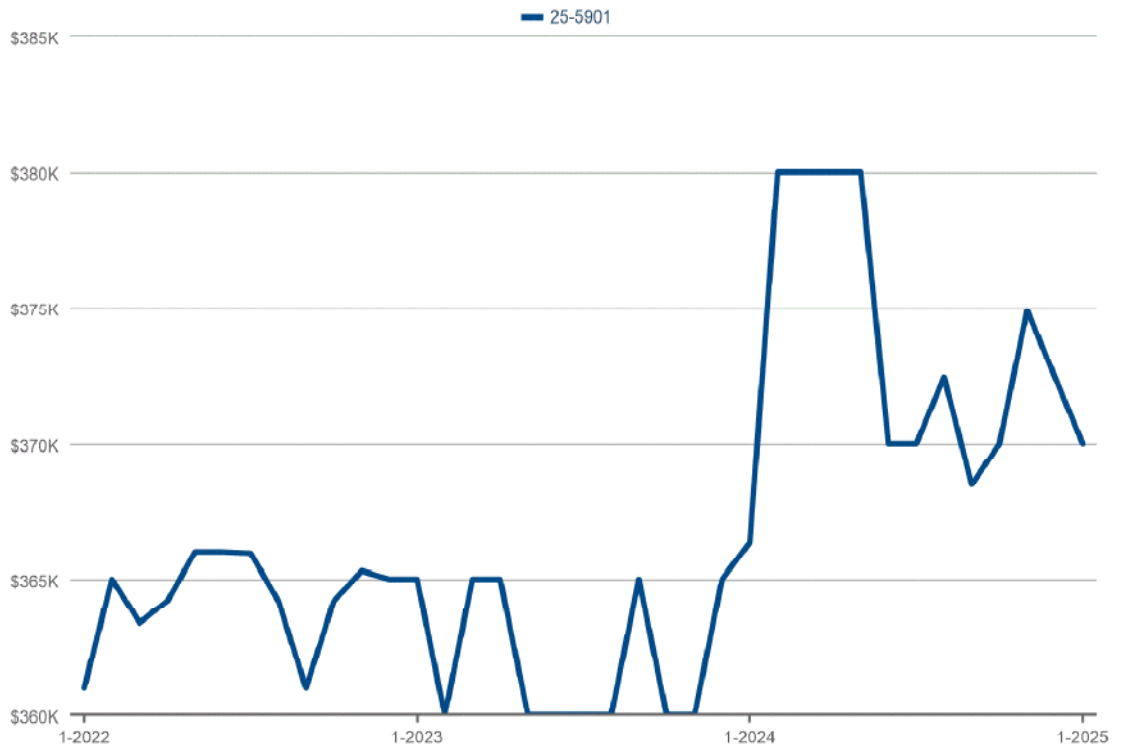
Client: Adam Schiesl	File No.: 25-5901
Property Address: 48 Address Unassigned	Case No.:
City: Brooklyn Park	State: MN Zip: 55443

Kyle Engdahl
Mill City Appraisals

Office: 612-404-7852
kyle@millcityappraisals.com



Median Sales Price



25 5901*: Single Family
Each data point is 12 months of activity. Data is from February 10, 2025.
* User-defined area. All data from NorthstarMLS. Data deemed reliable but not guaranteed. InfoSparks © 2025 ShowingTime Plus, LLC.

Client: Adam Schiesl
Property Address: 48 Address Unassigned
City: Brooklyn Park

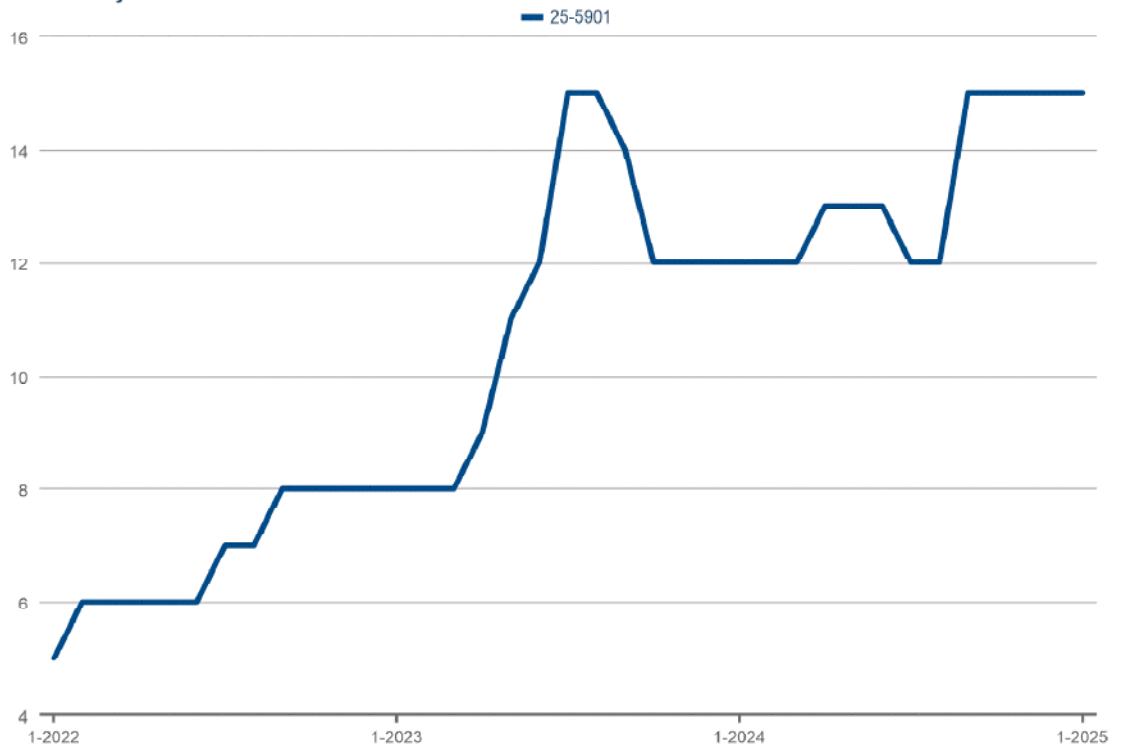
File No.: 25-5901
Case No.:
State: MN Zip: 55443

Kyle Engdahl
Mill City Appraisals

Office: 612-404-7852
kyle@millcityappraisals.com



Median Days on Market



25 5901*: Single Family
Each data point is 12 months of activity. Data is from February 10, 2025.

* User-defined area. All data from NorthstarMLS. Data deemed reliable but not guaranteed. InfoSparks © 2025 ShowingTime Plus, LLC.

Client: Adam Schiesl
Property Address: 48 Address Unassigned
City: Brooklyn Park

File No.: 25-5901
Case No.:
State: MN Zip: 55443

Kyle Engdahl
Mill City Appraisals

Office: 612-404-7852
kyle@millcityappraisals.com



Median Percent of Original Price



25 5901*: Single Family
Each data point is 12 months of activity. Data is from February 10, 2025.
* User-defined area. All data from NorthstarMLS. Data deemed reliable but not guaranteed. InfoSparks © 2025 ShowingTime Plus, LLC.

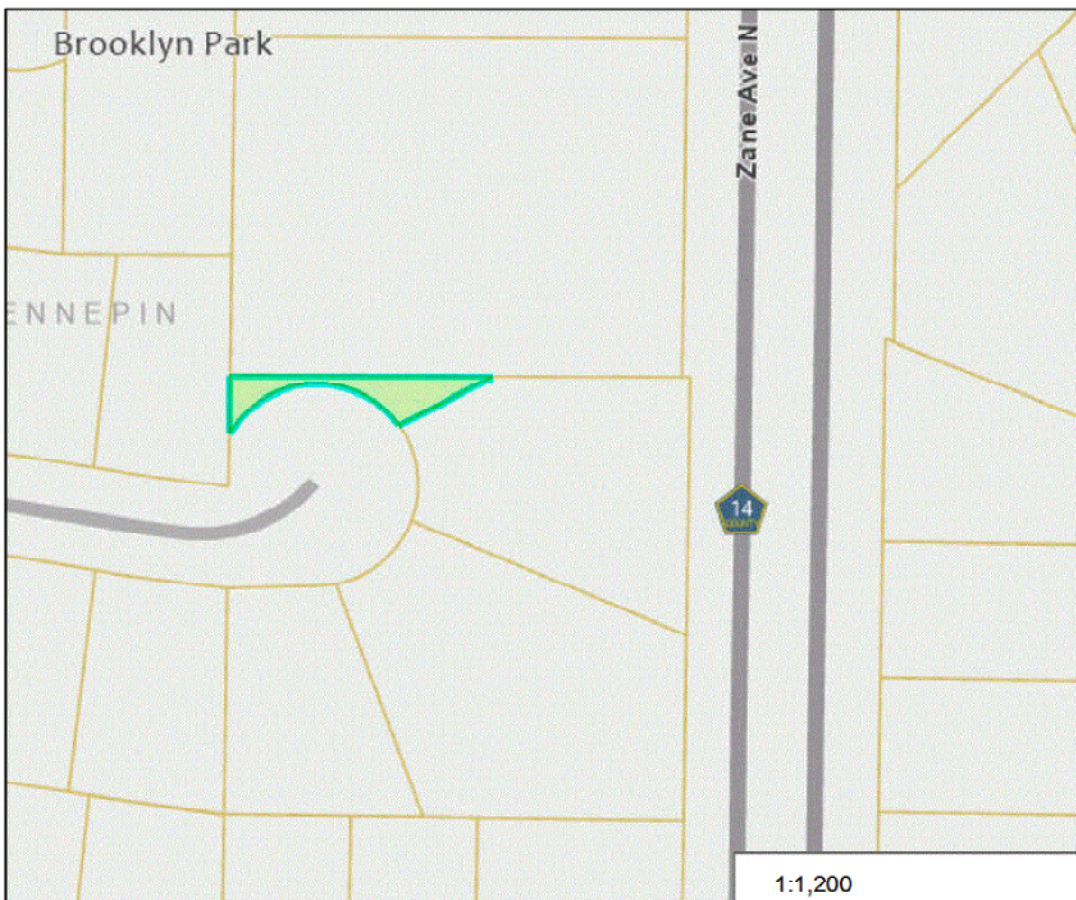
Client: Adam Schiesl
Property Address: 48 Address Unassigned
City: Brooklyn Park

File No.: 25-5901
Case No.:
State: MN Zip: 55443



Hennepin County Property Map

Date: 2/10/2025



PARCEL ID: 1611921220094

OWNER NAME: Brooklyn Park Econ Dev Auth

PARCEL ADDRESS: 48 Address Unassigned,
Brooklyn Park MN 00000

PARCEL AREA: 0.05 acres, 2,070 sq ft

A-T-B: Abstract

SALE PRICE:

SALE DATE:

SALE CODE:

ASSESSED 2023, PAYABLE 2024

PROPERTY TYPE: Vacant Land-Residential

HOMESTEAD: Non-Homestead

MARKET VALUE: \$0

TAX TOTAL: \$0.00

ASSESSED 2024, PAYABLE 2025

PROPERTY TYPE: Vacant Land-Residential

HOMESTEAD: Non-Homestead

MARKET VALUE: \$0

Comments:

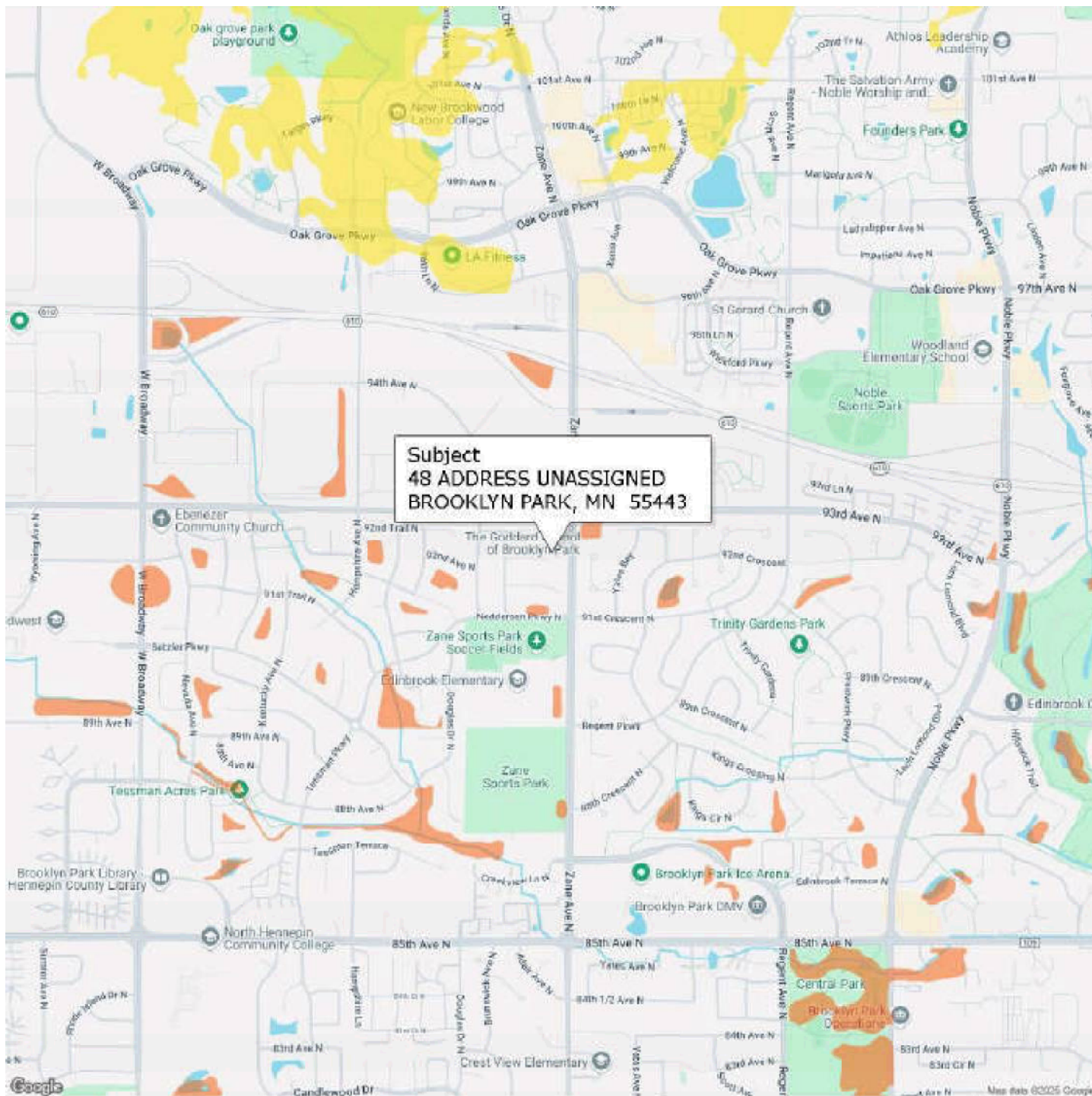
This data (i) is furnished 'AS IS' with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind, and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this data.

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FLOOD MAP

Client: Adam Schies
Property Address: 48 Address Unassigned
City: Brooklyn Park

File No.: 25-5901
Case No.:
State: MN
Zip: 55443



Subject
48 ADDRESS UNASSIGNED
BROOKLYN PARK, MN 55443

FLOOD INFORMATION

Community: City of Brooklyn Park
Property is NOT in a FEMA Special Flood Hazard Area
Map Number: 27053C0201F
Panel: 27053C0201
Zone: X
Map Date: 11-04-2016
FIPS: 27053
Source: FEMA DFIRM

LEGEND

-  = FEMA Special Flood Hazard Area - High Risk
-  = Moderate and Minimal Risk Areas
- Road View:
 -  = Forest
 -  = Water

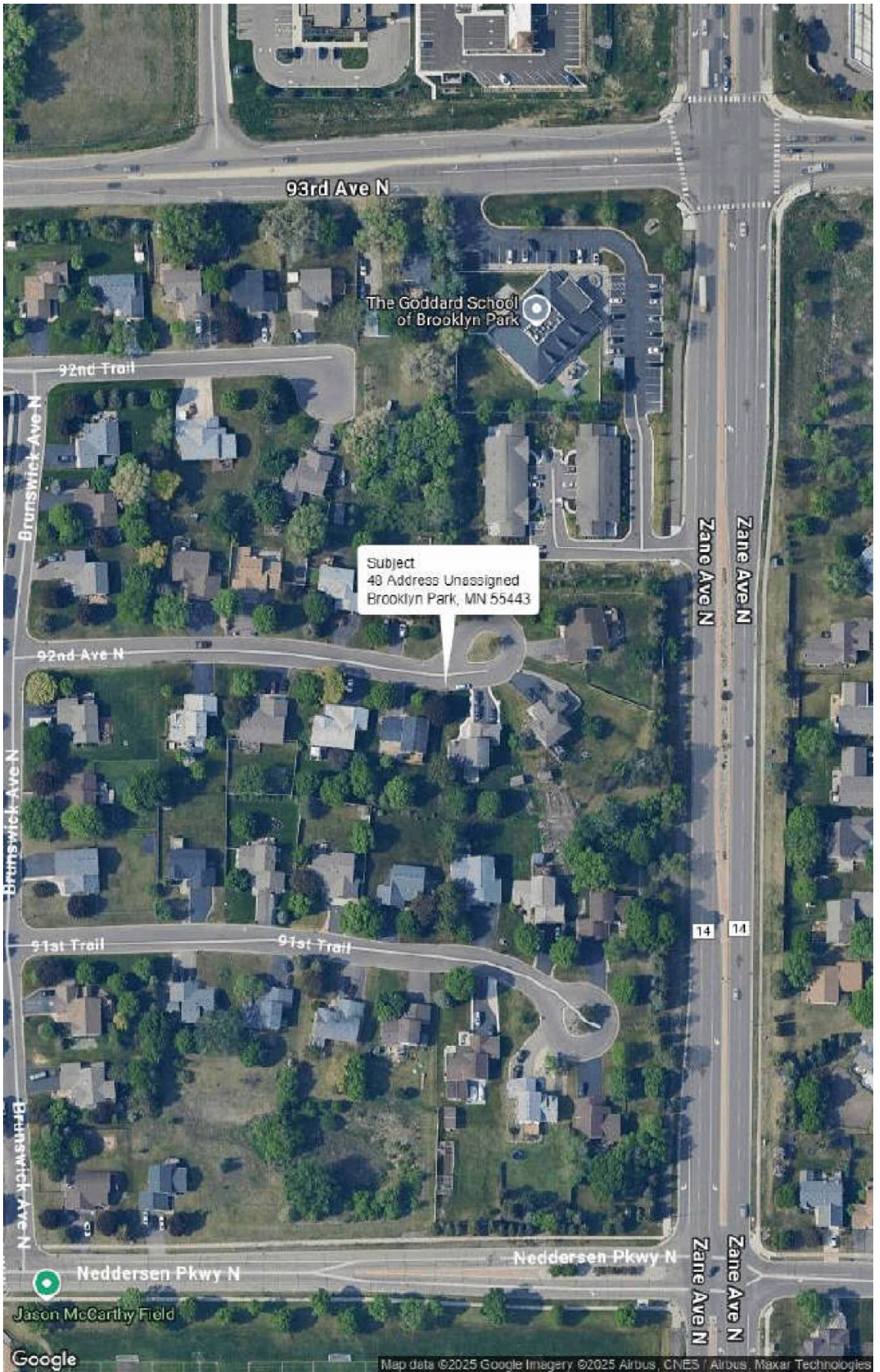
Sky Flood™

No representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose is implied or provided. Visual scaling factors differ between map layers and are separate from flood zone information at marker location. No liability is accepted to any third party for any use or misuse of this flood map or its data.

AERIAL MAP

Client: Adam Schiesl
Property Address: 48 Address Unassigned
City: Brooklyn Park

File No.: 25-5901
Case No.:
State: MN
Zip: 55443



Client: Adam Schiesl	File No.: 25-5901
Property Address: 48 Address Unassigned	Case No.:
City: Brooklyn Park	State: MN Zip: 55443

STATE OF MINNESOTA



Department of Commerce

KYLE LAWRENCE ENGDahl
5933 ABBOTT AVENUE SOUTH
EDINA, MN 55410

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that
Kyle Lawrence Engdahl

5933 ABBOTT AVENUE SOUTH
EDINA, MN 55410

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of
Resident Appraiser : Certified Residential

License Number: 40521216

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2026.

IN TESTIMONY WHEREOF, I have hereunto set my hand this July 15, 2024.

COMMISSIONER OF COMMERCE
Minnesota Department of Commerce
Licensing Division
85 7th Place East, Suite 500
St. Paul, MN 55101-3165
Telephone: (651) 539-1599
Email: licensing.commerce@state.mn.us
Website: commerce.state.mn.us

Notes:

- **Individual Licensees Only - Continuing Education:** 15 hours is required in the first renewal period, which includes a 7 hour USPAP course. 30 hours is required for each subsequent renewal period, which includes a 7 hour USPAP course.
- **Appraisers:** You must hold a licensed Residential, Certified Residential, or Certified General qualification in order to perform appraisals for federally-related transactions. **Trainees do not qualify.** For further details, please visit our website at commerce.state.mn.us.

City of Brooklyn Park Request for EDA Action

Agenda Item:	6.1	Meeting Date:	March 17, 2025
Agenda Section:	General Action Items	Prepared By:	Dylan Armstead, Senior Project Manager Tim Gladhill, Executive Director
Resolution:	X	Presented By:	Tim Gladhill, Executive Director
Attachments:	6		
Item:	Review Huntington Place Apartments Loan Forgiveness Request		

Executive Director's Proposed Action

Given the scope of the inquiry, Staff needs further direction before making a formal recommendation. Below are potential actions depending on consensus of the EDA.

If to approve request for loan forgiveness:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2025-_____, AUTHORIZING BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY TO ACCEPT SETTLEMENT OFFER OF \$450,000 AND FORGIVE THE REMAINING \$3.8M LOAN RELATED TO HUNTINGTON PLACE AND AUTHORIZE EXECUTIVE DIRECTOR TO EXECUTE NECESSARY DOCUMENTS AND AGREEMENTS.

(Resolution available Monday, March 17)

If to deny request for loan forgiveness (based on EDA Direction from February 18):

MOTION TO DENY REQUEST TO FORGIVE \$3.8M LOAN RELATED TO HUNTINGTON PLACE.

-OR-

Take no action.

Overview:

At the center of the EDA review is impacts to existing Residents. Each scenario, including the sale to MAS Capital Group, presents certain risks of displacement to existing Residents. The EDA continues to explore and exhaust any and all options that limit displacement of existing Residents.

Since the February EDA Meeting, the Primary Lender (NEF: National Equity Fund) has offered \$450,000 to settle the Loan Forgiveness Request. In this counter-offer, the EDA would need to forgive the remaining balance, including all principal and accrued interest.

Aeon (Property Owner) is in the final stages of negotiating a purchase agreement with a buyer (MAS Capital) for Huntington Place Apartments. Aeon is requesting:

1. Forgiveness of their entire loan, including a payment due in January 2025
2. Removal of the EDA's lien/encumbrance (EDA Loan)

3. Transfer of the declaration of restricted covenants ensures that the property is to be used for affordable housing for the next (30) years.

According to Aeon, the offer price is such that there are not proceeds from the sale that will go to the Seller (Aeon), the Lender in second position (LISC), or the Lender in third position (Brooklyn Park EDA). This distressed financial situation is not unique to Huntington Place.

Finally, when this loan was approved, it was noted that there was a high level of risk for this loan and that there was a probability that the EDA may not be paid back. The EDA could have structured this assistance as a Grant or Forgivable Loan; however, the original pre-COVID deal structure allowed for the opportunity that the EDA could be paid back if the community performed well from a cash flow perspective. ***That said, in further conversations with those associated with the request in 2019/2020, it is believed that the assistance structured as a loan did provide the City the opportunity to renegotiate depending on how the project proceeded (either positive or negative).***

The first payment (partial) on the EDA Loan was due at the end of January. The EDA could now determine the EDA Loan to be in default. However, with the signed Subordination Agreement, this would likely trigger a foreclosure sale, and the Primary Lender would take priority and the EDA would not likely experience any proceeds from the sale to pay back the loan.

Attached to this report is a response by MAS Capital to a number of EDA Questions. Additionally, Staff is aware that the current Purchase Agreement has since expired. According to Aeon, negotiations on a new purchase agreement with MAS Capital are ongoing and feedback from the EDA on January 21 is critical to those ongoing conversations.

Background:

Aeon purchased Huntington Place in January 2020. Huntington Place includes 834 units of affordable housing and is one of the largest multi-family, affordable housing developments in the state. Due to several factors, including the pandemic, Aeon has been unable to cashflow the property. They have been seeking a buyer of the property for a while, and they are seeking loan forgiveness from the EDA.

Aeon has received multiple grants/loans from the Brooklyn Park EDA for Huntington Place including:

Loan/Grant	Status
<i>Pre-Covid (January 2020)</i>	
\$5,000,000 Non-Forgivable Loan	\$3,557,516 distributed, \$3,809,593 due with interest
<i>Post-Covid</i>	
\$500,000 Forgivable Loan	\$500,000 distributed and forgiven
\$500,000 ARPA Grant	\$500,000 awarded and distributed

Current Risks and Liabilities to City

In discussions with the EDA Attorney, it is unlikely that the EDA will be paid back on the original loan. Unlike a traditional real estate transaction, there are no true net proceeds/profits at the time of sale to distribute. This leaves two (2) options for the EDA.

1. Forgive the Loan
 - a. The affordable housing protections recorded against the Property **are transferred** at time of sale
 - b. Property is sold to a **known Buyer** that City Staff has directly connected with to understand future plans for the Property
 - c. **Less period** of uncertainty for all parties by avoiding foreclosure
 - d. The EDA is **not paid back** for its original loan
2. Do Not Forgive the Loan
 - a. The affordable protections recorded against the Property **are terminated** due to foreclosure
 - b. **Uncertain** who the Property would be sold to

- c. **Extended period** of uncertainty for all parties during the foreclosure period
- d. The EDA is **not paid back** for its original loan

In summary, if it is the goal of the EDA to protect the affordability of the existing units, it should forgive the loan. If the EDA is not concerned with protecting the affordability of the existing units, it should not feel obligated to forgive the loan.

However, the EDA has expressed concern that the current approach for limited reinvestment and proposed tenant screening criteria do not protect existing Residents to the extent that the EDA would expect.

Due Diligence Efforts

Staff has had the following conversations during our due diligence efforts in the past 30 days.

- Initial Meeting with Aeon to review request
- Meeting with Buyer (MAS Capital Group) and Aeon
- Aeon Weekly Meeting with City Staff
- Meeting with Hennepin County Housing Staff and Minnesota Housing (State) Staff
- Aeon Weekly Meeting with City Staff
- Inquiry to Senator Klobuchar's Office regarding Congressionally Directed Spending Allocation
- Inquiry to Representative Phillips' Office regarding Congressionally Directed Spending Allocation
- Meeting with peer community colleagues to discuss Crossroads at Penn/Concierge (similar project example)
- Meeting with City Legal Team
- Internal Meeting to discuss Community Engagement and November 6 Tenant Meeting
- Meeting with Buyer (MAS Capita Group)
- Meeting with Primary Lender (NEF)
- Meeting with City Legal
- Meeting with Hennepin County Housing Staff
- Meeting with ACER regarding Community Impacts and Community Engagement
- Meeting with Aeon regarding Congressionally Directed Spending Allocation Options
- Aeon Weekly Meeting with City Staff
- City Staff Check-In Meeting
- Continued Weekly Meetings with Aeon

Over the past 30 days, Staff has had numerous conversations with Aeon, Primary Lender (NEF), Secondary Lender, Housing and Urban Development (HUD), County Officials, and State Officials. Staff will present various talking points and potential scenarios at the March 17 EDA Meeting. Unfortunately, it is unlikely that the EDA will receive final word from HUD on options prior to desired deadlines of Aeon and its Lenders.

Counter Offers and Status

In response to the February 18 EDA Meeting, the Primary Lender has offered a Settlement of \$450,000, with the EDA forgiving the remaining balance, including principal and accrued interest.

City Staff has reviewed multiple settlement/counter offers with both Buyer and Seller. It should be noted that with the Subordination Agreement (standard in these transactions), the City has limited legal standing to challenge the non-payment of our Loan in the event of foreclosure. The City's legal protection and negotiation power is limited to the Declaration of Restrictive Covenants related to the affordability of units.

Proposal	Seller Response	Buyer Response
Open Community Room and/or Pool to Brooklyn Park Residents (or at	Buyer Decision	Decline. Liability and Safety Risk.

least Zanewood Recreation Center Guests)		Focused on stabilizing Tenant Screening.
<i>Turn Over Operational Control of Community Building and Pool to City</i>	<i>Buyer Decision</i>	<i>No formal response – but indication that Buyer does not support. Amenity Space is important to the overall pro-forma of the community.</i>
Re-subordinate EDA Loan and convert to Forgivable Loan, forgiven upon completion of proposed site and unit improvements. Lookback Provision at time of future sale.	Buyer Decision	Decline.
Amend Declaration of Restrictive Covenant to allow % of units to convert to Market Rate (mixed income) upon completion of remodel.	Buyer Decision	Counter Proposed. Amend Declaration now, revise back to 100% affordable if improvements are not completed.
Make donation to Zanewood Teen Center	Decline. Insufficient Funds	Considering. Requesting more information.
Convert portion of units to 2-3 bedroom.	Buyer Decision	Decline. Would need to re-negotiate purchase with Aeon.
Reallocate Federal Congressionally Directed Spending Allocation	Exploring options.	No role for Buyer. Allocation is specific to Seller/Aeon.

Staff is having active conversations with the Local Field Office for HUD related to the \$4M Congressionally Directed Spending Award. To date, to certain outcomes or alternatives are yet known on alternative uses of these funds. Staff has also had several conversations with State Officials regarding the \$10M State Grant (approximately \$4.5M remaining to be spent). A follow up meeting is set for Friday, March 14. An update will be provided at the March 17 EDA Meeting.

Actual Affordability Thresholds, Current Rents, and Potential Displacement

It is hereby noted that current Rents at Huntington Place are already below the affordability thresholds within the EDA's restrictive covenants. The table below uses the Area Median Income (AMI) limits found in the EDA's Declaration of Restrictive Covenants (50% to 60% AMI) as the basis for comparison.

Metropolitan Council Rent Affordability Limits (allowed per EDA Loan Agreement)	Huntington Place Rent Rates (according to Aeon's website)	MAS Capital Proposed Rents (average/approximate)
\$1,165 to \$1,398	\$900 to \$950	\$1,100

MAS Capital is proposing a full remodel of each unit, common areas, and exterior site with an investment ranging from \$10,000 to \$24,000 per unit. This will result in an increase in Lease Rates but will still stay below the AMI Thresholds within our Restrictive Covenants. MAS Capital is planning to not extend existing leases at time of expiration but allow Tenants to enter into new Leases for renovated units. It should be expected that this will cause some amount of displacement for existing Tenants. Finally, it is noted that many tenants have access to rent vouchers, which limits their rent based on a percentage of their income. In other words, base rent may increase, but the impact to the Tenant may be minimal (unless there is a change to their income).

Renter Resources for Impacted Tenants

Staff's focus has expanded to begin to plan for Tenant Support for relocation. While the City and County do not have additional funds to assist with relocation, focus has begun to shift on connection to resources through on-site housing fairs, resources, etc. A potential Housing Fair could help identify a number of resources already referred by City Staff in these situations.

- Hennepin County Emergency Rent Assistance
- Housing Link
- City of Brooklyn Park Tenant Notification Ordinance
- Attorney General: Landlord and Tenant: Rights and Responsibilities Handbook
- HOME Line
- LawHelpMN
- Housing Justice Center
- Hennepin County Tenant Resource Center
- Hennepin County Office of Multicultural Services
- United Way 211
- Community Mediation and Restorative Services
- Day One Emergency Shelter or Crisis Hotline

City Staff will also be reaching out to the School District to share these updates, as this process is likely to result in a decline in enrollment for the School District as well.

Additional Assistance Huntington Place

Aeon received other assistance for Huntington Place.

Entity	Amount	Status
Hennepin County	\$3.5M Grant	Fully Distributed
State of Minnesota	\$10M Grant	Partially Distributed Continues Post-Sale
Federal – Congress	\$4M Grant	Unused Exploring Alternative Options

Furthermore, many Residents of Huntington Place receive Tenant Based Assistance. Staff is attempting to collect this data.

At the January 21 EDA Meeting, there was discussion on the possibility to convert a portion of the units to market rate units. Staff is working with MAS Capital Group to explore this possibility. The net annual increase in total property taxes (City + County + School District) if the Property no longer qualified for 4d(1) property tax classification would be approximately \$900,000 annually. Additionally, Staff is trying to better understand the implications of market rate conversion as it relates to the County, State, and Federal grants provided to this apartment community.

Long-Term Scenarios:

Several long-term scenarios have been suggested to Staff/the City. Staff's recommendation on the current Loan Forgiveness request may be impacted by the EDA's long-term vision for this Property. The matrix below attempts to help frame this conversation.

	<i>Affordable</i>	<i>Market-Rate</i>
<i>Renovation</i>		
<i>Redevelopment</i>		

If the EDA's vision is different than the current MAS Capital Group Proposal (Renovation with retaining Affordability), a different strategy may be needed. However, multiple entities have expressed concern to Staff about a potential foreclosure scenario if the EDA does not forgive the loan. Staff will present some of this feedback at the March 17 EDA Meeting.

Budgetary/Fiscal Issues:

If the loan were to have been repaid, the funds would have gone back to the City's Housing Set Aside Fund for other similar housing assistance.

In response to the February 18 EDA Meeting, the Primary Lender has offered a Settlement of \$450,000, with the EDA forgiving the remaining balance, including principal and accrued interest.

Attachments:

- 6.1A RESOLUTION (to be available Monday)
- 6.1B LETTER FROM WINTHROP & WEINSTINE ON BEHALF OF AEON BP LLC
- 6.1C RENTER RESOURCES FLYER
- 6.1D AEON (SELLER) TALKING POINTS
- 6.1E MAS CAPITAL (BUYER) RESPONSES
- 6.1F AEON LETTER TO CITY OF BROOKLYN PARK



September 24, 2024

Katherine A. Johnson
Direct Dial: (612) 604-6767
Main Fax: (612) 604-6800
kjohnson@winthrop.com

VIA EMAIL

Brooklyn Park Economic Development Authority
5200 85th Ave. N.
Brooklyn Park, MN 55443
Attn: Jay Stroebel
Email: Web-CityManagerDL@brooklynpark.org

RE: Huntington Place Apartments – Requests to Brooklyn Park EDA for October 15, 2024 Agenda

Dear Mr. Stroebel:

This firm represents Aeon BP LLC, a Minnesota limited liability company (“Aeon BP”), which is an affiliate of Aeon, a Minnesota nonprofit corporation (“Aeon”).

As you know, Aeon BP, as borrower, and the Brooklyn Park Economic Development Authority (the “EDA”), as lender, are parties to that certain Loan Agreement dated January 30, 2020, as the same has been amended and restated over time, including the most recent Third Amended and Restated Loan Agreement dated February 27, 2023 (collectively, the “Loan Agreement” and together with all accompanying loan documents, the “Loan Documents”), related to the multifamily housing development known as Huntington Place Apartments (the “Project”).

We understand that you and Eric Johnson, Aeon’s Chief Executive Officer, have had conversations regarding the Project and the Loan Agreement.

Aeon BP is in the very final stages of negotiating a Purchase and Sale Agreement for the transition of ownership of the Project; information regarding the same will be forth coming shortly. In the meantime, we wanted to make a formal request to the EDA as set forth in this letter. It is imperative to the Project and that transaction that the requests herein be included on the EDA’s agenda for its meeting on October 15, 2024.

Accordingly, Aeon BP is hereby formally requesting the following:

1. Approval to transfer the Project and assign that certain Declaration of Restrictive Covenants dated January 30, 2020, between Aeon BP and the EDA, as the same has been amended by that certain Amendment to Declaration of Restrictive Covenants dated

September 24, 2024

Page 2

February 16, 2021 (collectively, the “Declaration”) in accordance with Section 4 of the Declaration. For reference, a copy of the Declaration is enclosed. As part of Aeon BP’s contemplated transfer of the Project, the new buyer will assume the obligations under the Declaration (including obligations related to the providing of affordable housing at the Project as required by the Declaration).

2. Forgiveness of the loan set forth in the Loan Documents, including a release of that certain Promissory Note, Loan Agreement, Combination Mortgage, Security Agreement and Fixture Financing Statement secured by the Project, and a release of the Guaranty by Aeon.

We would like to coordinate a meeting with EDA staff regarding the above requests at your soonest convenience. If you could please reach out to Eric Johnson, copied here, with your availability, that would be greatly appreciated.

Very truly yours,

WINTHROP & WEINSTINE, P.A.

/s/ Katherine A. Johnson

Katherine A. Johnson

Enclosures

CC: Eric Anthony Johnson (via email at EJohnson@aeon.org)
Caroline Horton (via email at CHorton@aeon.org)

29803631v1

Renter Resources

Maintenance Concerns?

Notify your landlord or property manager of a maintenance issue.
For an unresolved maintenance concern or issue, contact the City of Brooklyn Park.



Rental and Business Licensing Division

 763-493-8182 |  bplicense@brooklynpark.org

Housing




Tenant Resource Center

Maintains housing stability for Hennepin County tenants

 612-767-9737
 www.trchennepin.com

Housing Link

Provides affordable housing information for renters and landlords

 612-522-2500
 info@housinglink.org
 www.housinglink.org





Renter Resources in Brooklyn Park

Scan the QR Code with your smartphone
www.brooklynpark.org/housing

Community



Office of Multicultural Services

Connects immigrants and refugees to resources and services

 612-328-2193
 oms@hennepin.us

United Way 211

Provides free and confidential health and human services for people in Minnesota

 211 or 651-291-0211
 www.211unitedway.org



Community Resources in Brooklyn Park

Scan the QR Code with your smartphone
www.brooklynpark.org/community-resources

Legal



Attorney General's Office

Informs tenants of their rights and responsibilities. Copies of the Minnesota Attorney General's Landlords and Tenants: Rights and Responsibilities handbook are available at:

 www.ag.state.mn.us/



HOME Line

Offers free and low-cost legal, organizing, education, and advocacy services to tenants

 612-728-5767
 www.homelinemn.org

Housing Justice Center



Preserves and expands affordable housing for low-income individuals and families

 612-807-1139
 www.hjcmn.org

Safety & Stability




Community Mediation and Restorative Services (CMRS)

Provides low to no cost conflict resolution services between renters and property owners as well as between family members and neighbors

 763-561-0033
 referrals@cmrsmn.org

Day One Emergency Shelter or Crisis Hotline

Provides support and assistance to individuals experiencing domestic violence or sexual assault

 1-866-223-1111
 612-399-9977 (Text)
 safety@dayoneservices.org

Domestic Abuse Service Center

Offers multiple services to victims of domestic violence

 612-348-5073

Renter Rights Information

Housing Policies

The City of Brooklyn Park has policies in place to preserve affordable housing and ensure renter rights. Below are a couple of key policies:

The Minnesota **Fair Housing Policy** protects people from discrimination and promotes equal access to housing. This policy prevents discrimination based on:

- Race
- National origin
- Religion
- Sex
- Familial status
- Disability

The City of Brooklyn Park **Tenant Notification Ordinance** protects renters from immediate lease changes when their apartment building is transferred to a new owner. Within 30 days of sale, a new owner must notify renters if they intend to:

- Increase the rent;
- Require that residents meet new criteria to live in the building;
- Issue lease non-renewals without cause or as the result of rescreening; or
- Make a material change to the lease.

If the new owner makes any of those changes and the renter needs to move, they may be eligible for relocation assistance.

Questions?


For more information, contact John Kinara, Housing and Redevelopment Coordinator, at 763-493-8054 or john.kinara@brooklynpark.org

Language Support


Para asistencia, llame al 763-424-8000 y solicite un intérprete.


Yog koj xav kom txhais rau lu Hmoob, hu Chris Xiong, 763-315-8466 or chris.xiong@brooklynpark.org.



For reasonable accommodations or alternative formats, please contact Josie Shardlow at 763-493-8388 or josie.shardlow@brooklynpark.org.

 **City Hall**
5200 85th Avenue North
Brooklyn Park, MN 55443

 763-424-8000
 bpcustserv@brooklynpark.org

 **Hours**
8:00 AM - 4:30 PM, Monday - Friday

 **Police Station**
5400 85th Avenue North
Brooklyn Park, MN 55443

 763-493-8222 (Non-emergency)
 bppolice@brooklynpark.org

 **Hours**
24 hours a day, every day

Huntington Place Apartments Transaction

Aeon and Brooklyn Park Economic Development Authority Key Points

- The sale of Huntington Place to MAS Capital Group LLC has been directed by NEF Preservation Mortgage Loan Fund I LP (“NEF”), the senior lender, as the last alternative. Failure to consummate the transaction would have catastrophic consequences to the community of residents, City and Aeon.
- The sale of Huntington Place will achieve substantial benefit to the community as it will (i) preserve the continued affordability, (2) result in the buyer making substantial investments and improvements of the property, which would otherwise not occur, and (3) continue to preserve and permit the community at Huntington Place to prosper and grow.
- But for the transaction, preservation of affordability and the community at Huntington Place would not be guaranteed. But for the transaction, the significant investment and improvements into Huntington Place will not occur.
- Notably, Aeon specifically negotiated a transaction conditioned on an assumption by the buyer of the affordable housing covenants that will be maintained through January 2050.
- All alternatives for capital, financing and recapitalization have been explored by Aeon with professional assistance and exhausted.
- Aeon held the Huntington Place project together despite a moratorium that prevented evictions and collection of rental revenue necessary to sustain project and service debt.
- Aeon invested over \$5 million at Huntington Place to fund security services necessary to ensure that the safety of more than 2,500 residents during the national pandemic, at a time when gang elements and drug dealers threatened the Brooklyn Park community and those that consider the apartment complex home.
- NEF, the senior lender, will lose approximately \$50 million in the transaction and the Twin Cities Local Initiatives Support Corporation (LISC), a subordinate lender, is not expected to receive any money from the sale.
- NEF and LISC support the sale transaction despite the substantial losses the lenders will incur.
- City of Brooklyn Park approved and executed a Subordination Agreement in favor of NEF as part of the original financing for the Huntington Place project in which the City specifically agreed, among other things, as follows: (1) that its debt will at all times continue to be subject and subordinate in right of payment to the prior and full payment of all amounts owed to NEF (see Section 3(a)); (2) that any payment the City at any time receives is to be held in trust for the NEF and promptly turned over (see Section 3(d)); (3) the City consented and authorized the future sale of Huntington Place property (see Section 5(b)(ii)); (4) the City further consented

and authorized the future release by NEF of the mortgaged property from the lien, operation and effect of applicable loan documents by NEF as part of a sale transaction (see Section 5(b)(i)); and (6) the City waived all equitable or other rights it may have in connection in connection with the release of the mortgaged property.

- The City's support of the Huntington Place project has been, and is now, critical to the successful transfer of the property to a financially secure and invested buyer that is committed to maintaining affordability, improving the property and committed to providing affordable, secure and quality housing to thousands of current and future residents in the Brooklyn Park community.

General MAS Capital background:

In the late 1940s my grandfather, Mr. Henry Mermelstein came to America as an immigrant together with his wife, my grandmother, with the hopes of raising a family with the ability to provide for them in a decent manor. After working in textile factories for many years, he bought into a healthcare facility, and then from one became many. Then a stock portfolio was started and built up with the energy, banking, and farming sectors being the framing of it. In the late 90s, the family bought into real estate with its first asset being in Nevada. From there, we have built up a portfolio of 5,000+ units, and some office space.

We have always self-managed most of the portfolio and always bought conservatively and not by trends. We have held onto many assets for decades and have sought out assets that give us the ability to do as such.

Since his passing 6 years ago, I (Moshe Mermelstein) have been charged with overseeing the portfolio and the real estate sector on behalf of the family.

A portfolio of specific communities MAS Capital owns and operates currently:

Here is a list of 10 properties within the portfolio that we own:

1. Crossing at Northpointe – St Louis MO
2. The Knolls Townhomes – St Louis, MO
3. Oakwood Apartments – Jacksonville, AR
4. The Luxe Apartments – Jacksonville, AR
5. Arlington Apartments – Jackson, MS
6. Ashford Apartments – West Monroe, LA
7. Philadelphia Place, Philadelphia, PA
8. Beach Place Apartments, Sunny Isles, FL
9. Rosewood Apartments, Reno, NV
10. The Crossing at Lake Mead – Las Vegas, NV

A quick mockup of planned improvements to individual units (concept level, not construction plans):

We plan to renovate every unit starting with new vinyl flooring, new kitchen cabinetry, new appliances (and possibly new backsplashes), new lighting throughout the unit, new bathroom vanity's and mirrors, and new tubs.

A concept plan (not construction plans) of exterior improvements and improvements to other common/community areas:

We plan on replacing all windows at the property, getting the pool completed and working again with additional design to it, completely overhaul the current leasing building and clubhouse with brand new modern design, new large gym for tenants, game room for children, conference room/business office space for residents to use, new offices for staff at the property, new lawn care with trees and flowers

Financials to support the level of reinvestment being proposed (high-level, not full pro-forma):

Total capitalization for the Huntington project is expected to be \$60,000,000. \$42,500,000 is expected to be paid by a bridge loan, which represents 75% of the purchase price plus 75% of the capital expenditures. The remaining costs will be paid from equity of approximately \$17,500,000. The equity will be 25% of the purchase price and 25% of the capital expenditures. Equity will come from the buyer's family holdings.



home changes everything

February 12, 2025

VIA EMAIL

Jay.Stroebe1@brooklynpark.org

Tim.Gladhill@brooklynpark.org

City of Brooklyn Park
 5200 85th Ave. N.
 Brooklyn Park, MN 55443
 Attention: Jay Stroebel, City Manager

Brooklyn Park Economic Development Authority
 5200 85th Ave. N.
 Brooklyn Park, MN 55443
 Attention: Tim Gladhill, Community Development Director

RE: Huntington Place Apartments

Dear City of Brooklyn Park and Brooklyn Park Economic Development Authority,

I am writing on behalf of Aeon, a Minnesota nonprofit, and its wholly-owned affiliate, Aeon BP LLC (collectively, Aeon) in relation to its affordable housing project within the City, Huntington Place Apartments. As you are aware, the project is facing significant financial challenges. We appreciate the time and effort that the City and the EDA have given to evaluating these challenges thus far.

We are writing today to step back and assess the project's current circumstances, its role within the City's larger community, and relay Aeon's hope for the future of this project.

Huntington Place is a multifamily housing development, consisting of 834 units of affordable housing within the City and the second largest affordable housing community in Minnesota.

Aeon acquired Huntington Place in 2020 to avoid displacement of residents and maintain its affordability and improve it for its approximately 2,500 residents. Despite Huntington Place's long history of challenges, preserving the housing units was central to Aeon's mission. The project faced significant unanticipated challenges soon after its acquisition, including the pandemic, social unrest, and increased crime. These external pressures

> 901 North 3rd Street, Suite 150
 Minneapolis, MN 55401

> 612-341-3148 office
 612-341-4208 fax

> aeon.org



compounded the already high-maintenance project and capital improvement needs of the property. Despite these challenges, Aeon remained committed to its mission.

Throughout its ownership, Aeon has worked tirelessly and at great cost to improve and stabilize the project and its impact on the City. Specifically, Aeon developed a transformation plan and pursued multiple options while worked closely with local, state, and national partners—including the Minnesota Legislature, Hennepin County, and financial institutions like NEF and Morgan Stanley—to secure \$10 million in state grant funding and other support to improve and stabilize Huntington Place, but additional funds are needed to continue these efforts. Aeon also held the project together despite a moratorium that prevented evictions and collection of rental revenue necessary to sustain project and service debt. Add to this, rising interest rates, insurance, inflation, and uncertainty in the real estate market for properties such as Huntington Place made the challenge even tougher. And despite this context, Aeon continued to work toward a proposed solution. Moreover, Aeon invested over \$5 million at Huntington Place to privately fund security services necessary to ensure the safety of more than 2,500 residents during the national pandemic, at a time when unrest and violence threatened the community and those that consider the apartment complex home. This investment and effort has helped significantly reduce crime—by 68% over the past several years—and, as a result, the cost of the crime was not relegated to the City, thereby creating significant cost-savings for taxpayers and reducing police time and efforts at Huntington Place. Aeon’s work over the years has also improved the property’s appearance and operations.

Unfortunately, despite these significant efforts and the hard work of all involved, Aeon is at a point where it can no longer own and operate Huntington Place itself. Nonetheless, Aeon remains committed to the continued preservation of this affordable housing community.

Aeon’s mission is to create and sustain quality affordable homes that strengthen lives and communities. To that end, Aeon has been working for many months to negotiate a transaction whereby the buyer will assume the existing affordable housing covenants that will be maintained through January 2050. Aeon has also sought a buyer committed to improving the project during its ownership and making a significant investment in the community.

Furthermore, Aeon has worked closely with its senior and subordinate lenders, who, although facing significant financial losses, are committed to a sale of the property that will maintain its affordable housing covenants.

As you are aware, the EDA is also a subordinate lender to Huntington Place and has executed subordination agreements in favor of the senior and other subordinate lender containing, among other things, provisions for the release of liens. Aeon has asked for (1) forgiveness of such subordinate loan and (2) consent to the assignment of the Declaration of Restrictive Covenants by and between the EDA and Aeon preserving affordability within Huntington Place, thereby permitting the sale of the project to move forward and preventing a foreclosure. As you are also aware, a foreclosure would place the affordability in jeopardy and threatens to displace essential services for many residents.

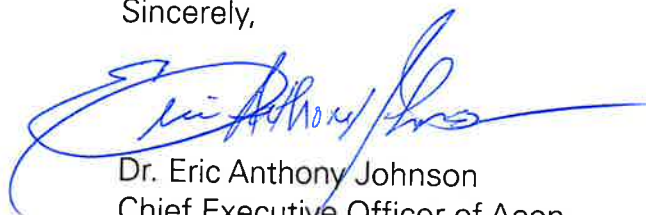
Aeon also continues to work creatively with the City, the EDA, the buyer, and other funding partners to best employ all available resources for the betterment of Huntington Place and ultimately the City of Brooklyn Park. In particular, preserving the affordability will permit Aeon to utilize roughly \$4.5 million of allocated grant funds from the Minnesota Housing Finance Agency (MHFA) towards investment into improvements at the project. Preserving affordability has also allowed Aeon to offer a Memorandum of Understanding to the City related to the use of \$4 million of allocated federal HUD grant funds to be used in connection with the Zanewood Recreation Center, which would ultimately result in the betterment of Huntington Place and the City at large.

Aeon's intentions are to provide for a transfer of Huntington Place that achieves the goals of preserving affordability, providing necessary investment for improvements that benefit residents, and continuing to positively impact the community of Brooklyn Park. Aeon does not support and does not view foreclosure as a beneficial solution to problems confronting the project.

The City's support of the Huntington Place project has been, and is now, critical to the successful transfer of the property to a financially secure and invested buyer that is committed to improving the property and to providing affordable, secure and quality housing to thousands of current and future residents in the Brooklyn Park community.

We thank you for your continued time and consideration on these requests.

Sincerely,



Dr. Eric Anthony Johnson
Chief Executive Officer of Aeon

EAJ/vs



MEMORANDUM

DATE: March 11, 2025
TO: EDA Commissioners
FROM: Tim Gladhill, EDA Executive Director
SUBJECT: EDA Status Update

Overview:

This memo provides an update to the Brooklyn Park Economic Development Authority (EDA) and serves to keep interested community members informed.

- A. Business Development Updates
- B. Housing Updates
- C. Development Updates
- D. Development Inquiry Updates
- E. Workforce Development Updates
- F. Other Updates

A. BUSINESS DEVELOPMENT UPDATES

Microbusiness Loan Program

The Microbusiness Loan Program, administered by the Brooklyn Park Development Corporation (BPDC), continues to support emerging businesses by providing crucial financial resources for start-up costs. This program helps businesses that may face challenges securing traditional financing by offering loans ranging from \$1,000 to \$10,000 at a 2% interest rate with reduced underwriting criteria.

To date, the program has received three applications, and a review committee will begin processing these applications and disbursing funds within the next few weeks. The City of Brooklyn Park remains committed to fostering local business growth and ensuring entrepreneurs have access to essential funding.

For more information, contact Josephine Thao, Project Facilitator, at Josephine.Thao@brooklynpark.org

Brooklyn Park Business Development Bus Tour

On Wednesday, April 23, the City of Brooklyn Park will have a bus tour with the City Council, Planning Commission, and City leadership. On this tour, Council, Commissioners, and Staff will have a chance to learn from City Staff about the exciting developments and partnerships within the city.

For more information, contact Asma Jihad, Program Assistant, at Asma.Jihad@brooklynpark.org.

B. HOUSING UPDATES**Real Estate Forum**

On Thursday, March 20, 2025, the City of Brooklyn Park will host the 33rd Annual Real Estate Forum at the Edinburgh Clubhouse. The event brings together real estate professionals, brokers, and industry leaders across the Twin Cities to learn about the city's latest development projects, business investments, and housing financial resources.

This year's theme, "Reimagining Suburban Development" focuses on innovative approaches to shaping suburban growth and revitalization. Attendees will enjoy a hot breakfast and keynote address by Dr. Marcellus Davis, the Racial Equity, Diversity and Inclusion Manager, who will share his insights on advancing equity in suburban development. Attendees will also have the opportunity to earn continuing education credits from the Minnesota Department of Commerce.

For more information, contact Josephine Thao, Project Facilitator, at Josephine.Thao@brooklynpark.org or visit www.brooklynpark.org/real-estate-forum/.

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. During fiscal year 2025, the EDA allocated \$1 million for the home improvement programs administered by Center for Energy and Environment (CEE) and \$170,000 in Community Development Block Grant (CDBG) funds for the Hennepin County administered home rehab program.

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 benefiting 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 20, 2025, and submissions for public service organizations that provide various programming activities in the community were due to the County February 28, 2025. Successful RFPs will be notified in early April.

C. DEVELOPMENT UPDATES

Park-and-Ride and Oxbow RFQ

In 2024, the EDA directed Staff to issue a Request for Qualifications intended to find interested developers to develop two (2) EDA Owned Sites. The intent is to focus on which Developer to continue to negotiate with. The intent is not to approve a final development plan or financial considerations, which will occur at a future date after continued negotiations.

- Oxbow Site
 - Located north of Highway 610, east of Zane Avenue
- Noble Site
 - Located north of Highway 610, east of Noble Avenue
 - Site of former Metro Transit Park and Ride Site

November's application deadline for proposals saw the city see multiple submissions. City staff, city advisors and the panel for the RFQ debriefed in monthly meetings since November. Due to the submissions, questions raised, and the holiday season's scheduling, the RFQ's timeline was then extended with interviews taking place in January. The goal is to efficiently impact the opportunities these sites bring to the city and ultimately select a partner who shares the EDA's vision.

On January 17th the first round of interviews were conducted with four developers. The panelists wished to see if amendments could be made to some of the proposals, to aid in ultimately producing a solid recommendation to the EDA, and so the panel directed the developers to submit final amendments by early February.

After final amendment review and preliminary financial analysis the RFQ panel will bring a recommendation to the EDA during an April work session.

BioTech Innovation District RFP

The selected consultant team is working on their final proposal based on feedback from the February EDA Meeting. A final contract is expected at the April EDA Meeting.

The BioTech Innovation District is a 200-acre portion of the Northwest Area Plan located along Highway 610 on both sides of Highway 169. The EDA recently authorized a strategic planning exercise that extends beyond the Northwest Area Planning efforts and focuses on individual sites, users, and recruitment of BioTech Businesses. Among a number of EDA Goals, the BioTech Innovation District is intended to:

- Build the tax base to improve resources available for all areas of Brooklyn Park, not just the area North of 610
- Develop a market for restaurants, retail, and recreation by improving daytime population (businesses/places to work) and nighttime population (residential/places to live)
- Develop a workforce pipeline for Brooklyn Park Residents of all ages and demographics as well as deliver the workforce needed to support a BioTech Innovation District

Staff, along with Mayor Winston and Councilmember Klonowski, held second interviews on January 10, 2025. Based on presentations and feedback, Staff is planning on scheduling short interviews with the full EDA at the February EDA Meeting. The intent is to launch the actual planning process in Spring of this year and extend for the next 12-18 months.

Blue Line Extension Anti-Displacement Policies and Programs

City staff updated the City Council on February 3rd about Blue Line Extension (BLE) light rail anti-displacement work-to-date. City Council provided comments on programs and policies for consideration. There was general support for staff to continue exploring most anti-displacement efforts. As City staff continue to research programs and policies and assess the corridor public engagement will be launched. Staff will be back before City Council to discuss programs and policies in more detail following public engagement efforts.

D. DEVELOPMENT INQUIRY UPDATES

As noted in the November 18 EDA Agenda Packet, Staff desires to better report on Pre-Application Concepts to the EDA to ensure that Staff Direction to Applicants is in line with EDA Policies, Direction, and Desires. Below is what the format will likely look like moving forward.

If the EDA desires to discuss any of these concepts that was otherwise directed by Staff, please let the EDA Executive Director request it be placed on a future agenda.

Project Name	Project Details	Staff Response
Fidel's Restaurant	Restaurant Proposal at Northwinds Plaza (EDA Site)	Public Assistance and EDA Risk are higher than standard assistance package. Staff will forward to EDA for direction at a future meeting. <i>Per the request of the Applicant, this review has been rescheduled to April.</i>
Tessman Ridge Phase 2	Tessman Ridge (Duffy Development) contemplated (and includes space) for a second phase of multifamily housing at 6900 85 th Ave N). Duffy Development continues to ask for permission to commence design for Phase 2. The EDA previously declined to enter into an agreement for Phase 2 and Staff is of the understanding that there is still not an appetite to consider Phase 2 at this point.	On February 20, 2024, the EDA declined to enter into an agreement with Duffy Development for Phase 2. The EDA is focused on projects with a mix of Market Rate and Affordable Units. At this time, Staff is not planning on bringing forward consideration for Phase 2. <i>The EDA would need to direct Staff to bring forward consideration at this time.</i>
Assisted Living Concept	7601 Brooklyn Boulevard	Initial meetings are set to take place in March. Staff have also requested the inquiring party to procure an appraisal to serve as a petition to the EDA to explore any potential development.

E. WORKFORCE DEVELOPMENT UPDATES

BrookLynk Get Ready!

BrookLynk hosted its in-person Get Ready! work readiness training event at North Hennepin Community College (NHCC) on Saturday, March 8, from 10:00 AM-3:00 PM. This free training equips youth ages 14-24 in the Northwest Suburbs with essential workplace skills, networking opportunities, and eligibility for a paid Summer Internship with local employers.

The Summer Internship Application went live on February 10th. Completing Get Ready! is a required step to be eligible.

This year, the training is offered in four different ways:

1. **In-person** at NHCC on March 8th,
2. **Online, self-paced** through Teachable,
3. **Pop-up sessions** in partnership with local area high schools, and
4. **Virtual, facilitator-led session** on March 22nd.

**GET READY!
WORK
READINESS
TRAINING
OPENS ON
JANUARY 2, 2025**

Get Ready! is a pre-employment training designed to provide young people with foundational skills to successfully land a job and navigate the work environment. Completion of this training is required for participation in the paid Summer Internships.

Register for GET READY!

<https://www.brooklynk.works/get-ready-1>

ELIGIBILITY
To be eligible for Get Ready! youth must be:

- Be 14-24 years of age
- Live and/or attend school in the Northwest Suburbs:
- Face one or more barriers to employment

- Brooklyn Center
- Brooklyn Park
- Champlin
- Crystal
- Dayton
- Fridley
- Maple Grove
- New Hope
- North Minneapolis
- Osseo
- Robbinsdale
- Rogers
- St. Anthony Village

Questions contact: > Anthony.Villagrana@brooklynk.works | 651-242-0676

www.brooklynk.works

For more information, please contact Anthony Villagrana, BrookLynk Program Coordinator, at Anthony.Villagrana@brooklynk.works or visit <https://www.brooklynk.works/get-ready-1>.

Youth Entrepreneurship Program (YEP)

The first phase of the YEP program concluded on February 26th, with the second phase set to begin on March 19th. Launched on January 22, 2025, the program currently engages 10 participants in a paid, weekly training at Zanewood Community Center. Designed for out-of-school and high-barrier youth (ages 16-24) in Brooklyn Center and Brooklyn Park, YEP equips participants with essential business skills. In the second phase, participants will develop a pitch deck in preparation for the annual Shark Tank event on June 7th.

For more information, contact Carmen Bibiano, Career Pathways Program Manager, at Carmen.Bibiano@brooklynk.works.

F. OTHER UPDATES

American Rescue Plan Act (ARPA)

American Rescue Plan Act (ARPA) activities for all programs have wrapped up in December 2024, with the exception of partial funding for BrookLynk programming in 2025. Currently, ARPA funds are deployed for council approved projects – direct city implemented projects and Community Partner Programs (CPP). The CPP programs are funded by both ARPA dollars and EDA funds. In July 2023, City Council extended work for 10 community partners who received the original CPP awards to continue their work into 2024. Those partners received funds from both EDA and ARPA for the extensions. The extension partners are wrapping up their work and submitting reports. Additionally, in December 2023, the City Council also approved \$294,438 for 10 community partners to begin work in 2024. The EDA awarded \$75,938 in funding to five of these community partners. The partner work will also be completed in November 2024.

Economic Development and Housing Director Role

The City of Brooklyn Park has made significant progress in its recruitment efforts for the Economic Development and Housing Director position. Since the launch of the recruitment process, the job posting has received over 1,600 views and garnered over 16 applications from a diverse pool of candidates.

This position, currently held on an interim basis by Malcolm Hicks, plays a vital role in leading project management efforts, supporting the Economic Development Authority (EDA), and driving the city's economic growth initiatives.

Workforce Development Program Director Role

Similar to the Economic Development and Housing Director recruitment, recruitment efforts have begun to fill the Workforce Development Program Director role. The application will be open until March 16th with interviews set to begin in early April.

Jolene Rotich, current BrookLynk Program Manager, is currently supporting in the interim until the position is filled.

Attachments:

- 7.1A MICROBUSINESS LOAN FLYER
- 7.1B REAL ESTATE FORUM FLYER

Brooklyn Park Development Corporation MICROBUSINESS LOAN



Program Benefits

- Loans available from \$1,000 to \$10,000
- 2% fixed interest rate
- Repayment term up to five (5) years
- Build business credit
- Applications accepted on a rolling-basis

How to Apply

Applications are reviewed on a rolling basis, with funding decisions typically made within two months. Don't miss this opportunity to secure funding for your small business!



Questions?

Contact Josephine Thao at
josephine.thao@brooklynpark.org
 or 763-493-8145.

Are you a small business owner looking for funding to grow your business? The Brooklyn Park Development Corporation (BPDC) Microbusiness Loan Program is here to help! This program provides financial resources to support emerging businesses in overcoming early financial challenges.

Eligibility Requirements:

- Business must be located in Brooklyn Park, MN and owned by a 7-County Metro area resident OR business owner is a Brooklyn Park, MN resident
- Must be a for-profit business with 10 or fewer full-time employees
- Must be registered with the Minnesota Secretary of State
- Must have an Employer Identification Number (EIN) or Tax Identification Number
- Required business licenses must be up to date
- Must show a business need for financial assistance

Eligible Use of Funds



**Renovations
and facility
improvements**



**Inventory
purchasing
and supplies**



**Employee wages,
benefits, and
training**



**Marketing,
advertising,
and branding
efforts**



**Technology
investments
(hardware,
software,
subscriptions)**

Application Requirements:

- Completed online application
- Business plan (including goals, strategies, and financial projections)
- Marketing plan (outlining how you will attract and retain customers)
- Recent personal and business tax returns
- Profit and loss statements (showing business income and expenses)
- Balance sheets (listing business assets, liabilities, and equity)
- Valid identification (state-issued ID, driver's license, or passport)

Para asistencia, llame al 763-424-8000 y solicite un intérprete.

Yog xav tau kev pab, thov hu rau 763-424-8000 laww mam li nrhiav ib tus neeg txhais lus rau koj.

If you need this information in another language or format or disability accommodations,
 email access@brooklynpark.org or call 763-424-8000.

Join us for the 33rd Annual Real Estate Forum

“Reimagining Suburban Development”
in Brooklyn Park

Thursday, March 20, 8:00AM-12:45PM
Edinburgh USA (8700 Edinbrook Crossing)

Earn four (4) Continuing Education Credits from the Minnesota Department of Commerce.

- **Hot Breakfast** served at 7:45AM
- **Regional Housing Market Trends Update** from David Arbit
- **Keynote Address** by Dr. Marcellus Davis
- **Breakout Sessions**
 - Property Taxes 101: Understanding Assessments and Impacts
 - Understanding Our School District: Insights and Opportunities
 - Navigating Financial Loan Programs and Fair Housing Policies
 - Unlocking Homeownership: Lending Programs and Financial Resources
 - Demystifying the Lending Experience: What Borrowers Need to Know
 - Shaping the Future: Planning and Development Updates
 - Enhancing Community Well-Being Through Recreation Programs
 - Building Stronger Neighborhoods: Resources and Connections
 - Community Safety Initiatives: Crime Prevention and Public Safety



David Arbit, Minnesota Realtors



Dr. Marcellus Davis, City of Brooklyn Park



Tim Gladhill, City of Brooklyn Park



Register today!

Scan the QR code to register or visit www.brooklynpark.org/real-estate-forum/.

Questions?

Contact Josephine Thao at josephine.thao@brooklynpark.org.

Registration Fee: \$35

Para asistencia, llame al 763-424-8000 y solicite un intérprete.

Yog xav tau kev pab, thov hu rau 763-424-8000 lawv mam li nrhiav ib tus neeg txhais lus rau koj.

If you need this information in another language or format or disability accommodations, email access@brooklynpark.org or call 763-424-8000.



City of Brooklyn Park EDA WORK SESSION

Agenda Item:	8.1	Meeting Date:	March 17, 2025
Agenda Section:	Work Session	Prepared By:	Malcolm Hicks, Interim Economic Development and Housing Director
Attachments	N/A	Presented By:	Malcolm Hicks, Interim Economic Development and Housing Director
Item:	Brooklyn Park Business Development Support, Retention, and Expansion Strategies		

Overview:

The work session will focus on reviewing Brooklyn Park's business support, retention, and expansion strategies, particularly in light of the conclusion of the Metro North Chamber of Commerce partnership. The session will address the strategic goals outlined in the Brooklyn Park 2040 Comprehensive Plan and propose enhancements to the city's business development initiatives moving forward.

Background:

Brooklyn Park had previously relied on various partnerships, including a local business steering committee and the most recent partnership with the Metro North Chambers of Commerce to support local businesses. Additionally, the EDA launched the Small Business Center in 2023. Upon conclusion of the contract with Metro North Chamber of Commerce, Staff desires to check in with the EDA to ensure that the proper strategy is deployed moving forward. The work session will also consider the potential for establishing a self-sustaining Brooklyn Park Chamber of Commerce (or other business support governance structure), leveraging lessons from other cities with successful models. As a reminder, the City cannot itself create a Chamber of Commerce. It can help foster the conversation. Alternatively, the City can create a governance structure and Staff support for steering committees, etc. that provide many of the same services as a Chamber.

Staff has also explored or responded to proposals from similar entities including, but not limited to the following. Staff will provide an overview of each of these offerings.

- Elevate Hennepin
- Neighborhood Development Center
- Small Business Development Centers
- GreaterMSP (regional economic development partnership)

Primary Issues/Alternatives to Consider:

The main issue to address business support and navigation services moving forward. Future strategies will likely center around the Small Business Center (SBC) and the services that the City either wants to provide directly or through partnerships with other entities. The work session will explore the option of creating a new independent Brooklyn Park Chamber of Commerce, discussing potential funding models, organizational structure, and community leadership involvement. Additionally, the session will review the success of current initiatives, such as business incentives and the Brooklyn Park Small Business Center, while identifying areas for improvement and future opportunities.

Staff poses the following policy questions to frame the EDA's vision for business support/business navigation.

- What support does the EDA desire to provide for local businesses?
- What level of support does the EDA desire to provide?
- What partnerships does the EDA desire to continue to maintain and or add?

Budgetary/Fiscal Considerations:

The work session will examine the financial implications, and legal limitations of establishing a new Brooklyn Park Chamber of Commerce, considering potential funding sources such as membership dues, grants, and partnerships with other organizations.

Next Steps:

Following the work session, the city will look to reinstate the Brooklyn Park Business Forward Committee to further explore the creation of a sustainable business chamber and refine the city's business development strategies. Additionally, the city will work on increasing its community partnerships and outreach marketing business incentives and support programs.

Attachments:

N/A

City of Brooklyn Park Request for EDA Action

Agenda Item:	8.2	Meeting Date:	March 17, 2025
Agenda Section:	Work Session	Prepared By:	John T. Kinara, Housing and Redevelopment Coordinator
Resolution:	N/A	Presented By:	John T. Kinara, Housing and Redevelopment Coordinator
Attachments:	2		
Item:	Discuss a Potential 4D (1)(1) Low-Income Rental Classification Program for the City of Brooklyn Park		

EDA Executive Director's Recommended Action

Provide directions to Staff to develop a Limited Pilot 4d (1) Low-Income Rental Classification Policy narrowly targeted to specific properties in the community.

Overview:

The purpose of this discussion is to request the Economic Development Authority (EDA) Commissioners to provide feedback and potential direction regarding the Minnesota State's Low Income Rental Classification Program (LIRC), also commonly known as the 4d (1) program. LIRC or 4d (1) allows reduction in property taxes if the property owner keeps at least 20% of the units affordable at 60% of area median income. Listed below are the actions that will qualify a property for this classification.

1. The units are subject to a housing assistance payments contract under Section 8 of the United States Housing Act of 1937, as amended.
2. The units are rent-restricted and income-restricted units of a qualified low-income housing project receiving tax credits under section 42(g) of the Internal Revenue Code.
3. The units are financed by the Rural Housing Service of the United States Department of Agriculture and receive payments under the rental assistance program pursuant to section 521(a) of the Housing Act of 1949, as amended; or
4. The units are subject to rent and income restrictions under the terms of financial assistance provided to the rental housing property by the federal government or the state of Minnesota, or a local unit of government, as evidenced by a document recorded against the property.

Items 1, 2, and 3, above allow properties to automatically qualify for 4d (1) status. The 4th qualification, however, would require the EDA or City to finance a project and enter into an agreement with a property owner. Since the majority of properties in Brooklyn Park do not qualify under 1, 2, and 3 above, they would need the EDA or City to enter into the kind of agreement identified in item 4 above.

Over the past few months, EDA staff have received several 4d (1) inquiries from multi-family property owners in the community interested in participating in the 4d (1) Program. Currently, the city of Brooklyn Park does not have a formal 4d (1) Program policy. The city currently has two active requests (Villa del Coronado and The Groves), with a potential third request in the works.

Background:

Minnesota Statutes Section 273.128 provides that rental units can get a 40% property tax break if at least 20% of the units have income limits of 60% of the Area Median Income (AMI) and rents are restricted to between 30% and 60% of AMI. Market rate and tax credit developments routinely take advantage of section 4d(1), but it is also available if the limitations are imposed as part of local government financial assistance.

This is because the LIRC/4d (1) statute defines eligible properties as those which meet two conditions: the owner of the property agrees to rent and income restrictions (serving households at 60% AMI or below) and receives financial assistance from federal, state or local government. This presents the possibility of creating a Local 4d (1) program in which qualifying properties receive the 4d (1) tax break in return for agreeing to conditions which meet certain local government policy goals such as preserving and maintaining affordable housing in the community.

The Minnesota Legislature first enacted the Low-Income rental Classification (LIRC), or 4d (1) program in 1999. A reduced tax rate was provided for two types of qualifying properties: “deemed properties” (subsidized) and “pledged properties” (unsubsidized but where the owner voluntarily agreed to rent and income restrictions in order to participate in the program. The 4d (1) program currently provides that a “low-income rental property” will be subject to the class 4d (1) tax rate if it meets two basic conditions. Minn. Stat. 273.128 Subd. 1.

Primary Issues/Alternatives to Consider:

Should the City create a specific program or policy to proactively allow properties to qualify for 4(d)1 LIRC property tax classification if the property does not otherwise qualify for this classification? This would essentially be for those properties simply looking to qualify for the LIRC status but not asking the City for financial assistance. For those properties and projects looking for City financial assistance, those properties would likely qualify as part of that process.

What are the impacts of adopting the 4d (1) Program:

- Existing market rate properties moving to the 4d (1) tax classification would see an approximate 70%-80% reduction in tax capacity.
 - The Groves for example would go from paying \$239,230 in property taxes to \$74,733 in taxes. The City’s portion of this amount would go from \$85,384 to \$17,167
 - Villa Del Coronado for example would go from paying \$380,698 in property taxes to \$124,369 in taxes. The City’s portion of this amount would go from \$135,190 to \$27,083.
- Taxes paid by these units don’t just go away with a 4d (1) designation; they are shifted to other taxpayers in the city (unless the City reduces expenses accordingly). So, other property owners will pay more to support these reductions.
- The market is likely to keep these units affordable without adding a restriction so the risk of losing NOAH properties to rent pressures is low.
- In addition, it will be difficult for owners to invest in property improvements if they cannot push up rents to offset those investments
 - If 4d (1) is used in this manner, then there should be strong agreements detailing the improvements that would be made, over and above what is required in statute.
- Individual properties may be experiencing financial stress, but that can be worked out privately between lenders and apartment owners.
- The city will have to partner with the property owner to ensure annual compliance reporting is duly filed with Minnesota Housing Finance Agency annually.
- The City has other funding sources it could use to preserve NOAH properties rather than reduce the City’s tax base

What are the Affordability & Duration Caps?

The State 4d (1) law sets an affordability ceiling of 60% of AMI, but there is no reason local jurisdictions creating local programs could not target lower affordability levels based on local markets and local goals. In places where escalating rents are less of a concern but making more of the affordable units available to lower income households is the goal, income limits may be more important than rent limits. The duration of the affordability commitment would also need to be determined. When the Section 4(D) law covered pledged properties, owners committed to restrictions for a five-year period, which could be the logical place to start considering the durational requirement.

The principal costs involved are the work to design a local program, and ongoing administrative costs to run the program. The benefit is the ability to achieve a key goal of the local government, whether it is limiting displacement by capping rents, inducing landlords to fix up problem properties, or making already affordable units more available to the lowest income households. In each case, the EDA will have to weigh the costs versus the likely benefits.

What are the possible options for adopting the 4d (1) Program?

- The EDA may decide as a matter of policy that it will not participate in a financing arrangement to allow existing properties to obtain 4d (1) status
- **Targeted 4d (1) Program with specific goals and requirements:** A local Section 4d (1) program could be targeted at the local issue to be addressed. A city facing gentrification threats along a new Blue Line Extension transit corridor, for example, could structure the program to attract owners with properties directly along the transit corridor. Additionally, the EDA could create a 4d (1) program specifically targeting problem properties that require financial assistance for certain improvements.
- **Case by Case Basis:** Consider each 4d (1) application based on merit and community needs as well as the EDA's housing goals.

What are the budgetary/ fiscal implications?

The EDA will not incur any budgetary expenses to implement this new policy. However, there will be significant property taxes reduction for the city as a result of implementing this policy and considering all interested 4d (1) applications.

What are the next steps?

- Based on the EDA Commissioner's direction, staff will develop a policy framework, program guidelines and property criteria to be considered at the April EDA meeting
 - *Due to the financial implications of the program, Staff recommends a pilot program of no more than 2 applications, focused on properties with the highest need for current reinvestment*
- Staff will review submitted applications and provide feedback to the property owners depending on the EDA's direction.

The discussion seeks to answer the following questions:

- a. How would we design a local 4d (1) program to ensure we were getting meaningful public benefit?
- b. How do we determine the right balance of restrictions versus tax benefit to attract sufficient owner participation? Is the tax break a sufficient incentive by itself or must it be combined with other incentives?
- c. What could be the source of "financial assistance" necessary to trigger eligibility?
- d. How do we design the program so that it is administratively simple for both local governments and landlords while still assuring that rent and income restrictions are being followed, and that benefits do not go to poorly maintained properties?
- e. Should the program be limited to transit corridors (or other specific geographic or other parameters), and if so, would that be politically acceptable within local jurisdictions?
- f. What land use restriction agreement period is desirable between 5 years and 30 years?
- g. How do we offset the impact of the foregone property tax revenues on all the taxing jurisdictions?

Attachments:

- 8.2A VILLA DEL CORONADO PROPERTY TAXES ANALYSIS
- 8.2B THE GROVES APARTMENTS PROPERTY TAXES ANALYSIS

City of Brooklyn Park, MN
The Groves Property Tax Comparison



TAX CLASSIFICATION & RATES

Fiscal Disparities Contribution Ratio	33.7823% Pay 2024
Fiscal Disparities Metro-Wide Tax Rate	123.0260% Pay 2024
Local Tax Rate:	113.399% Pay 2024
City Tax Rate:	47.337% Pay 2024
County Tax Rate:	34.681% Pay 2024
School District Tax Rate:	24.209% Pay 2024
Miscellaneous Tax Rate:	7.172% Pay 2024
State-wide Tax Rate (C/I only. Used for total taxes)	29.2940% Pay 2024
Market Value Tax Rate (Used for total taxes)	0.23169% Pay 2024

Note: Located in SD #281 and WS #8

Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First	\$150,000	1.50%
Over	\$150,000	2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First	\$100,000	0.25%
Over	\$100,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First	\$500,000	1.00%
Over	\$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First	\$500,000	1.00%
Over	\$500,000	1.25%

CURRENT PROPERTY INFORMATION (Property Tax Capacity)

PID	Address	Land Market Value	Building Market Value	Total Market Value	Taxable Market Value	Property Tax Class	Local Tax Capacity	Fiscal Disparities Tax Capacity	State Tax Capacity
32-119-21-42-0054	6800 63rd Ave. N.	1,607,400	12,898,600	14,506,000	14,506,000	Rental	181,325	0	0
TOTAL				14,506,000	14,506,000		181,325	0	0
21-119-21-31-0006	6800 63rd Ave. 4D Rate	1,607,400	12,898,600	14,506,000	14,506,000	Aff. Rental	36,265	0	0
TOTAL				14,506,000	14,506,000		36,265	0	0

Note: Market values are for pay 2024 are based upon review of the County website on 10-15-24

CURRENT TAX CALCULATIONS

Address	City Portion	County Portion	School District	Misc	Total Local Taxes	Fiscal Disparities Taxes	Mk Value Taxes	State-wide Taxes	TOTAL
6800 63rd Ave. N.	\$85,834	\$62,885	\$43,897	\$13,005	\$205,621	\$0	\$33,609	\$0	\$239,230
TOTAL	\$85,834	\$62,885	\$43,897	\$13,005	\$205,621	\$0	\$33,609	\$0	\$239,230
6800 63rd Ave. 4D Rate	\$17,167	\$12,577	\$8,779	\$2,601	\$41,124	\$0	\$33,609	\$0	\$74,733
TOTAL	\$17,167	\$12,577	\$8,779	\$2,601	\$41,124	\$0	\$33,609	\$0	\$74,733

Note: Total taxes excludes solid waste management charges, special assessments, and any contamination tax.

City of Brooklyn Park, MN
Villa Del Coronado Property Tax Comparison



TAX CLASSIFICATION & RATES

Fiscal Disparities Contribution Ratio	33.7823% Pay 2024
Fiscal Disparities Metro-Wide Tax Rate	123.0260% Pay 2024
Local Tax Rate:	112.192% Pay 2024
City Tax Rate:	47.337% Pay 2024
County Tax Rate:	34.681% Pay 2024
School District Tax Rate:	23.002% Pay 2024
Miscellaneous Tax Rate:	7.172% Pay 2024
State-wide Tax Rate (C/I only. Used for total taxes)	29.2940% Pay 2024
Market Value Tax Rate (Used for total taxes)	0.26387% Pay 2024

Note: Located in SD #279 and WS #8

Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First	\$150,000	1.50%
Over	\$150,000	2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First	\$100,000	0.25%
Over	\$100,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First	\$500,000	1.00%
Over	\$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First	\$500,000	1.00%
Over	\$500,000	1.25%

CURRENT PROPERTY INFORMATION (Property Tax Capacity)

PID	Address	Land Market Value	Building Market Value	Total Market Value	Taxable Market Value	Property Tax Class	Local Tax Capacity	Fiscal Disparities Tax Capacity	State Tax Capacity
21-119-21-31-0006	8108 Zane Avenue	1,172,800	10,149,200	11,322,000	11,322,000	Rental	141,525	0	0
21-119-21-24-0002	8124 Zane Avenue	1,141,700	10,383,600	11,525,300	11,525,300	Rental	144,066	0	0
TOTAL				22,847,300	22,847,300		285,591	0	0
21-119-21-31-0006	8108 Zane Ave 4D Rate	1,172,800	10,149,200	11,322,000	11,322,000	Aff. Rental	28,305	0	0
21-119-21-24-0002	8124 Zane Ave. 4D Rate	1,141,700	10,383,600	11,525,300	11,525,300	Aff. Rental	28,813	0	0
TOTAL				22,847,300	22,847,300		57,118	0	0

Note: Market values are for pay 2024 are based upon review of the County website on 8-26-24

CURRENT TAX CALCULATIONS

Address	City Portion	County Portion	School District	Misc	Total Local Taxes	Fiscal Disparities Taxes	Mk Value Taxes	State-wide Taxes	TOTAL
8108 Zane Avenue	\$66,994	\$49,082	\$32,554	\$10,150	\$158,780	\$0	\$29,875	\$0	\$188,655
8124 Zane Avenue	\$68,197	\$49,964	\$33,138	\$10,332	\$161,631	\$0	\$30,412	\$0	\$192,043
TOTAL	\$135,190	\$99,046	\$65,692	\$20,483	\$320,411	\$0	\$60,287	\$0	\$380,698
8108 Zane Ave 4D Rate	\$13,399	\$9,816	\$6,511	\$2,030	\$31,756	\$0	\$29,875	\$0	\$61,631
8124 Zane Ave. 4D Rate	\$13,639	\$9,993	\$6,628	\$2,066	\$32,326	\$0	\$30,412	\$0	\$62,738
TOTAL	\$27,038	\$19,809	\$13,138	\$4,097	\$64,082	\$0	\$60,287	\$0	\$124,369

Note: Total taxes excludes solid waste management charges, special assessments, and any contamination tax.