



Monday, July 21, 2025
6:00 PM

SPECIAL EDA MEETING – AGENDA #8

President Hollies Winston, Vice President Nichole Klonowski, Treasurer Shelle Page, Commissioners Amanda Xiong, Christian Eriksen, Tony McGarvey, and Maria Tran, 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

II. CLOSED SESSION – The closed session will be recorded but not televised.

2. CLOSED SESSION

- 2.1** Close the Meeting Pursuant to MS Section 13D.05 Subdivision 3(C)(3) to Develop or Consider an Offer for the Purchase of Property at 7450 Unity Ave N
- A.** PROPERTY ASSESSMENT AND TAX INFORMATION
 - B.** SITE LOCATION MAP AND ADJACENT EDA HOLDINGS

III. ADJOURNMENT

City of Brooklyn Park Request for EDA Action

Agenda Item:	2.1	Meeting Date:	July 21, 2025
Agenda Section:	Closed Session	Prepared By:	Dylan Armstead, Senior Project Manager
Resolution:	N/A	Presented By:	Dylan Armstead, Senior Project Manager
Attachments:	2		
Item:	Close the Meeting Pursuant to MS Section 13D.05 Subdivision 3(C)(3) to Develop or Consider an Offer for the Purchase of Property at 7450 Unity Ave N		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO CLOSE THE MEETING PURSUANT TO MS SECTION 13D.05 SUBDIVISION 3(C)(3) TO DEVELOP OR CONSIDER AN OFFER FOR THE PURCHASE OF PROPERTY AT 7450 UNITY AVE N.

Overview:

Property owner Roger Backstrom has approached the city regarding his retirement plans and interest in selling the 0.86-acre commercial property, which is located adjacent to 12.84 acres of EDA-owned land. The purpose of this item is to consider whether the EDA wishes to pursue acquisition of the commercial property at 7450 Unity Avenue N. The EDA has strategic considerations with this request:

- Does the EDA desire to purchase for strategic economic development/redevelopment opportunities (primarily future roadway connection to Regent Site)?
- If the EDA desires to continue to explore and negotiate sale, what should the City's counter offer/deal range be?

Background:

Roger Backstrom, owner/operator of the restaurant at 7450 Unity Avenue N, has expressed interest in selling the property as part of his retirement planning. Mr. Backstrom has mentioned that he faces several business challenges including the expiration of his 15-year franchise agreement and required corporate upgrades that he does not wish to fund.

This property was previously considered for EDA acquisition in 2014 when the corporate owner listed it for sale at \$400,000. At that time, city staff appraised the property at \$305,000, and the EDA authorized negotiations for potential acquisition. However, the transaction did not proceed, and public records show Mr. Backstrom subsequently acquired the property in December 2015 for \$250,000. Terms of this acquisition are unknown i.e., lease-to-own arrangements following years of operating the franchise.

The 0.86-acre site includes the restaurant building and parking area but requires significant infrastructure improvements including HVAC replacement, parking lot resurfacing, and ADA-compliant restroom upgrades.

The property's 2024 assessed value is \$714,600, consisting of \$253,100 in land value and \$461,500 in improved value. The owner originally engaged real estate professionals who suggested a market value range of \$1.2M to \$2.2M, leading to his asking price of \$1.8M. Since then, City staff have been made aware of a \$1,236,000 market value from the owner's real estate representatives.

The owner-procured market analysis has not been submitted to City staff.

Primary Issues/Alternatives to Consider:

1. How does the asking price compare to historical market indicators?

- Original asking price: \$1.8M
- Current broker estimate: \$1,236,000
- 2024 assessed value: \$714,600
- 2014 asking price: \$400,000
- 2014 city staff appraisal: \$305,000
- 2015 purchase price: \$250,000

The significant gap between assessed value and asking price warrants careful evaluation through professional appraisal which the owner is currently procuring. Additionally, it appears that some of the value included in Mr. Backstrom's request includes value of the business. The EDA does not typically buy a business but purchases the real estate. If the EDA desires to continue negotiation, Staff would recommend a counter offer less than the original ask and current estimate until the appraisal is completed.

2. Market Appreciation Analysis for Context

To provide analytical context for evaluating the asking prices, staff examined historical commercial real estate appreciation benchmarks using the 2014 asking price of \$400,000 as a baseline. The following table shows potential 2025 values under various annual appreciation scenarios:

Annual Appreciation Rate	Market Expectation	Projected 2025 Value	~\$1.2M Ask Over Appreciation Value
3%	Conservative	\$552,563	124%
4%	Conservative	\$607,435	103%
5%	Standard	\$668,421	85%
6%	Standard	\$735,973	68%
7%	Aggressive	\$810,566	52%
8%	Aggressive	\$893,695	38%

For reference, the assessed 2024 value is \$714,600, falling in between the standard appreciation rate of 5 to 6 percent.

This analysis indicates that even under aggressive appreciation assumptions (7-8% annually), the current asking prices represent a substantial premium above market-driven value expectations. The analysis does not account for property-specific improvements, depreciation of the property or property's components, market conditions, or other factors that professional appraisal would consider, but provides context for understanding the magnitude of the pricing gap.

3. What are the property condition and investment requirements?

The property requires substantial improvements including:

- HVAC system replacement
- Parking lot resurfacing
- ADA-compliant restroom upgrades
- General building maintenance and updates

These costs should be factored into any acquisition consideration. Alternatively, the EDA could also include demolition costs if that is part of the future vision.

4. How does this align with EDA development strategy?

The property's location adjacent to existing EDA holdings offers potential for further comprehensive area development. However, the EDA should consider:

- Intended future use of the total inventory of EDA owned parcels, especially those abutting
- Development timeline and market conditions
- Whether acquisition is necessary at this time
- Whether a roadway connection from the EDA Owned Regent Site (former Huntington Pointe located at 7479 Brooklyn Boulevard N) to Unity Avenue N can take place without full acquisition of 7450 Unity Ave N

Questions to consider:

- Does the EDA want to own a restaurant?
- Does the EDA want this parcel for redevelopment if an investment to maintain becomes too costly?
 - If so, does the EDA want to pay the price for an improved 0.86-acre property just to devalue it for other market potential at that limited size?
- With 12.84 acres of abutting land, and 19.58 acres across 10 parcels within a 2-block area, does the EDA want to add to that inventory?
- Given the property's 11-year price appreciation from its last acquisition price of ~\$250,000 to \$1.236M (394% increase), does this represent fair market evolution?

5. What are the alternatives?

- Pursuing acquisition at a fair market price
- Decline acquisition at this time
- Consider a future purchase option or right of first refusal

Budgetary/Fiscal Considerations:

There are no immediate financial commitments to this action. If the EDA chooses to pursue acquisition, staff would return with specific financial terms including purchase price analysis, estimated improvement costs, and budget impact assessment.

The EDA should consider that any acquisition would require budget allocation and that property improvement costs would be additional to the purchase price.

Next Steps:**If the EDA expresses conditional interest, staff will:**

- Request that Mr. Backstrom provide a current professional appraisal once completed and provide detailed improvement cost estimates
- Review submitted documentation for reasonableness
- Research comparable sales data using available resources
- Return to the EDA with analysis of the owner-provided information and staff recommendation on whether to proceed with formal acquisition discussions

If documentation supports reasonable valuation, the EDA could then consider:

- Commissioning an independent appraisal for verification
- Environmental assessment if warranted
- Formal negotiation strategy

If the EDA declines to pursue acquisition, staff will:

- Inform Mr. Backstrom of the decision
- Monitor the property's status
- Maintain communication regarding potential future interest

Recommendation:

Staff does not make a formal recommendation on whether to pursue this acquisition, as this decision depends on the EDA's strategic priorities and risk tolerance.

If the EDA has interest in this opportunity, staff recommends requiring the property owner to provide professional documentation (appraisal and improvement cost estimates) at his expense before the city commits resources to detailed analysis.

If the EDA does not have interest, staff recommends informing Mr. Backstrom promptly while maintaining communication for potential future opportunities should circumstances change.

Attachments:

- 2.1A PROPERTY ASSESSMENT AND TAX INFORMATION
- 2.1B SITE LOCATION MAP AND ADJACENT EDA HOLDINGS

[Hennepin County](#) > [Property](#) > [Property information search](#) > [PINS home](#) > [Property information](#)

Property information

Parcel Data for Taxes Payable 2025

- [Current year taxes due](#)
- [Information for Prior Years](#)
- [View map of property](#)
- [Recent recording history](#)
- [Current year values](#)
- [Printer-friendly](#)

This database is updated daily (Monday - Friday) at approximately 9:15 p.m. (CST)

Property ID number:	28-119-21-24-0006
Address:	7450 UNITY AVE N
Municipality:	BROOKLYN PARK
School district:	279
Watershed:	8
Sewer district:	
Construction year:	1970
Owner name:	BACKSTROM PROPERTIES LLC
Taxpayer name and address:	BACKSTROM PROPERTIES LLC 10471 HOLLY ST COON RAPIDS MN 55448

Property tax information

taxinfo@hennepin.us
 Phone: 612-348-3011
 A-600 Government Center
 300 South 6th Street
 Minneapolis, MN 55487
 M-F, 8 a.m. to 4:30 p.m.
[Map](#)

Useful links

- [Change taxpayer information](#)
- [Homestead information](#)
- [Pay property taxes](#)

[Close all](#)

Sales information

Sales prices are reported as listed on the Certificate of Real Estate Value and are not warranted to represent arms-length transactions.

Sale date:	December, 2015
Sale price:	\$250,000

Tax parcel description

The following is the County Auditor's description of this tax parcel. It may not be the legal description on the most recent conveyance document recording ownership. Please refer to the legal description of this property on the public record when preparing legal documents for recording

Addition name:	TWIN BROOK CENTER
Lot:	003
Block:	001
Approximate parcel size:	IRREGULAR
Metes & Bounds: Common abbreviations	LOT 3 AND THAT PART OF LOT 4 LYING NELY OF A LINE RUNNING FROM NW COR THOF TO A PT IN S LINE THOF DIS 62 FT W FROM SE COR THOF
Abstract or Torrens:	ABSTRACT

Value and tax summary for taxes payable 2025

Values established by assessor as of January 2, 2024

Estimated market value:	\$714,600
Taxable market value:	\$714,600
Total improvement amount:	
Total net tax:	\$21,659.16 Show Net Tax Details - This feature is not accurate for tax bills less than \$10.00.
Total special assessments:	
Solid waste fee:	
Total Tax:	\$21,659.16 Go to taxes due

Property information detail for taxes payable 2025

Values established by assessor as of January 2, 2024

Values:

Land market:	\$253,100
Building market:	\$461,500
Machinery market:	
Total market:	\$714,600
Qualifying improvements:	
Veterans exclusion:	
Homestead market value exclusion:	

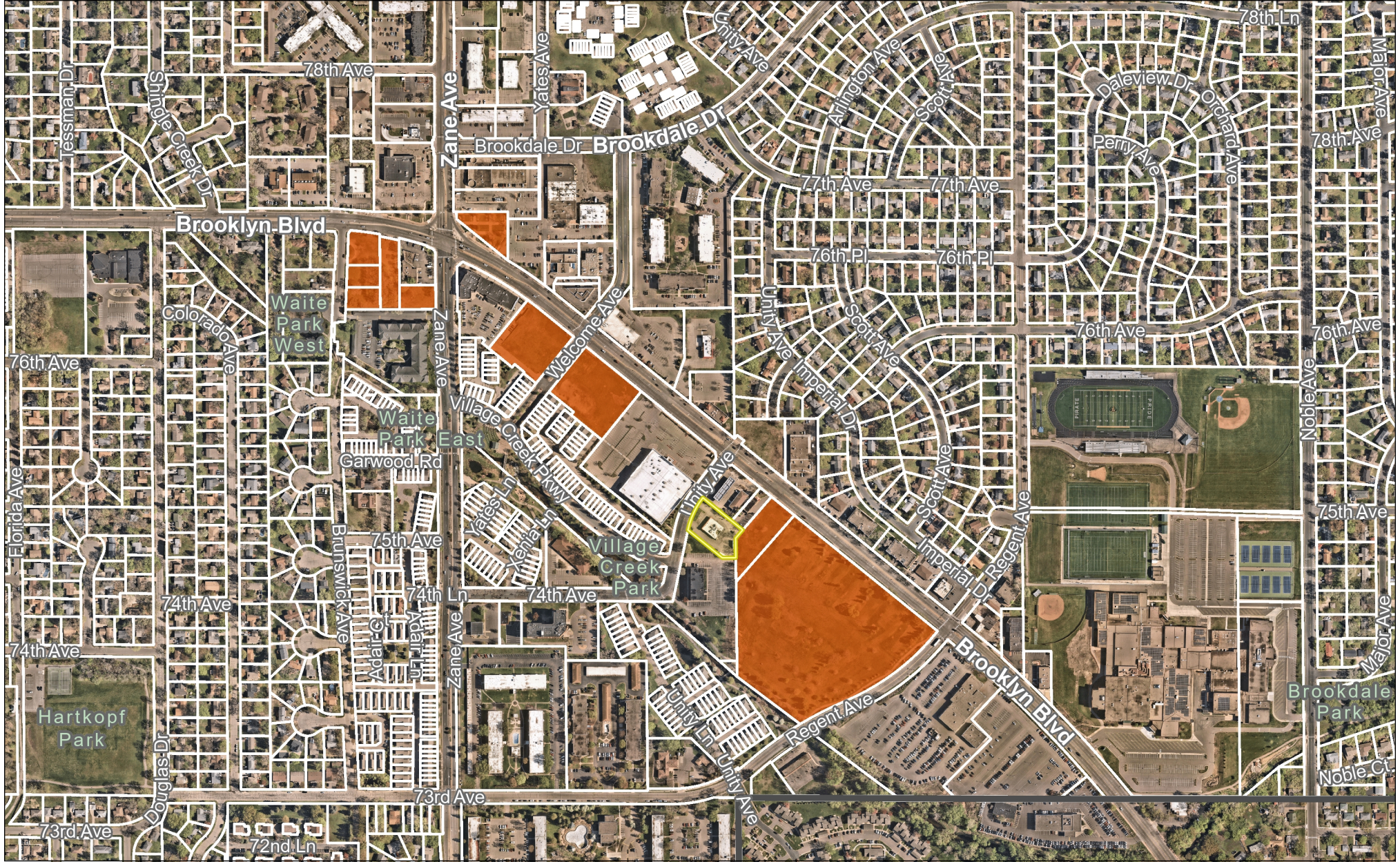
Classifications:

Property type:	COMMERCIAL PREFERRED
Homestead status:	NON-HOMESTEAD
Relative homestead:	
Agricultural	
Exempt status:	

[Close all](#)

7450 Unity Avenue North

7/15/2025



Map Scale = 1: 7,238

603 ft  1 in

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