

Agenda
City of Minnetonka
Economic Development Advisory Commission
Thursday, August 8, 2024
6:00 PM
Council Chambers
14600 Minnetonka Blvd



1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes
 - A. [May 9, 2024 Minutes](#)
5. Business Items
 - A. [2025-2029 Economic Improvement Program \(EIP\)](#)
 - B. [Economic Development and Housing Report](#)
6. Adjournment

The next scheduled EDAC meeting will be held on Thursday, Sept. 26, 2024.

If you have questions about any of the agenda items, please contact:
Alisha Gray, EDFP, Economic Development and Housing Manager (952) 939-8285
Julie Wischnack, AICP, Community Development Director, (952) 939-8282

**Economic Development Advisory Commission
Agenda Item 4.A
Meeting of August 8, 2024**



Title: May 9, 2024 Minutes
Report from: Lois Mason, Secretary
Submitted Through: Julie Wischnack, FAICP, Community Development Director
Alisha Gray, EDFP, Economic Development and Housing Manager

Action Requested: Motion
Form of Action: Minutes
Votes needed: 4 votes

Recommended Action
Approve the minutes.

Background
See attached minutes.

ATTACHMENTS:
[May 9, 2024 Minutes](#)

**Unapproved
Minnetonka
Economic Development Advisory Commission
Minutes**

May 9, 2024

1. Call to Order

Chair Jacobsohn called the meeting to order at 6 p.m.

2. Roll Call

EDAC commissioners Irene Connors, Ann Duginske Cibulka, Jay Hromatka and Lee Jacobsohn were present. Maram Falk, David Haeg and Melissa Johnston were absent.

Community Development Director Julie Wischnack, Economic Development and Housing Manager Alisha Gray and Housing Coordinator Kendyl Larson were present.

Financial consultant Shane Rudland from Ehlers and Associates and legal consultant Julie Eddington from Kennedy and Gravin were present.

Councilmember Deb Calvert was present.

3. Approval of Agenda: The agenda was approved as submitted.

4. Approval of Minutes: April 11, 2024

There were not enough commissioners who attended the April 11, 2024 meeting to approve the minutes.

5. Business Items

A. Amani Construction

Chair Jacobsohn introduced the item and called for the staff report.

Gray provided the staff report.

In response to Chair Jacobsohn's question, Eddington explained that the original buyer would be required to notify the city when the house would be sold to verify that the declaration would remain in place. That requirement could be added to the deed of the house. There would be a declaration recorded on the property as well. There would be no homeowner's association.

Hromatka wished there would have been more than one respondent for the request for a proposal. The price per unit seems high. He has seen single-family houses for sale that are larger than the proposal and have a lower price. He was concerned that the developer may not be able to finish the project in a timely manner and on budget.

Rudland confirmed that the cost is, unfortunately, what the market currently demands. The lookback provision would downsize the assistance if the expenses would be lower than projected. The developer's profit would be capped at eight percent. There is a contract provision that would require a letter of credit or performance bond be provided to cover the cost to complete the project.

Wischnack explained how the request for proposal was advertised. The developer has a successful track record of completing projects.

In response to Calvert's question, Eddington explained that if the project would not be constructed or delayed, then the contract would require the land to be reinvested into the authority's name.

Duginske Cibulka confirmed with staff that the home price would be \$290,300. Calvert noted the need for a variety of housing in Minnetonka. Density needs to be located where it makes sense. The city council has an appetite for affordable housing.

Duginske Cibulka appreciated the clarity of the term sheet summary. She hopes construction costs will not increase. There are good lookback provisions in place if construction costs would decrease. Rudland explained that the developer would act as the builder. An accounting would be done at the end of the project and the contingency returned to the city if it would not be used.

Hromatka asked for the status of the county grant. Gray answered that the recipient of the county grant would be announced at the end of June.

Chair Jacobsohn confirmed with staff that if the project would receive an award from the county, then the city's assistance would be reduced.

Wischnack explained how this proposal was created to serve as a pilot project to understand the ownership model of affordability without the land trust model in order to provide more equity for the homeowner. The city has been methodical about documenting each step of the process and will continue to do so through the project's completion to be able to judge its success and consider a larger-scale-similar project.

Hromatka noted that the adjacent parcel could be developed in the future for affordable home ownership.

Duginske Cibulka noted that the city carries a certain amount of risk for any form of development. She commends the city for being more of an activist to provide this unique housing type and provide a mix of affordability. The city needs to take a larger role in creating affordable housing when the costs of homeownership are high. The product looks like a quality product, and the developer has properly validated it. She is excited that the city has been proactive. There would be an appropriate amount of risk for the amount of the investment. The project being considered to receive a Hennepin County grant further validates the proposal.

Hromatka moved, and Duginske Cibulka seconded a motion to recommend that the city council adopt a resolution approving the development agreement for Amani Construction. Connors, Duginske Cibulka, Hromatka and Jacobsohn voted yes. Falk, Haeg and Johnston were absent. Motion carried.

B. Economic Improvement Program (EIP) 2025-2029

Chair Jacobsohn introduced the item and called for the staff report.

Gray provided the staff report.

Chair Jacobsohn asked if there would be a refund or expansion of the Pathways program next year. Gray will be looking for a recommendation regarding providing additional funding for Pathways. There are two loans left this year. There may be another request for next year. Wischnack said that other money may be added to it to cover this year and that it may be funded again next year.

Duginske Cibulka commended the work done to provide the loan programs, which have had a ton of activity. She is glad the homeless and minors received support from the city. She is excited for the continued work and realizes that it has been a busy year for staff.

Calvert stated that councilmembers have been discussing what amount would be a reasonable level of city support for ownership of affordable housing on a per unit basis, a reasonable level of cost to provide a subsidy per year, per month, and if a shorter lease period for Homes Within Reach, 30 years instead of 99 years, would bring it in line with other kinds of affordability and be beneficial or cause unintended consequences. She and other council members appreciate and rely on every piece of advice and feedback provided by commissioners.

Hromatka noted that when comparing different affordable housing projects, it needs to be kept in mind that more assistance would be needed for each unit if the proposal would have less density than another project.

Chair Jacobsohn stated that he will take some time to consider unintended consequences that could occur from Homes Within Reach reducing the lease period. He noted that affordable ownership programs are often built around 30 or 90 years of affordability. The first owner receives some benefit from appreciation in the value of the home.

Calvert noted that sometimes the city's per unit cost for an affordable rental unit is higher than affordable homeownership. The city provides \$4,500 in assistance for each affordable unit at The Burke and will provide around \$800 per newly constructed twin home for the Mills project. Determining the appropriate amount to be spent on affordable housing for each housing type is a goal for the city council.

Chair Jacobsohn agreed that the current increase in construction costs would make determining an appropriate set amount of assistance harder to determine to sustain the current level of assistance.

Duginske Cibulka supports looking at each proposal individually and examining the similarities and differences of each deal.

Duginske Cibulka stated that lowering the term of a lease or mortgage could trigger a higher interest rate and additional fees to increase the cost. Commercial real estate with a term of less than 70 years can be very difficult to finance. Establishing an initial term with possible extensions could be explored to mitigate adverse reactions from a financing perspective. She suggested talking with bankers and looking at examples before decreasing the term.

Chair Jacobsohn recalled that Fannie Mae and NFHA require a 99-year term to put a mortgage on a land lease. Hromatka said that makes sense since a 99-year term provides a rate in perpetuity. A term shorter than 99 years would be problematic.

Duginske Cibulka noted that Freddie Mac provides 30-year terms on a community land trust, but that could adversely impact the mortgage rate. She said that could be a round-table discussion.

In response to Calvert's question, Wischnack and Gray explained the affordable housing goals described in the EIP.

Gray continued the staff report.

Connors suggested looking into new programs launched by the Minnesota Department of Employment and Economic Development (DEED). Gray agreed that DEED is an excellent resource. The city's website links to approximately 50 DEED programs. Wischnack noted that the programs could be identified as "DEED programs that include the Minnesota Investment Fund (MIF), Minnesota Job Creation Fund (JCF) and other programs."

In response to Calvert's comments, Wischnack suggested changing the title of the page that discusses the Chamber of Commerce organizations to include all organizations that support businesses.

Gray noted that the Minneapolis Chamber of Commerce picked up all of the Twin West Chamber of Commerce members and has more Minnetonka participants right now than the Wayzata Chamber of Commerce.

Gray continued the staff report.

Calvert stated that when candidates for commissioner positions were interviewed, many identified a lack of mass transit within the city. Wischnack shared that Southwest Transit is ordering a fleet of semi-autonomous vehicles that are planned to eventually go fully

autonomous for their prime service. Calvert noted that the senior population may not be able to navigate using a cell phone to order and travel utilizing an autonomous vehicle.

Gray continued the staff report. The EIP will be reviewed by the commission again later this summer. Commissioners are welcome to email staff additional comments.

C. Economic Development Housing Report

Chair Jacobsohn introduced the item and called for the staff report.

Larson and Wischnack provided the staff report.

Chair Jacobsohn and Duginske Cibulka noted that the funds used for rent and mortgage assistance go a long way and make a large impact on its recipients.

The next EDAC meeting is scheduled to be held on June 27, 2024, at 6 p.m.

6. Adjournment

The meeting was adjourned at 7:49 p.m.

**Economic Development Advisory Commission
Agenda Item 5.A
Meeting of August 8, 2024**



Title: 2025-2029 Economic Improvement Program (EIP)
Report from: Alisha Gray, EDFP, Economic Development and Housing Manager
Submitted Through: Julie Wischnack, FAICP, Community Development Director

Action Requested: Provide Feedback
Form of Action: Report
Votes needed: N/A

Recommended Action

Review the 2025-2029 EIP and provide a recommendation.

Background

See attached documents
EIP Staff Report
2025-2029 Economic Improvement Program (EIP)
2023 Housing and Redevelopment Authority Levies

ATTACHMENTS:

[EIP Staff Report](#)
[2025-2029 EIP](#)
[2023 Housing and Redevelopment Authority Levies](#)

Background

The city's first Economic Improvement Program (EIP) was published in 2012, making this the thirteenth iteration of the document. The EIP provides a detailed five-year plan for the city's economic development activities. Staff updates the document annually. The first draft of the document is attached.

2025-2029 Economic Improvement Program

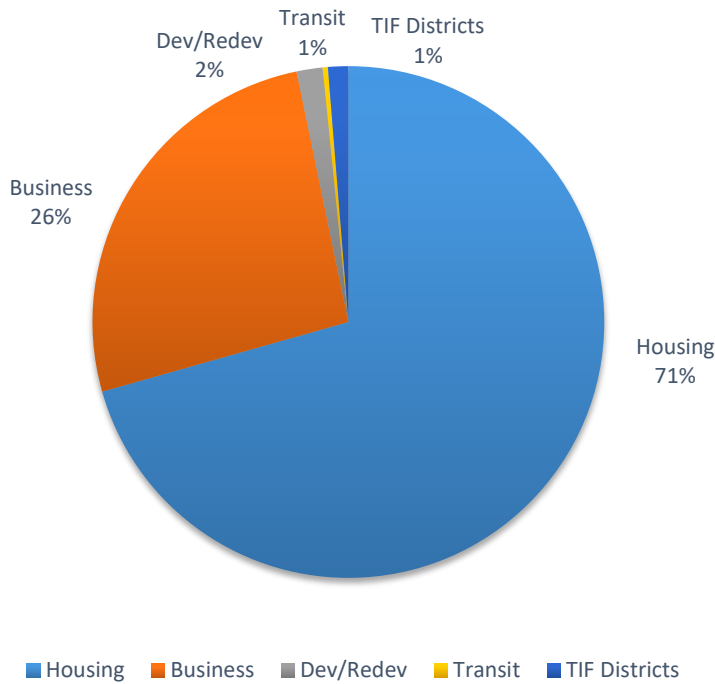
The draft EIP has been prepared based on the comments the city council received during previous EIP reviews and the Economic Development Advisory Commission's (EDAC's) feedback from the [May 09, 2024](#) meeting and the City Council Study Session on [June 10, 2024](#).

- **Chapter 1 Policy** — defines what funding categories programs will fall under and details the funding principles.
- **Chapters 2 through 7** — provide program pages for the city's existing and potential future economic development efforts. The program page details the description, purpose, goals, budget impacts, schedule, and key measures. Additionally, it outlines the funds needed to develop or sustain the program over a period of years.
- **Chapter 8 Funding Sources and Expenditure Projections** provides summary tables, including the first table, which summarizes total expenditures by category and fund for one year (2023). The second set of tables presents 10-year funding sources and expenditure projections. The final table summarizes the 10-year projection of all funds.
- **Chapter 9 Affordable Housing Goals** — itemizes how the city has and will meet its 1995-2010, 2011-2020, and 2021-2030 affordable housing goals, including any EIP programs used to assist the project and the affordable housing income limits.
- **Glossary** — Glossary of programs, terms, and acronyms.

Uses of EIP Funds

Housing programming continues to be the city's highest priority in this year's recommended EIP. Nearly \$41 million is projected to be designated for housing programs, in contrast to roughly \$15 million for business programs. The funding allocated to housing programming increased due to an uptick in interest in the Housing Improvement Area program and the addition of the Affordable Housing Trust Fund. Other uses include grants for housing redevelopment projects, environmental cleanup, and business development. Generally, those funds are not city dollars but pass-through grants or loan programs.

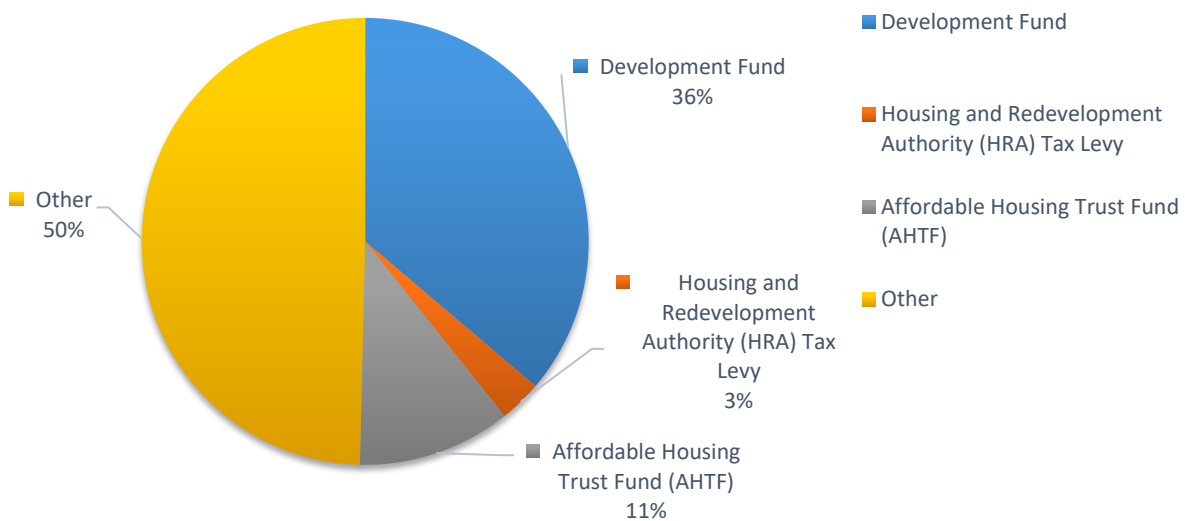
2025-2029 EIP Programming



Business programming is the second-highest priority category in the 2025-2029 EIP. The lowest priority investment categories are development/redevelopment and transit program areas.

In the 2025-2029 EIP, accounting for the largest single resource for EIP implementation at 50 percent of all funding, approximately \$35.5 million in other sources (primarily pass-through funds). The Development Fund and Affordable Housing Trust Fund are anticipated to generate the next largest sources of funding for programming.

2025-2029 EIP Sources



2025-2029 EIP Updates

Housing Chapter Summary

The chart below summarizes the utilization of housing programs for 2023 and the current totals for 2024.

Ownership Programs	Fund	Type	2023	2024 (to date)
Minnetonka Home Enhancement	HRA Levy	Loan	1 loan	2 loans
Welcome to Minnetonka DPA Loan Program	HRA Levy	Loan	1 loan	3 loans
Pathways to Homeownership DPA	AHTF	Loan	New Program	9 loans
Home Rehabilitation Program	CDBG Consortium	Loan	6 loans	4 loans
Homes Within Reach	HRA Levy	Program	63 homes	63 homes

Rental Programs	Fund	Type	2023	2024 (to date)
Rental Registration	-	Program	New Program	277 rentals
Homelessness Assistance	AHTF	Program	55 individuals	4 individual
Homelessness Response	-	Internal Program	23 individuals	10 individuals
Rental Assistance	AHTF	Program	7 households	6 households

CDBG Program

Community Development Block Grant (CDBG) program administration switched to Hennepin County on July 1, 2018. Changes to the program include:

- Entitlement Funds (Prior to July 1, 2018)
 - The sources/uses for this year assume program income from loan repayment following the end of the federal funding. There is an increase in loan repayment (107 outstanding loans) due to increased home sales and the number of outstanding loans.
 - Program Income of approximately \$35,000 per year is generated from loan repayments. Program income passes through to Hennepin County to provide additional rehab loans in Minnetonka through their rehab program.
 - In 2020, the council directed staff to create a home rehab program exclusively for Homes Within Reach (HWR) residents with the remaining fund balance. The maximum grant amount was set at \$7,500. Current program statistics for the 63 HWR homes in Minnetonka are as follows:
 - Twenty projects are completed.

- \$77,046 remaining in funding, which is required to be spent by Sept.
 - 6 Projects are in process
- CDBG Consortium (July 1, 2018, to present)
 - CDBG funds no longer flow through the city and are not included in the page sources/expenditures section. The award for 2024 is \$132,024.
 - Administration
 - The county receives 13%- 15% to administer the CDBG portfolio (reporting, intake of Small Projects Program (SPP) clients, fair housing, monitoring, environmental review, processing applications, processing subordination and payoff requests, submitting the annual Consolidated Annual Performance Evaluation Report (CAPER), and other reports to the Department of Housing and Urban Development (HUD).
- Home Rehabilitation Program
 - The county started administering the program in July 2018.
 - There is a maximum loan amount of \$15,000.
 - Eight loans disbursed in 2022
 - Six loans disbursed in 2023
 - Four projects are underway
 - Nine loans in the application process
- Fair Housing
 - The city participated in Fair Housing activities; however, the county is responsible for coordinating these efforts on behalf of the city.
 - The city adopted a local [Fair Housing Policy](#) in Nov. 2018.
- Public Services
 - Agencies now apply for funding through the county's coordinated Request for Proposal (RFP) process; staff participates in this process.
 - In 2023, ICA, HomeLine, Senior Community Services, and the Sojourner Project received funding.

Homes Within Reach (HWR)

- In 2021, for program years 2022-2026, \$125,000 in funding was committed, as discussed during the previous discussion.
- The budget for 2024, specifying the uses of the HRA Levy, was adopted on [December 4, 2023](#), and included \$125,000 in funding for Homes Within Reach.

Welcome to Minnetonka and Minnetonka Home Enhancement

- The Center for Energy and Environment manages these programs for the city.
- There is a current fund balance of approximately \$741,023 for these programs, with 22 loans outstanding.
 - 12 Welcome to Minnetonka loans outstanding
 - 10 Minnetonka Home Enhancement loans outstanding
- The average loan amount for the Welcome to Minnetonka Program is \$11,016, and the Minnetonka Home Enhancement average loan amount is \$10,975.

Housing Improvement Areas

- In July 2024, Villas at Chasewood submitted an application to establish an HIA. Staff is reviewing the application and will present the project to the EDAC at a future meeting.

- In 2019, the city issued bonds to repay the Cloud 9 association's construction loan. The loan is repaid through the housing fee collected on the annual property tax statements.
- Cedar Ridge also participated in the HIA program in 2012. Cedar Ridge received a loan and repaid the housing fee through annual property tax collection and deposits into the Development Fund.
- Staff continues to receive two to three inquiries a year for this program.

Affordable Housing Trust Fund (AHTF)

- The council approved a temporary AHTF in 2020 to provide emergency rental assistance to households impacted by COVID-19 and established a permanent AHTF in 2021.
 - \$4,961,680 in pooled tax increment was transferred to the fund in 2021 to support affordable housing efforts, and in 2021, a loan repayment from the Cliffs apartments added \$2,100,000 to the fund. Accounting for recent transactions, the fund now has a remaining balance of approximately \$3.7 million.
 - To date, the fund has contributed to the following initiatives:
 - \$350,000 in emergency rental assistance through ICA
 - \$553,000 Minnetonka Station affordable housing
 - \$280,000 Doran Apartments affordable housing
 - \$400,000 The Pointe (Amira Minnetonka) affordable housing
 - \$200,000 Homelessness Program
 - \$300,000 Pathways to Homeownership
 - \$1,000,000 Cedar Hills Townhomes Improvements
 - Staff recommends that the AHTF continue to support additional affordable housing initiatives in the 2024-2028 EIP, including single-family and affordable rental housing opportunities.
 - The city council packet information from [November 23, 2020](#), outlines the eligible sources and uses of the AHTF.

City-owned properties

- Staff completed due diligence on 5501 Baker Road and 5432 Rowland Road (residential) to sell for affordable housing in 2023/2024 and advertised to attract contractors and builders to submit site proposals.
 - Staff will contract Amani Construction to build a twinhome on the 5432 Rowland Road property.
 - The EDAC reviewed the term sheet and contract in 2024.
- In 2022, the city purchased two additional single-household properties. Throughout 2024-2025, staff will study potential affordable housing opportunities for those sites.

Pathways to Homeownership

- On May 1, 2023, the city council approved \$300,000 for the Pathways to Homeownership Program Pilot Program.
- Minnetonka launched the Pathways to Homeownership program in Fall 2023, which provides up to \$75,000 to eligible first-time homebuyers earning up to 120 percent AMI. The loan terms provide a 0-percent interest rate with 5 percent of the loan amount

forgiven annually. The borrower repays any remaining assistance if the property is sold before the 20-year term. The program supports a higher level of financial aid to offset the high cost of homeownership in Minnetonka, reducing the housing cost burden for these households.

- As of May 2024, nine loans have been completed. All program funds have been expended.
 - In 2024, staff will request an additional funding commitment of \$200,000 to be allocated to the Pathways to Homeownership program through the Affordable Housing Trust Fund and a funding commitment of \$200,000 through the Affordable Housing Trust Fund in 2025.

Emergency Rental Assistance

- ICA and Minnetonka continue to offer emergency rental assistance for Minnetonka residents. Emergency Rental Assistance provides housing assistance payments to help prevent eviction and homelessness and maintain housing stability for eligible renters. Renters earning up to 120 percent of the area median income (AMI) and experiencing financial hardship may receive a one-time payment of up to \$1,500 to assist with rent and utility expenses.
- The city council approved \$300,000 in funding for the program.
 - As of July 2024, 218 households received \$291,295 in direct rental assistance through the city's emergency rental assistance program.
 - The average assistance per household was \$1,336. There is a balance of \$8,704 of assistance remaining, and the city approved and allocated an additional \$50,000 in 2023.

Rental Registration Program

- In 2023, staff researched and analyzed various rental registration and licensing programs across the Twin Cities Metro. Staff found that both programs have pros and cons, but ultimately recommended the city pursue a rental registration program as a first step. The registration program will help the city gain a more comprehensive look at the rental market, increase communication with property managers, and collect necessary data to support various departments, including police, fire, and community development, to stay updated regarding contact information. It will also provide a network for essential communications regarding resources to tenants and landlords.
- The council discussed the recommendation during the July 24, 2023 study session and reviewed the introduced ordinance on Oct. 30, 2023. The council generally agreed that rental registration was a good start and that conversations regarding future rental licensing should continue.
- The city council adopted the rental registration ordinance on Dec. 18, 2023, and it went into effect on Feb. 3, 2024. Since the effective date, the staff has received 277 registrations and is sending out Certificates of Registration and Tenant Resource Posters to all registrants.

Homelessness Response

- On July 27, 2022, His House Foundation and the City of Minnetonka signed an agreement to establish a two-year pilot program to help 24 homeless Minnetonka households. The Emergency Homelessness Response Assistance Program provides temporary relief for households experiencing a housing emergency and experiencing homelessness. The program finances casework, temporary housing, and first-month rent deposits. His House Foundation will help local homeless residents with intensive case

management, temporary housing in extended-stay hotels, and assistance with long-term housing solutions.

- The program officially started in September 2022, and His House Foundation has assisted 59 Minnetonka residents (including 34 minors) experiencing an emergency homeless situation.
 - 7 households achieved a permanent housing status.
 - 6 households reconciled differences with family or friends, to allow for continued cohabitation.
 - The remaining residents remained in hotels (self-paid), remained in shelters, or remained in transition. Some residents did not report back and staff is unaware of the current status of homelessness.
 - Approximately \$68,887 has been used to support the residents, with roughly \$131,113 remaining in the program funds.
 - Staff will request an extension of the contract in 2024.
- In 2023, the Police Department and Community Development Departments developed a map-based, shared reporting system to identify and respond to homeless issues in the community. Staff or members of the public report incidents of homelessness, encampments or difficult living situations and are directed to city departments and non-profit partners to address homeless issues without a police response as the only option.
 - Since May 2023, the dashboard has helped staff identify 32 potential homeless situations and provide timely resources to those who wanted them. Many of the points on the dashboard are referred to His House Foundation to get assistance.

Business Chapter Summary

Business Program Utilization Summary Chart

The chart below summarizes the utilization of business programs for 2023 and the current totals for 2024.

Program	Fund	Type	2023	2024 (to date)
Commercial Code Compliance	Development Fund	Loan	New in 2023	1 loan
Business Assistance	HRA Levy	Grant	New in 2023	0 grants
Business Outreach	HRA Levy	Program	3 Newsletters and 1,904 online contacts	1 Newsletter and 1933 online contacts
Business Advisory Services (Open to Business and Elevate Hennepin)	Development Fund	-	68 Businesses Assisted	15 Businesses Assisted

Sprinkler Retrofit

- Continued funding of \$50,000 annually through the Special Assessment Construction Fund has been added, as this program has continued interest.

Housing/Redevelopment Grants

- On June 27, 2022, the city was awarded up to \$50,000 to assist with hiring a consultant to study the city's zoning districts to review barriers to compact, connected, sustainable and equitable development. The grant provides half the cost upfront and the second half upon policy adoption. The city has engaged a consultant, Zone Co, and they presented their diagnostic report at the April 15, 2024, city council study session. At the July 22, 2024 city council study session, the council reviewed options for the next steps and decided to pursue a full rewrite of the zoning code. Staff will get the process started on the rewrite.

Business Outreach

- \$25,000 was budgeted for 2025 and 2026 to assist with ongoing costs to implement the Business Development strategy. Project costs include a business newsletter, business outreach and marketing, and potential for future business-related events.
 - The city distributed the first edition of the business newsletter in the summer of 2018.
 - In 2021, staff increased production to three issues per year.
 - 1,904 online subscribers on the business email list.
 - 1,247 business mailings.
- Staff is proposing to conduct a follow-up business survey in 2024
- Elevate HC and Open to Business - \$20,000 annually for business advisory services.

Regional Chambers of Commerce

- \$600 was included for dues to participate in the Minneapolis Regional Chamber.
- \$500 was included for dues to participate in the Wayzata Chamber.

Newly Developed Business Programs

- Emergency Business Assistance program (existing emergency assistance funds balance from 2022) – Up to \$2,500 to provide one-time funding for businesses to assist with technical needs (marketing, legal, technology, etc.)
- Code Compliance Program (Indirect ARPA funding) – a new program providing up to \$25,000 to assist businesses with required building improvements.

Transit Chapter Summary

- The city hired Nelson Nygaard in 2024 to complete a transit study.

Development and Redevelopment Chapter Summary

Predevelopment

- Recommended \$75,000 in funding to continue support for studies and consultants.

Tax Increment Financing (TIF) Chapter Summary

- Noted new TIF Management Report in 2024.

Affordable Housing Goals Summary

- Updated Metropolitan Council Livable Communities Housing Goals.

- Added information on Metropolitan Council projected needs, goals, and housing scores.
- Added future housing needs implementation tools from the 2040 Comprehensive Plan.

EDAC feedback from the [May 09, 2024 meeting](#)

- The commission generally agreed with the staff's recommended 2025-2029 EIP edits. The following feedback was provided for council consideration:
 - Commissioners asked if additional funding was recommended for the Pathways to Homeownership Program.
 - Staff indicated that the request for \$300,000 for Pathways would be recommended in the EIP for the program year 2025.
 - Commissioners commended the work of the homelessness initiative and looked forward to hearing more positive outcomes of the program.
 - Councilmember Calvert discussed comparing the cost of providing rental vs. homeownership opportunities and asked the commissioners to think of ways to compare the affordability levels in new requests for assistance.
 - Commissioners suggested updating the descriptors of some of the pages to reflect various program types.
 - Commissioners noted that they would provide additional feedback after the council review and the upcoming study session in July.

City Council Feedback from the [June 10, 2024 Meeting](#)

- Councilmember Coakley discussed putting \$125,000 aside for improvements on HWR homes instead of funding new home acquisition and rehabilitation.
 - In 2021, the city established a forgivable loan of up to \$7,500 to address housing repairs exclusively for HWR properties. To date, 20 households out of 62 households have applied for and received funding to make repairs.
 - The funding ends July 31, 2024, due to the expiration of older CDBG program income. Staff sent postcards multiple times to residents in HWR properties to inform them of the forgivable loan.
- Councilmember Schack asked for examples (of how affordability works) including indexing.
 - The city has affordability covenants for 130 for-sale housing units, and this tool limits the resale value to approximately 80% AMI for future sales. There are no income restrictions on indexed units.
- Councilmember Calvert asked about a 99-year affordable housing covenant, 35% max equity, etc.
 - The HWR (land trust properties) operate under a model that has a 99-year ground lease, a resale calculation limits the equity at sale to a maximum of 35%. This keeps the property affordable for the next buyer.
 - The property at 5432 Rowland Rd is a city-owned property that will have long-term affordability through an affordability covenant. The term of affordability has yet to be determined and is up for discussion. The staff is recommending 99 years. Without the covenant, the city has no mechanism to ensure the property will remain affordable long-term.
- Councilmember Ramaley inquired about how the EIP integrates with recommendations within the [Climate Action and Adaptation Plan \(CAAP\)](#).
 - The CAAP is a plan that provides strategies for how our community can reduce greenhouse gas emissions and adapt to the changing climate.

- Staff reviews building plans to provide feedback on how to reduce emissions and create energy-efficient buildings.
- Councilmember Coakley asked about creating a free voucher program for Uber/Lyft to provide on-demand service to low-income households.
 - Nelson Nygaard’s report will include transit improvement recommendations for Minnetonka later this year. Staff will look into voucher programs for Uber/Lyft. Vouchers may currently be available through local social service agencies.
- Councilmember Coakley asked for the demographics of the Elevate program (this was included in a recent council update for the CD Annual report):
 - See the attached infographic from Hennepin County for the demographic of residents served through the Elevate program.
- Councilmember Coakley asked for the demographics of the Pathways program.
 - 9 Loans made – average assistance \$31,000, average household income \$83,301
 - Demographics of approved applications:
 - 7 identified as white
 - 1 identified as Black or African American
 - 1 Identified as Asian or Pacific Islander
 - 10 applications denied/withdrew
 - 8 identified as White
 - 1 identified as African American or Black
 - 1 identified as Asian or Pacific Islander

The schedule for the EIP is as follows:

- Aug. 8, 2024, EDAC meeting — finalize the full EIP document, and EDAC makes recommendations to the city council.
- Sept. 9, 2024, city council meeting — review and approve EIP.

Summary

The EIP includes a forecast for the 2025 Housing Redevelopment Authority Property Tax Levy to be \$300,000, which continues to fund Minnetonka Home Enhancement/Welcome to Minnetonka (\$100,000), SWLRT (\$75,000), and Homes Within Reach (\$125,000).

The council will discuss the preliminary HRA levy for 2025 at the September 9, 2024, regular meeting and adopt the final HRA levy in Dec. 2024; adopting the EIP does not legally set the HRA levy.

Discussion Questions

- ***Does the EDAC wish to offer additional direction regarding the recommended 2025-2029 EIP?***

Attachments

2025-2029 Economic Improvement Program (EIP)
 2023 Housing and Redevelopment Authority Levies
[May 09, 2024, EDAC Meeting Minutes](#)



2025-2029

ECONOMIC IMPROVEMENT PROGRAM



**2025-2029
ECONOMIC IMPROVEMENT PROGRAM**

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Economic Improvement Program Policy

The Economic Improvement Program (EIP) is the city's long-term plan for housing, economic development, redevelopment, and transit programs that promote economic viability for the citizens and businesses of Minnetonka.

Funding Categories

The EIP covers a broad range of community development activities. Funding categories include:

- Projects and programs which encourage diversity and broaden choices in types, sizes, and prices of the city's housing stock to meet the needs of the aging population and attract younger residents.
- Projects that support existing business retention and expansion, attract new businesses, and allow the city to remain economically competitive.
- Projects which enhance resident mobility by pursuing opportunities and solutions to improve transit service.
- Activities that promote the vitality of the city through development and redevelopment.

Planning Principles

- The EIP will support achievement of the city's Comprehensive Plan and long-term Strategic Goals.
- The EIP will be updated annually to reflect changes in programs, demographics, private housing stock, business needs, and the overall economic climate.
- The EIP allows flexibility and may be amended during the year if necessary, in order to act upon unforeseen opportunities that may arise which enhance economic viability.
- Development of the EIP will be consistent with the annual operating budget. Future staffing and other budgetary impacts are projected and will be included in operating budget forecasts.



HOUSING



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

HOUSING CHAPTER SUMMARY

Projects and programs which encourage diversity and broaden choices in types, sizes, and prices of the city's housing stock to meet the needs of the aging population and to attract younger residents.

The city currently has six programs in place to assist in the construction, maintenance, and renewal of housing in the city. One additional page contains conceptual programming for future consideration.

- The total five-year estimated cost of the programs is \$40,825,000.

Program	2025	2026	2027	2028	2029	5-Year Total
Homes Within Reach	125,000	125,000	125,000	125,000	125,000	\$625,000
Housing Improvement Areas	10,000,000	10,000,000	5,000,000	5,000,000	5,000,000	\$35,000,000
Minnetonka Home Enhancement	50,000	50,000	50,000	50,000	50,000	\$250,000
Welcome to Minnetonka	50,000	50,000	50,000	50,000	50,000	\$250,000
Housing Trust Fund	1,000,000	1,000,000	1,000,000	600,000	600,000	\$4,200,000
Pathways	300,000	50,000	50,000	50,000	50,000	\$500,000
Total	\$11,525,000	\$11,275,000	\$6,275,000	\$5,875,000	\$5,875,000	\$40,825,000

Conceptual Programs

Housing Program Research

Programs in blue indicate city funded programs/initiatives
Programs in green indicate pass-through funding

Economic Improvement Program

2025 *thru* 2029

Department 1-Housing
Contact Community Development
Type Program
Useful Life N/A
Category Housing

City of Minnetonka, Minnesota

Project # Housing-03
Project Name CDBG Consortium (2018-Present)

Key Measures Households Assisted

Key Measures

Key Measures

Key Measures

Description

On July 1, 2018, Hennepin County began overseeing the entire CDBG program, on behalf of Minnetonka, as the city elected to join the Urban County CDBG Consortium. Hennepin County is responsible for accepting applications for the home rehabilitation loan program, ongoing loan project management, and leads a process to distribute public service dollars each year.

For 2024, the estimated CDBG allocation for Minnetonka is \$132,024.

SCHEDULING AND PROJECT STATUS:
 This is an ongoing program. The CDBG program year is July 1 to June 30. In 2023, the city elected to continue to defer the metropolitan city status and continue in the consortium until 2026.

Justification

A description of the programs under the consortium is listed below:

The Home Rehabilitation Loan Program offers ten-year, no interest deferred loans up to \$15,000. The loan amount was increased in 2018 to respond to increased cost of repairs. Households up to 80% of area median income qualify for the \$15,000 Small Projects Program, which allows for housing repairs and maintenance.

Up to 15 percent of the city’s Community Development Block Grant funds can be used to fund public services (non-profits). Organizations that have traditionally served Minnetonka residents include: ICA, HomeLine, Senior Community Services, and the Sojourner Project.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS:
 Comprehensive Plan- Continue to promote and market the city’s Housing Rehabilitation Programs.
 Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES
 Households Assisted

2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
8	9	8	5	8	6	8	8	8	8	8	8

Budget Impact/Other

- As part of the Urban County Consortium, no CDBG funds flow through the city.
- One percent of the city’s CDBG annual allocation is contributed to the Hennepin County Consortium to support fair housing activities.
- The administrative costs associated with the program are 15% of the city's total allocation each year.

Economic Improvement Program

2025 thru 2029

Department 1-Housing
Contact Community Development
Type Program
Useful Life N/A
Category Housing

City of Minnetonka, Minnesota

Project #	Housing-05
Project Name	Homes Within Reach

Key Measures HWR units in Minnetonka **Key Measures**
Key Measures **Key Measures**

Description
Homes Within Reach (also known as the West Hennepin Affordable Housing Land Trust) is a non-profit community land trust that creates and preserves affordable homeownership opportunities in suburban Hennepin County.

SCHEDULING AND PROJECT STATUS
This program is ongoing. Depending on the level of commitment by the city and other matching funds, Homes Within Reach anticipates adding one to two new permanently affordable owner-occupied units to the city each year.

Justification
In an effort to promote long-term affordable, scattered-site housing, while maximizing the cost-effectiveness of public investment, the community land trust model was presented as a tool in 2000 to help the city increase its amount of long-term ownership affordable housing.

The Homes Within Reach program provides single-family, permanently affordable, homeownership opportunities to those at 80% AMI or less. Minnetonka’s funds will be used to leverage and match other county, regional, and state funds.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
Comprehensive Plan- Work with affordable housing agencies and developers to add more affordable housing units in the city.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES
Total HWR units in Minnetonka

2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
56	58	59	60	62	63	64	65	66	67	68	69

Expenditures	2025	2026	2027	2028	2029	Total
Program Cost	125,000	125,000	125,000	125,000	125,000	625,000
Total	125,000	125,000	125,000	125,000	125,000	625,000

Funding Sources	2025	2026	2027	2028	2029	Total
HRA Levy	125,000	125,000	125,000	125,000	125,000	625,000
Total	125,000	125,000	125,000	125,000	125,000	625,000

Budget Impact/Other
Homes Within Reach requests funding through the annual EIP process each year. Growth in long term affordable units is important, but there should be some adjustment to the city’s commitment to ensure it is sustainable. After 2017, funding through the Livable Communities Account was no longer available.

HWR has a current funding commitment of approximately \$450,000 in available funding to complete three more projects between 2025-2029. In 2020, an annual fee of \$25,000 was added to assist with ongoing operations. The proposed funding source for ongoing maintenance is the HRA levy.

Economic Improvement Program

2025 thru 2029

Department 1-Housing
Contact Community Development
Type Maintenance
Useful Life N/A
Category Housing

City of Minnetonka, Minnesota

Project #	Housing-06
Project Name	Housing Improvement Areas

Key Measures Units Assisted

Key Measures

Key Measures

Key Measures

Description

Minnesota law provides a mechanism termed Housing Improvement Area (HIA) which allows cities to help arrange and finance rehabilitation on owner-occupied residential buildings, such as condominiums or townhouses.

SCHEDULING AND PROJECT STATUS

The council adopted an HIA policy in November 2011. It is expected that interest in this program will grow as condo and townhouse developments age. State legislation for HIA's sunsets on June 30, 2028.

Justification

The program is intended to serve aging multi-family housing by providing a financing structure to address major building investments. The program would also ensure, going forward, that the association is able to correct the financing of long-term capital expenditures.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Continue to promote and market the city's Housing Rehabilitation Programs.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES

2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Units Assisted											
0	164	100	100	100	100	100	188	100	100	100	100

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	10,000,000	10,000,000	5,000,000	5,000,000	5,000,000	35,000,000
Total	10,000,000	10,000,000	5,000,000	5,000,000	5,000,000	35,000,000

Funding Sources	2025	2026	2027	2028	2029	Total
Other	10,000,000	10,000,000	5,000,000	5,000,000	5,000,000	35,000,000
Total	10,000,000	10,000,000	5,000,000	5,000,000	5,000,000	35,000,000

Budget Impact/Other

The HIA program is administered by staff who work on various parts of the project ranging from program information to HIA requests. Once an HIA request is received, staff time is committed to preparing a resolution, ordinance, development agreement, and determining fees. Costs to cover staff time for the HIA application are covered through an application fee and through a per unit administrative fee for time in administering the assessment.

A risk of the HIA program is pay-back of the assessment. However, because it is assessed on the property taxes, it will be paid back even if there is foreclosure of the property.

Cedar Ridge was the first HIA in city and was established in early 2012. The total project costs were \$674,000

In August 2017, the city council approved a Housing Improvement Area for Cloud 9 for up to \$3.93 million to repair the curtain wall and make upgrades to the elevators and the HVAC system. The city issued bonds rather than the utilizing the development fund to finance the project. The project was completed in 2019.

Villas at Chasewood is meeting with the city to discuss an application in 2024.

Economic Improvement Program

2025 thru 2029

Department 1-Housing
Contact Community Development
Type Program
Useful Life N/A
Category Housing

City of Minnetonka, Minnesota

Project # Housing-08
Project Name Minnetonka Home Enhancement

Key Measures Loans Made **Key Measures**
Key Measures **Key Measures**

Description
 The Minnetonka Home Enhancement program (MHEP) offers up to \$15,000 through a low-interest loan for housing maintenance, repair, green investments, and some additions. The interest rate in 2024 is 3.331% (Annual Percentage Rate based on \$15,000 for 10 years).
 SCHEDULING AND PROJECT STATUS
 The program began June 2011. This is an ongoing program.

Justification
 Minnetonka’s housing stock is aging. Nearly two-thirds of the city’s homes were built between 1950 and 1970, and over 75% of the housing stock is 30 years or older. Many of these homes now need repairs for windows, roofs, and heating systems. The MHEP targets households up to 120% area median income with loans for rehabilitation and other housing maintenance activities for housing valued at \$515,200 or less.
 PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan- Continue to promote and market the city’s Housing Rehabilitation Programs.
 Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.
 KEY MEASURES
 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029
 Loans Made
 3 3 0 1 0 1 2 3 4 4 4 4

Expenditures	2025	2026	2027	2028	2029	Total
Program Cost	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	2025	2026	2027	2028	2029	Total
HRA Levy	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Budget Impact/Other
 In January 2018, the city entered into a new contract with the Center for Energy and Environment to continue administration of the HRA Levy funded loan programs.
 There is a current fund balance of approximately \$741,023. The city receives monthly loan repayments of \$1,000-\$1,500 on average. There are currently 10 outstanding loans.
 The guidelines are reviewed on an annual basis to ensure the program meets the needs of the target population.

Economic Improvement Program

2025 thru 2029

Department 1-Housing
Contact Community Development
Type Program
Useful Life N/A
Category Housing

City of Minnetonka, Minnesota

Project # Housing-14
Project Name Welcome to Minnetonka Loan Program

Key Measures Loans Made
Key Measures

Key Measures
Key Measures

Description

The Welcome to Minnetonka program has traditionally provided up to \$10,000 in low-interest loans for down payment and closing cost assistance. In 2023, the guidelines were adjusted to provide up to \$50,000 in assistance to address the increasing housing prices in Minnetonka. The Center for Energy and Environment administers the program. This is a deferred loan program which is repaid at the time of sale or at the end of the 30-year term. The interest rate is currently 1%.

SCHEDULING AND PROJECT STATUS

The program began June 2011. This is an ongoing program.

Justification

The Welcome to Minnetonka program is marketed to first-time homebuyer households earning up to 120% area median income with down payment and closing cost assistance. Those participating in the program provide at least 25% of the required down payment or closing costs. There are currently 12 active loans in this program.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Support and market opportunities for first time homebuyers through the HRA's down-payment and closing cost assistance program, homebuyer education, and other assistance programs.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Loans Made	4	5	1	2	1	3	4	4	5	5	5

Expenditures	2025	2026	2027	2028	2029	Total
Program Cost	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	2025	2026	2027	2028	2029	Total
HRA Levy	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Budget Impact/Other

In January 2018, the city entered into a new contract with the Center for Energy and Environment to continue administration of the HRA Levy funded loan programs.

There is a current fund balance of approximately \$741,023 for the Welcome to Minnetonka and Minnetonka Home Enhancement programs.

On an annual basis the guidelines are reviewed to ensure the program meets the needs of the target population.

Economic Improvement Program

2025 thru 2029

Department 1-Housing

City of Minnetonka, Minnesota

Contact Community Development

Project #	Housing-22
Project Name	Affordable Housing Trust Fund

Type Program

Useful Life N/A

Category Housing

Key Measures Households Assisted

Key Measures Housing Projects Assisted

Key Measures

Key Measures

Description

On April 20, 2020 the city council approved an emergency ordinance to create a Housing Trust Fund. Under the temporary 60-day ordinance, the council authorized designating \$150,000 of the existing fund balance from the development fund to provide emergency rental assistance to households experiencing financial hardship due to COVID-19. A Housing Trust Fund is the only fund by state statute that can be used to provide rental assistance, but also has many other eligible activities.

The temporary ordinance expired on June 20, 2020. On Nov. 9, 2020 the city council approved a permanent Affordable Housing Trust Fund. In 2021, the city council allocated \$4,961,680 of the existing tax increment pooling dollars to the fund. Additionally, the fund received a contribution of \$2,100,000 through the repayment of a loan to the Cliffs.

There is a fund balance of approximately \$3.7 million remaining. Beginning in 2024, the city will receive a .25% sales tax contribution estimated at \$531,233. Staff is proposing that \$200,000 be allocated to Pathways for Homeownership in 2024 (funds depleted in July).

Justification

State Statute 462C.16 allows local governments to establish a Housing Trust Fund for local housing development. Authorized uses of these funds include:

- Administrative Expenses
- Loans, grants, and loan guarantees for the development, rehab, or financing of housing
- Match other funds from federal, state, or private resources for housing projects
- Provide down payment assistance, rental assistance, and homebuyer services.

This fund could be utilized to provide additional rental assistance, or other uses, if more state, federal, or local funds become available for the eligible uses of funds.

Expenditures	2025	2026	2027	2028	2029	Total
Program Cost	1,000,000	1,000,000	1,000,000	600,000	600,000	4,200,000
Total	1,000,000	1,000,000	1,000,000	600,000	600,000	4,200,000

Funding Sources	2025	2026	2027	2028	2029	Total
Affordable Housing Trust Fund	1,000,000	1,000,000	1,000,000	600,000	600,000	4,200,000
Total	1,000,000	1,000,000	1,000,000	600,000	600,000	4,200,000

Budget Impact/Other

A local government may finance its local or regional housing trust fund with any money available to the local government, unless prohibited by state law. Sources may include:

- Donations
- Bond Proceeds
- Grants and loans from state, federal, or private sources
- Appropriations by a local government to the fund
- Investment earnings of the fund
- Housing and redevelopment authority levies

Funded projects include:

- \$350,000 in rent assistance, \$280,000 to Doran for 53 affordable units, \$553,000 to Minnetonka Station for 28 affordable units, \$400,000 to Amira Minnetonka for 19 affordable units, \$280,000 for Doran Apartments for 53 affordable units, \$200,000 for households experiencing homelessness, \$300,000 for Pathways to Homeownership Program, and a \$1,000,000 to Cedar Hills Townhomes, Mills Twinhomes \$794,266, and 5432 Rowland Twinhome \$244,163.

Future uses may include:

- Rent Assistance, Homelessness Response, Acquisition/Rehabilitation, NOAH Preservation

Economic Improvement Program

2025 thru 2029

Department 1-Housing
Contact Community Development
Type Program
Useful Life N/A
Category Housing

City of Minnetonka, Minnesota

Project # Housing-23
Project Name Pathways to Homeownership

Key Measures Loans Made

Key Measures

Key Measures

Key Measures

Description

In 2023, City Council approved the creation of the Pathways to Homeownership down-payment assistance program. This program provides assistance to first generation households earning up to 120% AMI. The amount of assistance is tiered to provide the most assistance to the lowest-income borrower and is adjusted on the purchase price. Loans are forgiven at 5% annually. The funding sources for this program is \$300,000 from the affordable housing trust fund.

SCHEDULING AND PROJECT STATUS

The program began in the Fall of 2023. Since the program started, seven loans have been completed. This is an ongoing program.

Justification

The newly adopted Pathways to Homeownership Program expands assistance to first-generation households earning up to 120% AMI based on annual income limits for a family of four. The amount of assistance is tiered to provide the most assistance to the lowest-income borrower and is adjusted based on the purchase price. The amount of assistance adjusts based on the actual purchase price of the property. Both the maximum purchase price and the income limits will be adjusted annually.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Continue to promote and market the city’s Housing Rehabilitation Programs.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES

2023	2024	2025	2026	2027	2028	2029
Loans Made	0	7	7	8	8	8

Expenditures	2025	2026	2027	2028	2029	Total
Program Cost	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	2025	2026	2027	2028	2029	Total
Affordable Housing Trust Fund	300,000	50,000	50,000	50,000	50,000	500,000
Total	300,000	50,000	50,000	50,000	50,000	500,000

Budget Impact/Other

The Center for Energy for Energy and Environment (CEE) will manage the program on behalf of the city.

The funding source for the new Pathways to Homeownership program is \$300,000 in indirect ARPA funding, which is now in the Affordable Housing Trust Fund and was budgeted for use beginning in 2023. Staff is proposing adding an additional \$200,000 to the program in 2024 to replenish the program funds (funds were depleted in July 2024).

On an annual basis the guidelines are reviewed to ensure the program meets the needs of the target population.

Economic Improvement Program

2025 thru 2029

Department 1-Housing
Contact Community Development
Type Program
Useful Life N/A
Category Housing

City of Minnetonka, Minnesota

Project #	Housing-24
Project Name	Rental Registration Program

Key Measures Rental Property Registration **Key Measures**
Key Measures **Key Measures**

Description

In 2023, staff researched and analyzed various rental registration and licensing programs across the Twin Cities Metro. Staff found that both programs have pros and cons but ultimately recommended the city pursue a rental registration program as a first step. The registration program helps the city gain a more comprehensive look at the rental market, increase communication with property managers, and collect necessary data to support various departments, including police, fire, and community development, to stay updated regarding contact information.

The council discussed the recommendation during the July 24, 2023, study session and reviewed the introduced ordinance on Oct. 30, 2023. The rental registration program was adopted by the city council on Dec. 18, 2023, and it went into effect on Feb. 3, 2024.

SCHEDULING AND PROJECT STATUS:
This is an ongoing program. Landlords and property managers are required to register their properties annually.

Justification

The registration program helps the city gain a more comprehensive look at the rental market, increase communication with property managers, and collect necessary data to support various departments, including police, fire, and community development, to stay updated regarding contact information. It will also provide a network for essential communications regarding resources to tenants and landlords.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS:
Comprehensive Plan- Enforce the city’s housing maintenance and building codes for single and multifamily housing to ensure long-term community vitality and safety.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES
Rental Properties Registered
2024 2025 2026 2027 2028 2029
229 250 275 300 325 350

Budget Impact/Other

The Rental Registry Program expenditures are funded through the development fund and the program is staffed by the Housing Coordinator.

Project #	Housing-25
Project Name	Homelessness Response

Type Program

Useful Life N/A

Category Housing

Key Measures Individuals Assisted

Key Measures

Key Measures Observed Homeless Cases

Key Measures

Description

On July 27, 2022, an agreement between His House Foundation and the City of Minnetonka was signed to establish a two-year pilot program to help 24 homeless Minnetonka households. The Emergency Homelessness Response Assistance Program provides temporary relief for households experiencing a housing emergency and experiencing homelessness. The program finances casework, temporary housing, and first-month rent deposits. His House Foundation will help local homeless residents with intensive case management, temporary housing in extended-stay hotels, and assistance with long-term housing solutions.

In addition, in 2023, the Police Department and Community Development Departments developed a map-based, shared reporting system to identify and respond to homeless issues in the community. The homelessness dashboard allows staff or members of the public to report incidents of homelessness, encampments or difficult living situations and those cases are directed to city departments and non-profit partners to address homeless issues without a police response as the only option.

SCHEDULING AND PROJECT STATUS:
The city's partner organization, His House Foundation, provides quarterly updates. Staff is request a contract extension in 2024.

Justification

There are many people in need of housing crisis and homelessness assistance. Staff created two programs to help address the need; an emergency assistance program and an internal homelessness dashboard.

The city created a pilot emergency homelessness response program to help assist those in these situations in Minnetonka to access emergency resources. The Emergency Homelessness Response Assistance Program provides temporary relief for households experiencing a housing emergency and experiencing homelessness. The program finances casework, temporary housing, and first-month rent deposits. His House Foundation helps local homeless residents with intensive case management, temporary housing in extended-stay hotels, and assistance with long-term housing solutions. The program launched in September 2022.

In addition, in May 2023, the Police, Legal and Community Development Departments developed an internal, map-based, shared reporting system to identify and respond to homeless issues in the community. The homelessness dashboard allows staff or members of the public to report incidents of homelessness, encampments or difficult living situations and those cases are directed to city departments and non-profit partners to address homeless issues without a police response as the only option.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS:
Comprehensive Plan- Collaborate with agencies that provide support services to educate residents of the services available to them.
Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES

Individuals Assisted - His House Foundation

2023	2024	2025	2026	2027	2028	2029
56	60	60	65	65	65	70

Observed Homeless Cases

2023	2024	2025	2026	2027	2028	2029
23	30	35	40	45	50	55

Economic Improvement Program

2025 *thru* 2029

Department 1-Housing
Contact Community Development
Type Conceptual
Useful Life N/A
Category Housing

City of Minnetonka, Minnesota

Project # Housing-21
Project Name Housing Program Research

Key Measures **Key Measures**
Key Measures **Key Measures**

Description
At the Feb. 4, 2019 City Council study session and March 14, 2019 EDAC meeting. Council members and commissioners recommended that staff keep track of potential housing programs/policies for future research. This page includes a list of housing topics for future research.

SCHEDULING AND PROJECT STATUS
This is a new concept that has not yet been explored or developed.

Justification
Future Housing Program/Policy Research:
- Senior Affordable Housing
- Affordable Housing for Public Service
- Research General Funding for Affordable Housing
- Payment-in-lieu for affordability requirements
- Employer Assisted Housing
- NOAH Legacy Education Program
- Multifamily Housing Rental Rehabilitation Loan
- \$50,000 (multi-year) Rental Assistance - in progress
- \$200,000 (multi-year) Homelessness Prevention Program - in progress
- \$300,000 (multi-year) Pathways to Homeownership Program - in progress

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
Comprehensive Plan- Pursue policies, tools and programs to ensure long-term housing affordability for households at or below 30, 50, 60 and 80% of AMI and explore additional mixed income best practices.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

Budget Impact/Other
There will need to be staff time committed to researching budget impacts of this program.



BUSINESS



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

BUSINESS CHAPTER SUMMARY

Projects that support existing business retention and expansion, attract new businesses, and allow the city to remain economically competitive.

For the 2025-2029 Economic Improvement Program, there are nine business programs.

- The total five-year estimated cost of the programs is \$15,110,500.

Program	2025	2026	2027	2028	2029	5-Year Total
Fire Sprinkler Retrofit	50,000	50,000	50,000	50,000	50,000	\$250,000
Housing/Redevelopment Grants	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	\$7,000,000
GreaterMSP	26,000	26,000	26,000	26,000	26,000	\$130,000
Business Grants	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	\$7,000,000
Business Advisory Services	20,000	20,000	20,000	20,000	20,000	\$100,000
Outreach	25,000	25,000	25,000	25,000	25,000	\$125,000
Regional Chambers of Commerce	1,100	1,100	1,100	1,100	1,100	\$5,500
SAC/REC Program	50,000	50,000	50,000	50,000	50,000	\$250,000
Commercial Code Compliance	50,000	50,000	50,000	50,000	50,000	\$250,000
Total	\$4,222,100	\$4,222,100	\$2,222,100	\$2,222,100	\$2,222,100	\$15,110,500
Conceptual Programs						
Special Service Districts						\$0

Programs in blue indicate city funded programs/initiatives
Programs in green indicate pass-through funding

- Several programs, such as the Pass-Through Grants, Common Bond fund, and Minnesota Investment Fund are inter-agency/consortium efforts that have funding sources that originate from other agencies, flow through the city, and then go to the business.
- The city's role in business development in the past was more reactive, typically responding only when requested to do so. In more recent years, the city has been slowly investing in more programs for businesses, such as the Open to Business programs, business retention visits, and the production of the Thrive newsletter, and a business survey in 2021.

Economic Improvement Program

2025 thru 2029

Department 2-Business
Contact Community Development
Type Construction
Useful Life N/A
Category Business

City of Minnetonka, Minnesota

Project # Business-01
Project Name Fire Sprinkler Retrofit

Key Measures Buildings Assisted

Key Measures

Key Measures

Key Measures

Description

Minnesota law (State Statute 429) gives cities the authority to specially assess the cost of installing fire sprinkler systems for existing buildings. The City Council adopted Council Policy 5.2 in 1986 setting criteria for the use of this authority.

Staff will monitor applicability for residential properties to be included in the retrofit program.

SCHEDULING AND PROJECT STATUS
 This program is ongoing, and use of this program is initiated by property owner petition.

Justification

The fire sprinkler retrofit program is intended to assist in the public safety and protection of commercial buildings.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan- Cultivate small business stability and growth by identifying resources, partnerships, networks, and programs that assist small businesses and entrepreneurs.

Strategic Profile- Support evolving needs of business and identify new city initiatives.

KEY MEASURES
 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029
 Businesses Assisted
 0 0 0 1 0 1 1 1 1 1 1

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	2025	2026	2027	2028	2029	Total
Special Assessment	50,000	50,000	50,000	50,000	50,000	250,000
Construction Fund						
Total	50,000	50,000	50,000	50,000	50,000	250,000

Budget Impact/Other

Special assessments cannot last more than 10 years. The risk with this program is for the assessment to be paid back on the intended schedule. These dollars are financed through the special assessment fund.

There is some limited staff time involved once the petition is received and for the assessment.

Economic Improvement Program

2025 thru 2029

Department 2-Business

City of Minnetonka, Minnesota

Contact Community Development

Project #	Business-02
Project Name	Housing and Redevelopment Grants

Type Program
Useful Life N/A
Category Business

Key Measures Projects Assisted

Key Measures Housing Projects Assisted

Key Measures Businesses Assisted

Key Measures Housing Units Assisted

Description

Grants are available from county and regional agencies to facilitate development, redevelopment, housing, and environmental cleanup.

SCHEDULING AND PROJECT STATUS
 Grants are dependent upon the types of projects occurring. Most grants require the funds to be spent within three years of award.

In 2023, city received a \$50,000 Metropolitan Council Policy Grant. In 2024, 5432 Rowland Rd. received a grant in the amount of 288,634. A full 10-year history of grant awards is included in the EIP.

Justification

Grant opportunities assist in filling gaps in the financing of complex development, redevelopment, housing, and environmental cleanup projects. Most programs require the city to serve as the grant applicant, meaning that even if the developer/others apply for the grant, that it is to be awarded to the city, which then passes on the funds to the project.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan- Work with affordable housing agencies and developers to add more affordable housing units in the city.
 -Cultivate small business stability and growth by identifying resources, partnerships, networks, and programs that assist small businesses and entrepreneurs.

Strategic Profile- Support evolving needs of business and identify new city initiatives.

KEY MEASURES

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Projects Assisted	1	1	3	2	2	2	1	1	1	1	1	1
Business projects	1	0	1	1	0	0	1	0	1	0	1	1
Housing projects	0	1	2	0	2	1	0	1	0	1	2	1
Housing units	45	60	0	527	12	255	2	55	0	100	100	50

Expenditures	2025	2026	2027	2028	2029	Total
Other	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	7,000,000
Total	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	7,000,000

Funding Sources	2025	2026	2027	2028	2029	Total
Development Fund	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	7,000,000
Total	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	7,000,000

Budget Impact/Other

If the city is the applicant, there is staff time to prepare the grant application, administer the grant and grant-funded activities, as well as any follow-up audits and paperwork generally required by most programs.

Economic Improvement Program

2025 *thru* 2029

Department 2-Business

City of Minnetonka, Minnesota

Contact Community Development

Project #	Business-04
Project Name	GreaterMSP

Type Program
Useful Life N/A
Category Business

Key Measures Business Contacts
Key Measures

Key Measures
Key Measures

Description
 GreaterMSP is the regional economic development organization for the Twin Cities metropolitan area. They partner to help provide a vision and agenda for regional economic development as well as to brand and market the region. GreaterMSP offers services in business retention and expansion, data tools and research, manufacturing assistance, small business assistance, technology assistance, and staff training.

SCHEDULING AND PROJECT STATUS
 This is an on-going program. The city became a member in 2013.

Justification
 Greater MSP is an economic development tool for Minnetonka’s current and future businesses, and provides resources and connections that have not been previously available.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan- Cultivate small business stability and growth by identifying resources, partnerships, networks, and programs that assist small businesses and entrepreneurs.

Strategic Profile- Support evolving needs of business and identify new city initiatives.

KEY MEASURES
 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029
 Business Projects
 1 1 2 1 2 2 2 2 2 2 2

*GREATER MSP worked closely with Respicardia on their expansion in Minnetonka, in which the company committed to creating 59 new jobs and investing \$686k in capital expenditures.

Expenditures	2025	2026	2027	2028	2029	Total
Program Cost	26,000	26,000	26,000	26,000	26,000	130,000
Total	26,000	26,000	26,000	26,000	26,000	130,000

Funding Sources	2025	2026	2027	2028	2029	Total
Development Fund	26,000	26,000	26,000	26,000	26,000	130,000
Total	26,000	26,000	26,000	26,000	26,000	130,000

Budget Impact/Other
 Public Sector memberships are a three year, \$26,000 per year commitment, which would be reviewed annually with the city budget for renewal.

Economic Improvement Program

2025 thru 2029

Department 2-Business

City of Minnetonka, Minnesota

Contact Community Development

Project #	Business-06
Project Name	Business Grants

Type Program
Useful Life N/A
Category Business

Key Measures Businesses Assisted

Key Measures Jobs Created

Key Measures Applications Submitted

Key Measures

Description

The Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) are Department of Employment and Economic Development programs that provides funds to cities, who then loan the funds to businesses, to assist in expansion. The business is then required to create a minimum number of jobs at a certain wage level.

SCHEDULING AND PROJECT STATUS

The city has received four MIF awards, one each for Cargill, Nestle and IMRIS, and NatureWorks. In 2022, King Technology received a JCF award in the amount of \$617,000.

Justification

MIF is a business and economic development program, focusing on industrial, manufacturing, and technology related industries.

JCF provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets.

Other DEED programs are focused on assisting with workforce development, redevelopment, site cleanup, and infrastructure.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Cultivate small business stability and growth by identifying resources, partnerships, networks, and programs that assist small businesses and entrepreneurs.

Strategic Profile- Support evolving needs of business and identify new city initiatives. .

KEY MEASURES

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Applications Submitted	2	0	1	1	0	1	1	1	1	1	1
Businesses Assisted	1	0	1	1	0	1	1	1	1	1	1
Jobs Created	75	0	50	50	0	50	50	50	50	50	50

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	7,000,000
Total	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	7,000,000

Funding Sources	2025	2026	2027	2028	2029	Total
Development Fund	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	7,000,000
Total	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	7,000,000

Budget Impact/Other

Applications for the DEED programs are a collaborative effort between the city and the business, with staff contributing approximately 80 hours of time per application. Staff must also assist in the distribution and repayment of funds, as well as reporting requirements.

Funding is dependent upon the state. A portion of the loan paid back by the business may be allowed to stay at the local level to facilitate business programs. All funds are reimbursement and show a net zero impact on the budget.

Economic Improvement Program

2025 thru 2029

Department 2-Business
Contact Community Development
Type Program
Useful Life N/A
Category Business

City of Minnetonka, Minnesota

Project # Business-07
Project Name Business Advisory Services

Key Measures Technical Assistance Hours **Key Measures** Loans Made
Key Measures Businesses Assisted **Key Measures** Jobs Created/Supported

Description
 The City of Minnetonka collaborates with the Metropolitan Consortium of Community Developers (Open to Business Program) and Hennepin County (Elevate Hennepin) to provide free one-on-one technical assistance and consulting services customized to meet the needs of small businesses.

SCHEDULING AND PROJECT STATUS
 The Open to Business partnership began in 2011. More recently, the city agreed to participate and support Elevate Hennepin in 2023 to provide a larger pool of resources for local businesses. The contract is reviewed biannually.

Justification
 Minnetonka contracts directly with Hennepin County to use the Elevate Hennepin platform as the "go-to" business consulting services provider for residents and entrepreneurs. Open to Business subcontracts with Hennepin County and serves as the "Elevate Business Navigator," and is the first point of contact for any Minnetonka residents or entrepreneurs.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan- Cultivate small business stability and growth by identifying resources, partnerships, networks, and programs that assist small businesses and entrepreneurs.

Strategic Profile- Support evolving needs of business and identify new city initiatives.

KEY MEASURES

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Businesses Assisted	39	27	20	18	68	50	50	50	50	50	50
Tech. Assist. Hours	362	251	170	103	365	275	275	275	275	275	275
Loans Made	3	3	1	2	0	4	4	4	4	4	4
Jobs Created/Supported	41	61	12	55	9	55	55	55	55	55	55

Expenditures	2025	2026	2027	2028	2029	Total
Program Cost	20,000	20,000	20,000	20,000	20,000	100,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

Funding Sources	2025	2026	2027	2028	2029	Total
Development Fund	20,000	20,000	20,000	20,000	20,000	100,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

Budget Impact/Other
 Minnetonka contracts directly with Hennepin County to use the Elevate Hennepin platform as the go-to business consulting services provider for residents and entrepreneurs. Hennepin County offers technical assistance and cohort programming at no cost to businesses and entrepreneurs located within Minnetonka through the contract term. Open to Business subcontracts with Hennepin County as part of this arrangement to serve as business navigator for Minnetonka.
 The fee is an annual \$10,000 base-level fee for support of Elevate Hennepin and additional \$10,000 annual fee for Open to Business. The total cost annually is \$20,000.

Economic Improvement Program

2025 thru 2029

Department 2-Business
Contact Community Development
Type Program
Useful Life N/A
Category Business

City of Minnetonka, Minnesota

Project # Business-08
Project Name Outreach

Key Measures Business Contacts **Key Measures** Newsletter Distributed
Key Measures Business Visits **Key Measures**

Description

Business outreach will take a more proactive approach in contacting businesses.

SCHEDULING AND PROJECT STATUS
 In 2021, staff purchased updated demographic, economic, and contact information as part of the business survey project. This information will be helpful to inform staff on where outreach should be targeted to be most effective. Staff is also continuously creating informational and marketing brochures that can be shared with businesses, community members, and developers to further engage around important topics.

Justification

Business outreach in the past has been reactive to business needs. This outreach is another tool in creating a more proactive approach in supporting business retention and expansion. Business retention and expansion efforts are part of a collaborative effort between staff and Mpls Regional Chamber, Grow Minnesota, and GreaterMSP.

In 2018, staff developed the Thrive Business publication. The publication is distributed to over 1,247 businesses three times annually and is also available electronically.

In 2021, staff hired a consultant to conduct a business survey to engage with all of the businesses in Minnetonka. The city received responses from 157 businesses and developed a business work plan out of the feedback from the survey.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan- Connect with partnership organizations to explore outreach opportunities.
 Strategic Profile- Support evolving needs of business and identify new city initiatives. .

KEY MEASURES

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Business Visits	5	7	13	8	8	8	10	10	10	10	10
Newsletters Distributed	2	2	3	3	3	3	3	3	3	3	5
Online Contacts	0	458	846	1048	1515	2000	2200	2500	2700	3000	3050

Expenditures	2025	2026	2027	2028	2029	Total
Program Cost	25,000	25,000	25,000	25,000	25,000	125,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Funding Sources	2025	2026	2027	2028	2029	Total
Development Fund	25,000	25,000	25,000	25,000	25,000	125,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Budget Impact/Other

Funds are budgeted for a business survey, Thrive business publications, and business marketing materials. Future uses of funding could include business centric events and economic development advertising as noted in the Business Development Strategy.

Outreach will be coordinated with GreaterMSP, Mpls Regional Chamber, and the Wayzata Chamber.

Economic Improvement Program

2025 *thru* 2029

Department 2-Business
Contact Community Development
Type Program
Useful Life N/A
Category Business

City of Minnetonka, Minnesota

Project # Business-09
Project Name Property Assessed Clean Energy

Key Measures Businesses Assisted **Key Measures**
Key Measures **Key Measures**

Description

In 2010, as part of the jobs bill, state legislation was passed that included provisions for the Property Assessed Clean Energy (PACE) program. PACE allows for the voluntary creation of programs by local governments to help businesses finance renewable energy and energy efficient improvements. The program is repaid by businesses through a special property tax assessment.

SCHEDULING AND PROJECT STATUS
 The City Council approved a Joint Powers Agreement with the St. Paul Port Authority (SPPA) in July 2014 to implement the PACE program in Minnetonka. Staff markets the program with commercial, office and multi-family property owners.

In 2019, the Shady Oak Office Center received funding through the Hennepin County PACE program to assist with financing for HVAC improvements.

Justification

The legislation was adopted in 2010, and has been used by approximately 10 Minnesota communities. This program may help to provide another financing tool to the city's toolbox for local businesses.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan--Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.

Strategic Profile- Support evolving needs of business and identify new city initiatives.

KEY MEASURES

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
0	0	0	0	1	1	0	1	1	1	1

Budget Impact/Other

The funds for the PACE program come from the SPPA. Therefore, the financing that will flow through the city's funds, both the special assessment revenue in from participants and payments out to SPPA, would simply appear as offsetting financial statements in the city's records. Delinquency by the participant will be handled like any other property tax obligation, where the amount due runs with the property.

Economic Improvement Program

2025 *thru* 2029

Department 2-Business

City of Minnetonka, Minnesota

Contact Community Development

Project #	Business-11
Project Name	Regional Chambers of Commerce

Type Program
Useful Life N/A
Category Business

Key Measures Minnetonka Businesses

Key Measures

Key Measures

Key Measures

Description

SCHEDULING AND PROJECT STATUS
 In 2020, Twin West Merged with the Mpls Regional Chamber to serve the 11 county metro area. The combined organization will represent more than 2,000 businesses, large and small, urban and suburban, across the 11 county Greater MSP area.

 In 2024, Minnetonka joined the Greater Wayzata Area Chamber of Commerce.

Justification

The city is a member of the Mpls Regional Chamber. In 2022, staff met with representatives from the chamber to coordinate on future workforce development initiatives and business networking events. In 2024, the Wayzata chamber began hosting business mixer events.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan- Connect with partnership organizations to explore outreach opportunities.

 Strategic Profile- Support evolving needs of business and identify new city initiatives.

KEY MEASURES
 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029
 Minnetonka business chamber members
 100 90 30 36 164 175 200 225 250 275 300

Expenditures	2025	2026	2027	2028	2029	Total
Program Cost	1,100	1,100	1,100	1,100	1,100	5,500
Total	1,100	1,100	1,100	1,100	1,100	5,500

Funding Sources	2025	2026	2027	2028	2029	Total
General Fund	1,100	1,100	1,100	1,100	1,100	5,500
Total	1,100	1,100	1,100	1,100	1,100	5,500

Budget Impact/Other

Memberships are renewed on an annual basis. There may be other fees associated with membership throughout the year in order to attend events hosted by the Chamber. The Wayzata Chamber participates in the Minnetonka State of the City event.

Economic Improvement Program

2025 thru 2029

Department 2-Business

City of Minnetonka, Minnesota

Contact Community Development

Project #	Business-14
Project Name	SAC/REC Deferral Program

Type Program
Useful Life N/A
Category Business

Key Measures Businesses Assisted

Key Measures

Key Measures

Key Measures

Description

The goal of this program is to minimize the impact of the Metropolitan Council Sewer Availability Charge (SAC) and city's Sewer and Water Residential Equivalency Charges (REC's) to small businesses by allowing businesses to defer a portion of the repayment of fees over time.

In 2023, one additional business participated in the program.

SCHEDULING AND PROJECT STATUS
 The program became available in June 2017.

Justification

The Metropolitan Council developed the SAC deferral program in 2012. The program was developed to encourage and help communities promote business development by deferring community SAC payment and city REC payments.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
 Comprehensive Plan - Assess existing incentive policies and programs in relation to your community's current character and future growth, as well as to identify opportunities to create, revisit or restructure your community's approach to business incentives.

Strategic Profile- Support evolving needs of business and identify new city initiatives.

KEY MEASURES

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1	2	2	1	1	2	2	2	2	2	2

Expenditures	2025	2026	2027	2028	2029	Total
Other	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	2025	2026	2027	2028	2029	Total
Special Assessment	50,000	50,000	50,000	50,000	50,000	250,000
Construction Fund						
Total	50,000	50,000	50,000	50,000	50,000	250,000

Budget Impact/Other

Staff time will be required to work with the business to apply for the program. The repayments collected through this program will flow through city's utility fund for the Metropolitan Council's fees and the city's fees.

Economic Improvement Program

2025 thru 2029

Department 2-Business

City of Minnetonka, Minnesota

Contact Community Development

Project #	Business-16
Project Name	Emergency Business Assistance

Type Program
Useful Life N/A
Category Business

Key Measures Businesses Assisted

Key Measures Loans Made

Key Measures

Key Measures

Description
<p>In 2020, the EDA approved \$225,000 of the existing HRA levy fund balance to assist businesses impacted by COVID-19 with forgivable loans of up to \$7,500. The purpose of the forgivable loan was to ensure the preservation of employment opportunities through the prevention of business closures to promote long-term economic vitality in the community.</p> <p>The council approved additional funding of \$50,000 through the HRA levy in 2021 to continue this effort. In 2023, the city partnered with CEE to provide technical assistance to businesses. The maximum forgivable loan under this program is \$2,500.</p> <p>SCHEDULING AND PROJECT STATUS The program is in development.</p> <p>PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS Comprehensive Plan - Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.</p>

Justification																										
<p>PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS Comprehensive Plan - Assess existing incentive policies and programs in relation to your community’s current character and future growth, as well as to identify opportunities to create, revisit or restructure your community’s approach to business incentives.</p> <p>Strategic Profile- Support evolving needs of business and identify new city initiatives.</p> <p>KEY MEASURES</p> <table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> <th>2030</th> <th>2031</th> <th>2032</th> <th>2033</th> <th>2034</th> </tr> </thead> <tbody> <tr> <td>Businesses Assisted</td> <td>0</td> <td>2</td> <td>2</td> <td>2</td> <td>2</td> <td>2</td> <td>2</td> <td>4</td> <td>4</td> <td>4</td> <td>4</td> <td>4</td> </tr> </tbody> </table>		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Businesses Assisted	0	2	2	2	2	2	2	4	4	4	4	4
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034														
Businesses Assisted	0	2	2	2	2	2	2	4	4	4	4	4														

Expenditures	2025	2026	2027	2028	2029	Total
Program Cost	10,000	10,000	10,000	10,000	0	40,000
Total	10,000	10,000	10,000	10,000	0	40,000

Funding Sources	2025	2026	2027	2028	2029	Total
HRA Levy					0	0
Other	0	0	0	0		0
Total	0	0	0	0	0	0

Budget Impact/Other
<p>Staff time is committed to implementing the program.</p> <p>No future funding sources are committed for this program. It is possible that additional funding from the Federal Government, State of Minnesota, or Hennepin County could be allocated to cities in response to business needs in the future.</p>

Economic Improvement Program

2025 thru 2029

Department 2-Business

City of Minnetonka, Minnesota

Contact Community Development

Project #	Business-18
Project Name	Commercial Code Compliance Fund

Type Maintenance

Useful Life N/A

Category Business

Key Measures Businesses Assisted

Key Measures

Key Measures

Key Measures

Description
This program was created to provide funding for loans up to \$25,000 to address building issues such as improving safety, structural integrity, accessibility issues, or any other areas of concern as determined by the city Building Official, Fire Marshall or Public Health Division.
SCHEDULING AND PROJECT STATUS This program was established in 2023.

Justification
The commercial code compliance program is intended to assist in the public safety, accessibility, and protection of commercial buildings.
PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS Comprehensive Plan- Cultivate small business stability and growth by identifying resources, partnerships, networks, and programs that assist small businesses and entrepreneurs.
PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS Comprehensive Plan - Assess existing incentive policies and programs in relation to your community’s current character and future growth, as well as to identify opportunities to create, revisit or restructure your community’s approach to business incentives.
Strategic Profile- Support evolving needs of business and identify new city initiatives.
KEY MEASURES
2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
Businesses Assisted
0 2 2 2 2 2 4 4 4 4 4 4

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	2025	2026	2027	2028	2029	Total
Development Fund	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Budget Impact/Other
Staff developed guidelines for implementing the Commercial Code Compliance Loan Program with an initial pool of \$100,000. Approximately four businesses could receive a loan of up \$25,000. Loans would be repayable at 2% interest. Loan repayment terms would be 5 years for amounts less than \$15,000, and 10 years for loans between \$15,000 to \$25,000.
The Center for Energy and Environment manages the loan program for the city. There is a small annual administrative fee for loan program administration.

Economic Improvement Program

2025 thru 2029

Department 2-Business
Contact Community Development
Type Conceptual
Useful Life N/A
Category Business

City of Minnetonka, Minnesota

Project #	Business-17
Project Name	Conceptual Business Programs

Key Measures

Key Measures

Key Measures

Key Measures

Description

At the March 22, 2018 EDAC Meeting, staff presented a formal Business Development Strategy Plan. This plan outlines the tools, resources, and activities to support Minnetonka's business community. Following the business survey in 2021, and further conversation with the EDAC, staff has developed a work plan to implement aspects of the Business Development Strategy and respond to issues identified by the business survey.

SCHEDULING AND PROJECT STATUS

These programs are conceptual and have not been fully explored or developed.

Justification

Future Business Program Research:

- \$50,000 Emergency business grant funds - approved
- Promoting culture business organizations- in progress
- Workforce development collaborations - in progress
- Crime Prevention Through Environmental Design - in progress
- Business survey update - 2024
- Research employer led housing assistance - future
- Pathways programs for businesses - future
- Small business revolving loan fund - future

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan - Assess existing incentive policies and programs in relation to your community's current character and future growth, as well as to identify opportunities to create, revisit or restructure your community's approach to business incentives.

Strategic Profile- Support evolving needs of business and identify new city initiatives.

Budget Impact/Other

There will need to be staff time committed to researching budget impacts of this program.



TRANSIT



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

TRANSIT CHAPTER SUMMARY

Projects which enhance resident mobility by pursuing opportunities and solutions to improve transit service.

The city’s role in transit in the past has been minimal as Metro Transit has been the provider of the city’s and the region’s transit system. In 2002, Minnetonka exercised its opt-out authority. It was determined at the time to be in the best interest of the city to have Metro Transit continue providing transit service for the community. In mid-2013, the city and Metro Transit renegotiated a contract in place providing more detail and clarity on the roles and responsibilities for both the city and Metro Transit. The city extended the contract Until July 31, 2024 to coincide with the Metro Transit’s Network Now initiative to review and expand transit services.

In recent years the city’s role in transit has expanded as a more active participant in the city’s opt-out status as well as preparing for the Southwest LRT (Green Line Extension) line.

- The total five-year estimated cost of the programs is \$190,000.

Program	2025	2026	2027	2028	2029	5-Year Total
Commuter Services (494)	34,000	36,000	38,000	40,000	42,000	\$190,000
Total	\$34,000	\$36,000	\$38,000	\$40,000	\$42,000	\$190,000

Conceptual Programs

\$0

Programs in blue indicate city funded programs/initiatives

Programs in green indicate pass-through funding

- All facets of transit, such as commuting and rideshare services, bus/dial-a-ride, and Light Rail Transit (LRT) are included.
- The contract with Metro Transit for service is through 2024.

Economic Improvement Program

2025 *thru* 2029

Department 3-Transit

City of Minnetonka, Minnesota

Contact Community Development

Project #	Transit-01
Project Name	Commuter Services

Type Program

Useful Life N/A

Category Transit

Key Measures Business Contacts

Key Measures

Key Measures Commuters Assisted

Key Measures

Description

Commuter Services is an outreach program of the I-494 Corridor Commission, in which the city is a member. The program seeks to reduce traffic congestion and promote alternative transportation options. Other cities include Bloomington, Richfield, Eden Prairie, and Edina.

SCHEDULING AND PROJECT STATUS

This is an ongoing program.

Justification

Commuter Services provides programs, such as commuter fairs, carpool facilitation, teleworking resources and other information on alternative transportation choices to Minnetonka residents and businesses.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Provide a transportation system that supports the economic vitality and prosperity of the city and the region.

Strategic Profile- Ensure connectivity through increased access to local and regional means of transportation (new mobility options).

KEY MEASURES

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Business Contacts	122	135	120	106	98	120	200	220	225	230	235
Commuters Assisted	277	243	172	123	80	100	100	220	225	250	255

Expenditures	2025	2026	2027	2028	2029	Total
Program Cost	34,000	36,000	38,000	40,000	42,000	190,000
Total	34,000	36,000	38,000	40,000	42,000	190,000

Funding Sources	2025	2026	2027	2028	2029	Total
General Fund	34,000	36,000	38,000	40,000	42,000	190,000
Total	34,000	36,000	38,000	40,000	42,000	190,000

Budget Impact/Other

One council member and one city staff member attend monthly meetings of the I-494 Corridor Commission. With preparation time, this is approximately 40 hours of staff time.

Commuter Services is staffed separately, but coordinates with the city on events, such as the city-wide open house to promote their services.

The city's fee is a formula based on population.

Economic Improvement Program

2025 *thru* 2029

Department 3-Transit

City of Minnetonka, Minnesota

Contact Community Development

Project #	Transit-02
Project Name	Transit Improvements

Type Program

Useful Life N/A

Category Transit

Key Measures Annual Bus Trips

Key Measures

Key Measures

Key Measures

Description

In 2002, Minnetonka exercised its opt-out authority and entered into an agreement for Metro Transit to continue to provide transit service in the city. The city has the ability, with notice, to terminate the current agreement.

SCHEDULING AND PROJECT STATUS

Minnetonka elected to extend the Transit Cooperation Agreement with Metro Transit in 2022. The agreement runs until July 31, 2024. The city hired Nelson Nygaard in 2024 to conduct a transit study.

Justification

The service in Minnetonka has and continues to be focused on express route, peak service to downtown Minneapolis, with limited local and midday routes. Much of the transit design has to do with the low density of the city.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Provide a transportation system that supports the economic vitality and prosperity of the city and the region.

Strategic Profile- Ensure connectivity through increased access to local and regional means of transportation (new mobility options).

KEY MEASURES

2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Annual Bus Trips											
114,860	98,218	69,676	72,731	56,543	54,288	55,000	60,000	65,000	75,000	80,000	85,000
Annual LRT Trips											
									77,000	80,000	85,000

Budget Impact/Other

Staff time of approximately 120 hours per year will be spent attending quarterly meetings, marketing, and consulting with Metro Transit staff.



DEVELOPMENT AND REDEVELOPMENT

DEVELOPMENT/REDEVELOPMENT CHAPTER SUMMARY

Activities that promote the vitality of the city through development and redevelopment.

For the 2025-2029 Economic Improvement Program, there are three development/redevelopment programs underway.

- The total five-year estimated cost of the programs is \$950,000.

Program	2025	2026	2027	2028	2029	5-Year Total
Predevelopment	75,000	75,000	75,000	75,000	75,000	\$375,000
LRT & Station Areas	75,000	0	0	0	0	\$75,000
Studies, Plans, Research	100,000	100,000	100,000	100,000	100,000	\$500,000
Total	\$250,000	\$175,000	\$175,000	\$175,000	\$175,000	\$950,000

Conceptual Programs

Special Service Districts

\$0

Programs in blue indicate city funded programs/initiatives
Programs in green indicate pass-through funding

- Some of the pass-through grants identified in the business chapter may be for development/redevelopment activities.
- Costs may increase if the city wishes to take a more proactive role in development/redevelopment.
- The LRT page reflects the commitment of the city toward the LRT project. Additional programs may be needed to help implement station area plans in the Shady Oak and Opus station areas.

Economic Improvement Program

2025 thru 2029

Department 4-Development & Redevelopm

City of Minnetonka, Minnesota

Contact Community Development

Project #	Dev/Redev-01
Project Name	Pre-Development

Type Program

Useful Life N/A

Category Develop/Redevelopment

Key Measures Projects Assisted

Key Measures

Key Measures Projects Continued

Key Measures

Description

The initial stages of development or redevelopment require extensive analysis, by the developer and the city, to determine if a project is viable. Analysis by the city includes financial readiness, design assistance, geotechnical data gathering, and preliminary work for TIF/tax abatement.

SCHEDULING AND PROJECT STATUS

This is an on-going program. Staff determines when it is appropriate to use for a potential redevelopment project. For example, initial TIF runs were done for the Tonka on the Creek "Overlook", Shady Oak Crossing, Legends of Minnetonka and Bren Road Station, Birke, and Opus redevelopment sites, to determine if Tax Increment Financing would be feasible. Once it was determined that it was, and the developer moved forward as such, the developer was then responsible for paying all legal counsel and financial consultant expenses.

Justification

Predevelopment activities make the city development ready by preparing property for development or redevelopment.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Promote the development of a range of housing types to meet the needs of current and future residents near job centers, village centers, and TOD locations.

KEY MEASURES

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Projects Assisted	3	3	4	2	2	2	2	2	4	4	4
Projects Continued after Assistance	2	3	4	1	1	2	2	2	2	2	2

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design	75,000	75,000	75,000	75,000	75,000	375,000
Total	75,000	75,000	75,000	75,000	75,000	375,000

Funding Sources	2025	2026	2027	2028	2029	Total
Development Fund	75,000	75,000	75,000	75,000	75,000	375,000
Total	75,000	75,000	75,000	75,000	75,000	375,000

Budget Impact/Other

Development projects can be time intensive for staff. The range per year is 500 to 1,000 hours depending on the request, number of meetings and type of assistance requested. The predevelopment funds will be used to hire consultants or others to complete work outside of staff's expertise.

Economic Improvement Program

2025 thru 2029

Department 4-Development & Redevelopm

City of Minnetonka, Minnesota

Contact Community Development

Project #	Dev/Redev-02
Project Name	Studies, Plans, Research Fund

Type Program

Useful Life N/A

Category Develop/Redevelopment

Key Measures Village Centers Studied

Key Measures

Key Measures Comprehensive Plan update

Key Measures

Description

The village center studies take a look at each of the city’s thirteen designated village centers and create a guide for redevelopment. The following village center studies have been completed: Minnetonka Mills, Opus, Hwy 7/101, Shady Oak, Ridgedale, and Glen Lake.

In 2019, the city completed a redevelopment visioning process for the city owned property at 5937 County Road 101.

Justification

The village center studies provide a guide to potential investors or developers to the organization of the property, general layout of building envelopes, and a defined range of uses. There is a strong emphasis on community engagement and realistic implementation strategies. The Comprehensive Plan is the city's policy framework to guide development, redevelopment and public services and programs for 30 years.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Promote the development of a range of housing types to meet the needs of current and future residents near job centers, village centers, and TOD locations.

KEY MEASURES

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2	3	1	2	2	2	1	1	1	1	1

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design	100,000	100,000	100,000	100,000	100,000	500,000
Total	100,000	100,000	100,000	100,000	100,000	500,000

Funding Sources	2025	2026	2027	2028	2029	Total
Development Fund	100,000	100,000	100,000	100,000	100,000	500,000
Total	100,000	100,000	100,000	100,000	100,000	500,000

Budget Impact/Other

While a consultant(s) is brought on to assist with the project, there is staff time spent on the village center studies to prepare contracts, review plans, facilitate ideas, prepare for public meetings and attend public meetings. This work can range from 1500-1750 hours per year.

Funds were budgeted in 2024 to consider completing a village center study at Cedar Lake Rd/Cty Road 73.

Economic Improvement Program

2025 thru 2029

Department 4-Development & Redevelopment

City of Minnetonka, Minnesota

Contact Community Development

Project # Dev/Redev-03
Project Name LRT and LRT Station Area Development

Type Construction

Useful Life N/A

Category Develop/Redevelopment

Key Measures

Key Measures

Key Measures

Key Measures

Description

Minnetonka has actively been planning for LRT since the early 2000's. As the LRT project progresses from design to construction there is a desire for redevelopment to occur around the city's station areas to make a more transit oriented area.

In 2021, The Met Council announced a delay in the completion of the project due to unforeseen soil conditions in the Minneapolis segment of the route. This is anticipated to push the opening day to 2027.

Southwest LRT Milestones:

Project received "Limited Notice to Proceed" on December 20, 2018 (completed)

Construction begins on site preparation, demolition, utility work, contractor mobilization contractor authorized to perform work up to \$216 million (underway)

March 2019- Metropolitan Council performing pre-construction inspections

Contractor to submit full schedule of activities - Fall 2019

Full Funding Grant Agreement - August 2019

Heavy Construction 2019-2027

2027 - Service to Begin

Justification

It is anticipated that because of limited county, regional and state resources, as well as the competition for these resources, that in order to assist in facilitating redevelopment in the LRT station areas, the city will need to provide resources of its own. Resources that are available as of 2022 include:

Hennepin County	Regional (Met Council)	State
Capital infrastructure (streets, etc.)	LCDA-TOD fund	Transit Improvement Area (unfunded)
Transit Oriented Development fund	TBRA-TOD fund	Redevelopment grant
Community Works funds		Contamination Clean-Up and Investigation
Affordable housing incentive fund		Transportation Economic Development
Environmental Response fund		

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Recognize the interrelationship of land use and transportation, and anticipate impacts of the location and intensity of planned land uses on the transportation system.

Expenditures	2025	2026	2027	2028	2029	Total
Program Cost	75,000	0	0	0	0	75,000
Total	75,000	0	0	0	0	75,000

Funding Sources	2025	2026	2027	2028	2029	Total
HRA Levy	75,000	0	0	0	0	75,000
Total	75,000	0	0	0	0	75,000

Budget Impact/Other

In July 2015, the city committed \$2 million towards the LRT project. This is being initially funded through the Special Assessment Construction Fund. Partial payback will occur from HRA levy funds over a 10 year period for a total of \$750,000.

It is unknown what type of programs will need to be added and therefore additional budget impacts beyond the city's financial commitment to the LRT project are unknown. As programs are developed, staff time and future funding will need to be reviewed to determine a program's viability.

Economic Improvement Program

2025 thru 2029

Department 4-Development & Redevelopm

City of Minnetonka, Minnesota

Contact Community Development

Project #	Dev/Redev-05
Project Name	City Owned Properties

Type Program

Useful Life N/A

Category Develop/Redevelopment

Key Measures

Key Measures

Key Measures

Key Measures

Description

The city owns scattered site residential and commercial properties. These properties have been purchased over the years for a variety of reasons that includes potential for future redevelopment/resale or to meet other city goals.

The city's land management committee is tasked with reviewing potential acquisitions and reviewing the status of the city's existing properties.

SCHEDULING AND PROJECT STATUS

This is an on-going project.

Justification

Some city-owned properties include:

- 4292 Oak Drive Lane (residential) - occupied
- 5937 County Road 101 (residential) - redevelopment site
- 5501 Baker Road (residential) - sell for affordable housing in 2025
- 5432 Rowland Road (residential) - sell for affordable housing in 2024
- 4700 Woodland Rd (residential)
- 10505 Belmont Road (residential) - sell for affordable housing in 2025
- 1809 Welland Ave (residential) - sell for affordable housing in 2025

The city also owns several other parcels that may not meet the qualifications for future redevelopment or resale. One example is land purchased for storm water management. The city's land committee monitors and manages the city's land inventory.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Use infill and redevelopment opportunities to encourage a mix of housing choices in the community.

Budget Impact/Other

There is some staff time every year devoted to the upkeep on the properties; however, a property manager is hired for properties where there are tenants, lessening the staff time required. The city also owns several parcels for purposes such as storm water management, wetland preservation, parks, etc.



TAX INCREMENT FINANCING

Economic Improvement Program

2025 *thru* 2029

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project #	TIF-01
Project Name	Development Agreement and TIF Administration

Type Program

Useful Life N/A

Category TIF

Key Measures TIF Districts

Key Measures

Key Measures

Key Measures

Description

Any time a TIF district is formed, a development agreement is prepared between the city and the developer. Administration for both the TIF and the development agreement, over the life of the TIF district, is required.

SCHEDULING AND PROJECT STATUS
Administration and review of the existing development agreements and TIF districts is ongoing until the projects expire.

New TIF districts are anticipated to be added as new redevelopment projects are proposed in anticipation of the LRT.

Justification

In some cases redevelopment projects need city assistance, such as in the form of Tax Increment Financing (TIF) in order for the project to be financially feasible. Anytime a TIF district is set-up there is a cost to the city for monitoring the project.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS
Comprehensive Plan- Continue to implement the Economic Development Authority’s policy that 10 to 20 percent of new multi-family units should be affordable housing and ensure long-term affordability within new developments.
- Pursue policies, tools and programs to ensure long-term housing affordability for households at or below 30, 50, 60 and 80% of AMI and explore additional mixed income best practices.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES
2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029
Active TIF Districts
9 9 8 9 9 11 11 11 11 12 13

Expenditures	2025	2026	2027	2028	2029	Total
Other	140,000	150,000	150,000	150,000	150,000	740,000
Total	140,000	150,000	150,000	150,000	150,000	740,000

Funding Sources	2025	2026	2027	2028	2029	Total
Development Fund	140,000	150,000	150,000	150,000	150,000	740,000
Total	140,000	150,000	150,000	150,000	150,000	740,000

Budget Impact/Other

Development agreements and TIF administration are staff led activities. The city regularly calls upon its financial consultants and legal counsel to assist in these matters. Staff time estimates are roughly 520-780 hours per year.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance will be updated in the 2024 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Economic Improvement Program

2025 *thru* 2029

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project #	TIF-04
Project Name	Glenhaven TIF District

Type Program

Useful Life 2029

Category TIF

Key Measures Affordable Units

Key Measures

Key Measures

Key Measures

Description

The Glenhaven TIF district is a renewal and renovation district approved on January 23, 2006. Special legislation was granted to the city in 2009 to extend the duration of the district by seven years to December 31, 2029.

SCHEDULING AND PROJECT STATUS

This TIF district was approved in 2006 and will expire in 2029. The first two phases of the project included: a mixed use apartment building with retail on the first floor and a senior housing rental community. The third phase, originally planned as a condominium building, was recently changed and a 54-unit cooperative was completed in 2017.

TIF revenue bonds were issued in 2010 and were refinanced in 2017. The refinance resulted in interest savings to repay the original interfund loan by 2026 and provide approximately \$366,000 at the end of the district for future redevelopment projects.

Justification

The Glenhaven TIF District was established to assist in the Glen Lake Redevelopment of housing and mixed use. There are 43 affordable units in the total development, affordable to those at 60% AMI or less.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Continue to implement the Economic Development Authority's policy that 10 to 20 percent of new multi-family units should be affordable housing and ensure long-term affordability within new developments.

- Pursue policies, tools and programs to ensure long-term housing affordability for households at or below 30, 50, 60 and 80% of AMI and explore additional mixed income best practices.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Affordable Units										
43	43	43	43	43	43	43	43	43	43	43

Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the TIF district. A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance is provided in the 2022 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Economic Improvement Program

2025 thru 2029

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project #	TIF-06
Project Name	Tonka on the Creek TIF District (The Overlook)

Type Program
Useful Life 2035
Category TIF

Key Measures Affordable Units

Key Measures

Key Measures

Key Measures

Description

The Tonka on the Creek TIF district is a housing district approved February 10, 2014. A 100-unit apartment building known as The Overlook, containing 20 affordable units, was constructed as part of the project.

SCHEDULING AND PROJECT STATUS

This TIF district was approved in 2014 and will end in 2041. Construction began in late 2014, and was completed in early 2016.

Justification

The Tonka on the Creek TIF District was established to assist in the development of an 100-unit apartment building, of which 20 units will be affordable to those at 50% AMI or less.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Work to diversify housing choices available to seniors in order to fulfill the unmet senior housing needs in the community (homeownership, rental, active, and supportive, aging in place).

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Affordable Units										
20	20	20	20	20	20	20	20	20	20	20

Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance is provided in the 2022 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Economic Improvement Program

2025 *thru* 2029

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project #	TIF-07
Project Name	Applewood Pointe TIF District

Type Program

Useful Life 2025

Category TIF

Key Measures Affordable Units

Key Measures

Key Measures

Key Measures

Description

The Applewood Pointe TIF district is a redevelopment TIF district approved August 2014. An 89-unit senior cooperative building (Applewood Pointe) containing 9 affordable units was constructed as part of the project.

SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2014 and will end in 2043. Construction began in late 2015 and was completed in 2016.

Justification

The Applewood Pointe TIF District was established to assist in the development of an 89-unit senior cooperative building (Applewood Pointe), of which 9 units are affordable.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Work to diversify housing choices available to seniors in order to fulfill the unmet senior housing needs in the community (homeownership, rental, active, and supportive, aging in place).

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
9	9	9	9	9	9	9	9	9	9	9

Affordable Units

9 9 9 9 9 9 9 9 9 9 9

Budget Impact/Other

Staff, with occasional consultant assistance, oversee the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance is provided in the 2022 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Economic Improvement Program

2025 *thru* 2029

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project #	TIF-08
Project Name	Rowland Housing TIF District (At Home)

Type Program

Useful Life 2036

Category TIF

Key Measures Affordable Units

Key Measures

Key Measures

Key Measures

Description

At Home apartments is a 106-unit apartment building that received TIF assistance through a housing TIF district. Twenty-one units are affordable to those at 50% AMI or less.

SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2015 and will end in 2043. Construction began in 2015 and was completed in 2016.

Justification

This TIF district includes 21 of the 106 rental units affordable to those earning 50% AMI or less.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Continue to implement the Economic Development Authority’s policy that 10 to 20 percent of new multi-family units should be affordable housing and ensure long-term affordability within new developments.

- Pursue policies, tools and programs to ensure long-term housing affordability for households at or below 30, 50, 60 and 80% of AMI and explore additional mixed income best practices.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Affordable Units	21	21	21	21	21	21	21	21	21	21

Budget Impact/Other

Staff, with occasional consultant assistance, oversee the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance is provided in the 2022 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Economic Improvement Program

2025 *thru* 2029

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project #	TIF-09
Project Name	Dominium TIF District (Legends/Preserve)

Type Program

Useful Life 2045

Category TIF

Key Measures Affordable Units Created

Key Measures

Key Measures

Key Measures

Description

Dominium apartments is a 482 multifamily housing project that received TIF assistance through a housing TIF district. All 482 units are affordable to those at 60% AMI.

The project includes 262 senior housing units and 220 workforce units.

SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2018 and will end in 2045. Construction began in the winter of 2018 and was completed in 2022.

Justification

This TIF district includes 482 units affordable to those earning 60% AMI or less.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- - Promote the development of a range of housing types to meet the needs of current and future residents near job centers, village centers, and TOD locations.

- Pursue policies, tools and programs to ensure long-term housing affordability for households at or below 30, 50, 60 and 80% of AMI and explore additional mixed income best practices.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

-Manage and promote the Opus area as a unique mix of uses and increased development reinvestment.

KEY MEASURES

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Affordable Units										
N/A	N/A	N/A	482	482	482	482	482	482	482	482

Budget Impact/Other

Staff, with occasional consultant assistance, oversee the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance is provided in the 2022 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Economic Improvement Program

2025 *thru* 2029

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project #	TIF-10
Project Name	Marsh Run TIF District (The Birke)

Type Program
Useful Life 2046
Category TIF

Key Measures Affordable Units Created

Key Measures

Key Measures

Key Measures

Description

The Birke is a 175 multifamily housing project that received TIF assistance through a Housing TIF district. The project has 20% (35 units) of the units affordable to those at 50% AMI.

SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2019 and will terminate in 2046. Construction is anticipated to begin in 2019 and was completed in 2021.

Justification

This project includes 35 affordable units (20% of building) to those earning 50% AMI or less.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Continue to implement the Economic Development Authority’s policy that 10 to 20 percent of new multi-family units should be affordable housing and ensure long-term affordability within new developments.

- Pursue policies, tools and programs to ensure long-term housing affordability for households at or below 30, 50, 60 and 80% of AMI and explore additional mixed income best practices.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
N/A	N/A	35	35	35	35	35	35	35	35	35

Budget Impact/Other

Staff, with occasional consultant assistance, oversee the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance is provided in the 2022 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Economic Improvement Program

2025 *thru* 2029

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact Community Development

Project #	TIF-11
Project Name	Shady Oak Crossing

Type Program

Useful Life 2033

Category TIF

Key Measures Affordable Units Created

Key Measures

Key Measures

Key Measures

Description

Shady Oak Crossing is a 75 unit multifamily project that received TIF assistance through the establishment of a redevelopment district. The project is anticipated to have 20% (23 units) of the units affordable to those at 60% AMI.

SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2020 and will terminate in 2047. Construction began in 2020 and the project was completed in 2021.

Justification

This project includes 35 affordable units (20% of building) to those earning 50% AMI or less.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Continue to implement the Economic Development Authority’s policy that 10 to 20 percent of new multi-family units should be affordable housing and ensure long-term affordability within new developments.

- Pursue policies, tools and programs to ensure long-term housing affordability for households at or below 30, 50, 60 and 80% of AMI and explore additional mixed income best practices.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

- Promote the development of a range of housing types to meet the needs of current and future residents near job centers, village centers, and TOD locations.

KEY MEASURES

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Affordable Units										
N/A	N/A	N/A	23	23	23	23	23	23	23	23

Budget Impact/Other

Staff, with occasional consultant assistance, oversee the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance is provided in the 2022 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Project #	TIF-12
Project Name	Opus TIF District

Type	Program
Useful Life	2039
Category	TIF

Key Measures

Key Measures

Key Measures

Key Measures

Description

The Opus Business Park Tax Increment Financing District, a renewal and renovation district, was approved on April 26, 2021 to facilitate the construction of housing and critical infrastructure improvements identified in the Opus AUAR.

SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2021 and will terminate in 2039.

Justification

The Opus Business Park Tax Increment Financing District will fund future housing redevelopment projects and road/traffic improvement projects in the Opus area. There are currently three housing developments proposed in the district and six areas identified for road improvements:

Housing projects:

1. Minnetonka Station
2. Townline
3. Alcott
4. Greystar Apartments

Road Improvement projects:

1. Shady Oak Road & Red Circle
2. Shady Oak Road & Hwy 62
3. Shady Oak Road & Bren Rd.
4. Green Oak Dr.
5. Bren Road & Smetana
6. Bren Road & Hwy 169

Comprehensive Plan- Continue to implement the Economic Development Authority’s policy that 10 to 20 percent of new multi-family units should be affordable housing and ensure long-term affordability within new developments.

- Pursue policies, tools and programs to ensure long-term housing affordability for households at or below 30, 50, 60 and 80% of AMI and explore additional mixed income best practices.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

- Promote the development of a range of housing types to meet the needs of current and future residents near job centers, village centers, and TOD locations.

Budget Impact/Other

Staff, with occasional consultant assistance, oversee the administration of the TIF district. A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance is provided in the 2022 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Economic Improvement Program

2025 thru 2029

Department 5-TIF Districts

City of Minnetonka, Minnesota

Contact

Project # TIF-13
Project Name Marsh II District

Type Unassigned
Useful Life
Category Unassigned

Key Measures

Key Measures

Key Measures

Key Measures

Description

The Marsh II Tax Increment Financing District, a redevelopment district, was approved on June 26, 2023 to facilitate the redevelopment of the Marsh office center.

SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2023 and will terminate in 2050.

Justification

The Marsh II project includes 40 affordable units. Twenty units are reserved for households earning 60% AMI or less and twenty units are reserved for households earning 80% AMI or less.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Continue to implement the Economic Development Authority's policy that 10 to 20 percent of new multi-family units should be affordable housing and ensure long-term affordability within new developments.

- Pursue policies, tools and programs to ensure long-term housing affordability for households at or below 30, 50, 60 and 80% of AMI and explore additional mixed income best practices.

Budget Impact/Other

Staff, with occasional consultant assistance, oversee the administration of the TIF district. A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance will be provided in the 2024 TIF Management Report prepared by the Ehlers, the city's financial consultant.



TAX ABATEMENT

Economic Improvement Program

2025 *thru* 2029

Department 6-Tax Abatement

City of Minnetonka, Minnesota

Contact Community Development

Project #	Abatement-1
Project Name	Ridgedale

Type Improvement

Useful Life N/A

Category Tax Abatement

Key Measures Property Value Increase

Key Measures

Key Measures Property Levy

Key Measures

Description

The Ridgedale Tax Abatement was approved in connection with the Ridgedale Mall expansion and pertains to the Macys, Nordstrom and mall properties. The funds are to be used for transportation improvements around the mall site and with public amenities on the site.

SCHEDULING AND PROJECT STATUS

The Ridgedale Tax Abatement project was approved in Spring 2013.

Justification

The Ridgedale Tax Abatement will assist in financing the transportation and other public improvements that must be completed due to the Ridgedale Mall expansion.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan- Promote the development of a range of housing types to meet the needs of current and future residents near job centers, village centers, and TOD locations.

Strategic Profile- Implement programs and policies to diversify housing and increase affordable housing options.

KEY MEASURES

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
.3%	.04%	.00%	.00%	2%	*Information available Fall 2024					

Property Value Increase

Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the Tax Abatement.

A portion of the abatement is retained to cover administrative costs.



FUNDING SOURCES AND EXPENDITURE PROJECTIONS

FUND DESCRIPTIONS

Development Fund (2021 estimated beginning fund balance): \$4,612,021

The Development Fund was created with funds remaining after retiring the bonds of a single Tax Increment Finance (TIF) district in 1993. Under provisions of the TIF contract and law, the Development Fund may only be used for costs associated with Minnetonka's redevelopment and economic development activities. The city's Economic Development Authority initiates projects appropriate to these activities.

Livable Communities Fund (2021 estimated beginning fund balance): \$450,000

The Livable Communities fund was created after receiving special legislation to develop an account from the revenues of a closed Tax Increment Finance (TIF) district. The legislation specifically restricts the use of these funds for affordable housing programs. Standards for affordability are consistent with the Metropolitan Council's income, rent and sales price limits. In 2017, \$400,000 was returned from the sale of Minnetonka Heights. The original source of this funding indicated that the reuse of the funds must be utilized for affordable housing. The remaining balance of \$312,948 is committed to Homes Within Reach.

Community Development Block Grant (CDBG)

Since 1975, the Community Development Block Grant (CDBG) fund has accounted for revenues and expenditures made under the federal CDBG program. Minnetonka typically uses these funds for housing projects and programs (such as housing rehab, affordable housing, and supportive housing) and supportive services (such as senior chore programs, information and referral services and others).

HRA Levy: \$1,429,549

Minnesota Statutes 469.033, Subd. 6 authorizes housing and redevelopment authorities (HRAs) the power to levy a tax upon all property within its district to finance housing and redevelopment programs subject to the consent of the city council. In 1988 and amended in 1994 and 2010, the Minnetonka City Council established the Economic Development Authority (EDA) of the City of Minnetonka and transferred to the EDA the control, authority and operation of all projects and programs of the city's HRA. The law and council resolutions further require the EDA to file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city.

Affordable Housing Trust Fund (2025 estimated beginning fund balance): \$3,716,484

State Statute 462C.16 allows local government to establish an affordable housing trust fund for local housing development. Authorized uses of this fund includes: administrative expenses; loans, grants, and guarantees for the development, rehab or financing of housing; matching funds; down-payment assistance, rental assistance, and homebuyer counseling services.

**SUMMARY TABLE
EIP 2025
Expenditures by Category & Fund**

Category	Program	Total	Fund			
			Devpt Fund	HRA Levy	Aff. Housing Trust Fund	Other
Housing:						
	Homes Within Reach	\$ 125,000		125,000		
	Housing Improvement Areas	\$ 10,000,000				10,000,000
	Welcome to Minnetonka	\$ 50,000		50,000		
	Mtka Home Enhancement	\$ 50,000		50,000		
	Aff. Housing Trust Fund	\$ 1,000,000			1,000,000	
	Pathways to Homeownership	\$ 300,000			300,000	
	Subtotal	\$ 11,525,000	\$ -	\$ 225,000	\$ 1,300,000	\$ 10,000,000
Business:						
	Fire Sprinkler Retrofit	\$ 50,000				50,000
	Housing/Redevelopment Grants	\$ 2,000,000	2,000,000			
	GreaterMSP	\$ 26,000	26,000			
	Business Grants	\$ 2,000,000	2,000,000			
	Elevate Hennepin/Open to Business	\$ 20,000	20,000			
	Outreach	\$ 25,000	25,000			
	MN Regional Chambers	\$ 1,100				1,100
	SAC/REC Deferral Program	\$ 50,000				50,000
	Commercial Code Compliance	\$ 50,000	50,000			
	Emergency Business Grant	\$ -				
	Subtotal	\$ 4,222,100	\$ 4,121,000	\$ -	\$ -	\$ 101,100
Transit:						
	Commuter Services	\$ 34,000				34,000
	Transit Improvments	\$ -				
	Subtotal	\$ 34,000	\$ -	\$ -	\$ -	\$ 34,000
Devpt & Redevpt:						
	Predevelopment	\$ 75,000	75,000			
	LRT and Station Area	\$ 75,000		75,000		
	Studies, Plans, Research	\$ 100,000	100,000			
	Subtotal	\$ 250,000	\$ 175,000	\$ 75,000	\$ -	\$ -
TIF Districts:						
	Devpt Agmt & TIF Admin	\$ 140,000	140,000			
	Subtotal	\$ 140,000	\$ 140,000	\$ -	\$ -	\$ -
Tax Abatement:						
	Ridgedale	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -
TOTALS		\$ 16,171,100	\$ 4,436,000	\$ 300,000	\$ 1,300,000	\$ 10,135,100

EIP 2025-2029
All Categories
Funding Sources and Expenditure Projections

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	TOTAL
Method of Financing											
Development Account	\$ 4,436,000	\$ 4,446,000	\$ 2,446,000	\$ 2,446,000	\$ 2,446,000	\$ 1,946,000	\$ 1,946,000	\$ 1,946,000	\$ 1,946,000	\$ 1,946,000	\$ 25,950,000
General Fund	35,100	37,100	39,100	41,100	43,100	45,100	47,100	49,100	51,100	53,100	441,000
Ad Valorem Tax Levy	300,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	100,000	2,200,000
Affordable Housing Trust Fund	1,300,000	1,050,000	1,050,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	7,950,000
Other	10,100,000	10,100,000	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	61,000,000
Total Funding Sources	\$ 16,171,100	\$ 15,858,100	\$ 8,860,100	\$ 8,462,100	\$ 8,464,100	\$ 7,966,100	\$ 7,968,100	\$ 7,970,100	\$ 7,972,100	\$ 7,849,100	\$ 97,541,000
Expenditures											
Housing	\$ 11,525,000	\$ 11,275,000	\$ 6,275,000	\$ 5,875,000	\$ 5,875,000	\$ 5,875,000	\$ 5,875,000	\$ 5,875,000	\$ 5,875,000	\$ 5,750,000	\$ 70,075,000
Business	4,222,100	4,222,100	2,222,100	2,222,100	2,222,100	1,722,100	1,722,100	1,722,100	1,722,100	1,722,100	23,721,000
Transit	34,000	36,000	38,000	40,000	42,000	44,000	46,000	48,000	50,000	52,000	430,000
Development/Redevelopment	250,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	1,825,000
TIF Admin	140,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,490,000
Total Expenditures	\$ 16,171,100	\$ 15,858,100	\$ 8,860,100	\$ 8,462,100	\$ 8,464,100	\$ 7,966,100	\$ 7,968,100	\$ 7,970,100	\$ 7,972,100	\$ 7,849,100	\$ 97,541,000

City of Minnetonka, Minnesota
Economic Improvement Program
 2025 thru 2034

SOURCES AND USES OF FUNDS

Source	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Development Fund										
Beginning Balance	4,612,021	2,382,151	152,281	(577,589)	(1,307,459)	(2,037,329)	(2,767,199)	(3,497,069)	(4,226,939)	(4,956,809)
Revenues and Other Fund Sources										
<i>Revenue</i>										
Cedar Ridge Assessments	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500
Cloud 9 Admin	1,630	1,630	1,630	1,630	1,630	1,630	1,630	1,630	1,630	1,630
Grants	2,000,000	2,000,000	1,500,000	1,500,000	1,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Interest Income	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
TIFAdmin Revenue	140,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
<i>Total</i>	2,206,130	2,216,130	1,716,130	1,716,130	1,716,130	1,216,130	1,216,130	1,216,130	1,216,130	1,216,130
Total Revenues and Other Fund Sources	2,206,130	2,216,130	1,716,130	1,716,130	1,716,130	1,216,130	1,216,130	1,216,130	1,216,130	1,216,130
Total Funds Available	6,818,151	4,598,281	1,868,411	1,138,541	408,671	(821,199)	(1,551,069)	(2,280,939)	(3,010,809)	(3,740,679)
Expenditures and Uses										
<i>Capital Projects & Equipment</i>										
2-Business										
Housing and Redevelopment Grants	<i>Business-02</i>	(2,000,000)	(2,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(500,000)	(500,000)	(500,000)	(500,000)
GreaterMSP	<i>Business-04</i>	(26,000)	(26,000)	(26,000)	(26,000)	(26,000)	(26,000)	(26,000)	(26,000)	(26,000)
Business Grants	<i>Business-06</i>	(2,000,000)	(2,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Business Advisory Services	<i>Business-07</i>	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Outreach	<i>Business-08</i>	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Commercial Code Compliance Fund	<i>Business-18</i>	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
<i>Total</i>		(4,121,000)	(4,121,000)	(2,121,000)	(2,121,000)	(2,121,000)	(1,621,000)	(1,621,000)	(1,621,000)	(1,621,000)
4-Development & Redevelopment										

Source		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Development Fund											
Pre-Development	<i>Dev/Redev-01</i>	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Studies, Plans, Research Fund	<i>Dev/Redev-02</i>	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
	<i>Total</i>	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
5-TIF Districts											
Development Agreement and TIF Administration	<i>TIF-01</i>	(140,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
	<i>Total</i>	(140,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Total Expenditures and Uses		(4,436,000)	(4,446,000)	(2,446,000)	(2,446,000)	(2,446,000)	(1,946,000)	(1,946,000)	(1,946,000)	(1,946,000)	(1,946,000)
Change in Fund Balance		(2,229,870)	(2,229,870)	(729,870)	(729,870)	(729,870)	(729,870)	(729,870)	(729,870)	(729,870)	(729,870)
Ending Balance		2,382,151	152,281	(577,589)	(1,307,459)	(2,037,329)	(2,767,199)	(3,497,069)	(4,226,939)	(4,956,809)	(5,686,679)

City of Minnetonka, Minnesota
Economic Improvement Program
2025 thru 2034

SOURCES AND USES OF FUNDS

Source	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
HRA Levy										
Beginning Balance	1,429,549	1,451,549	1,573,549	1,695,549	1,792,549	1,814,549	1,861,549	1,908,549	1,930,549	1,952,549
Revenues and Other Fund Sources										
<i>Revenue</i>										
Ad Valorem Tax Levy	300,000	325,000	325,000	300,000	225,000	250,000	250,000	225,000	225,000	225,000
Investment Interest	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Loan paybacks	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<i>Total</i>	322,000	347,000	347,000	322,000	247,000	272,000	272,000	247,000	247,000	247,000
Total Revenues and Other Fund Sources	322,000	347,000	347,000	322,000	247,000	272,000	272,000	247,000	247,000	247,000
Total Funds Available	1,751,549	1,798,549	1,920,549	2,017,549	2,039,549	2,086,549	2,133,549	2,155,549	2,177,549	2,199,549
Expenditures and Uses										
<i>Capital Projects & Equipment</i>										
1-Housing										
Homes Within Reach	<i>Housing-05</i>	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
Minnetonka Home Enhancement	<i>Housing-08</i>	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Welcome to Minnetonka Loan Program	<i>Housing-14</i>	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
<i>Total</i>		(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
2-Business										
Emergency Business Assistance	<i>Business-16</i>	0	0	0	0	0	0	0	0	0
<i>Total</i>		0	0	0	0	0	0	0	0	0
4-Development & Redevelopment										
LRT and LRT Station Area Development	<i>Dev/Redev-03</i>	(75,000)	0	0	0	0	0	0	0	0

City of Minnetonka 2025-2029 EIP

Source	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
HRA Levy										
<i>Total</i>	(75,000)	0	0	0	0	0	0	0	0	0
Total Expenditures and Uses	(300,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
Change in Fund Balance	22,000	122,000	122,000	97,000	22,000	47,000	47,000	22,000	22,000	22,000
Ending Balance	1,451,549	1,573,549	1,695,549	1,792,549	1,814,549	1,861,549	1,908,549	1,930,549	1,952,549	1,974,549

City of Minnetonka, Minnesota
Economic Improvement Program
 2025 thru 2034

SOURCES AND USES OF FUNDS

Source	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Affordable Housing Trust Fund										
Beginning Balance	3,716,484	3,016,484	2,566,484	2,116,484	2,066,484	2,016,484	1,966,484	1,916,484	1,866,484	1,816,484
Revenues and Other Fund Sources										
<i>Revenue</i>										
Housing Sales Tax	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
<i>Total</i>	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total Revenues and Other Fund Sources	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total Funds Available	4,316,484	3,616,484	3,166,484	2,716,484	2,666,484	2,616,484	2,566,484	2,516,484	2,466,484	2,416,484
Expenditures and Uses										
<i>Capital Projects & Equipment</i>										
1-Housing										
Affordable Housing Trust Fund	<i>Housing-22</i>	(1,000,000)	(1,000,000)	(1,000,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
Pathways to Homeownership	<i>Housing-23</i>	(300,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
<i>Total</i>		(1,300,000)	(1,050,000)	(1,050,000)	(650,000)	(650,000)	(650,000)	(650,000)	(650,000)	(650,000)
Total Expenditures and Uses		(1,300,000)	(1,050,000)	(1,050,000)	(650,000)	(650,000)	(650,000)	(650,000)	(650,000)	(650,000)
Change in Fund Balance		(700,000)	(450,000)	(450,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Ending Balance		3,016,484	2,566,484	2,116,484	2,066,484	2,016,484	1,966,484	1,916,484	1,866,484	1,816,484

City of Minnetonka, Minnesota
Economic Improvement Program
 2025 thru 2034

SOURCES AND USES OF FUNDS

Source	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Livable Communities Fund										
Beginning Balance	450,000	576,000	702,000	828,000	954,000	1,080,000	1,206,000	1,332,000	1,458,000	1,584,000
Revenues and Other Fund Sources										
<i>Revenue</i>										
HRA Levy	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Interest Income	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<i>Total</i>	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Total Revenues and Other Fund Sources	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Total Funds Available	576,000	702,000	828,000	954,000	1,080,000	1,206,000	1,332,000	1,458,000	1,584,000	1,710,000
Change in Fund Balance	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Ending Balance	576,000	702,000	828,000	954,000	1,080,000	1,206,000	1,332,000	1,458,000	1,584,000	1,710,000

These Districts are outlined in the following chart (a more detailed explanation of each district may be found starting on page 27):

District	TIF 1-2 Boulevard Gardens	Glenhaven	Tonka on the Creek	Rowland Housing	Applewood Pointe	Marsh Run (Doran)	Shady Oak Crossing (Ron Clark)	Dominium	Opus Business Park
TIF Authority									
EDA									
District Type	Redevelopment	Renewal and Renovation	Housing	Housing	Redevelopment	Housing	Redevelopment	Housing	Renewal and Renovation
Project Area									
Development Dist #1									
Approved	12/11/1995	1/23/2006	2/10/2014	4/20/2015	8/25/2014	3/18/2019	2/24/2020	6/18/2018	4/26/2021
Certification Date	7/2/1996	6/2/2006	4/22/2014	7/2/2015	7/2/2015	7/26/2019	7/17/2020	12/10/2018	5/14/2021
Legal Max Term	12/31/2022	12/31/2029	12/31/2041	12/31/2043	12/31/2043	12/31/2046	12/31/2047	12/31/2046	12/31/2039
Anticipated Term	12/31/2022	12/31/2029	12/31/2041	12/31/2043	12/31/2025	12/31/2046	12/31/2043	12/31/2046	12/31/2039
First Increment	1997	2007	2016	2018	2018	2021	2022	2021	2024
Current Obligations	35% pooling for tax credit rental projects \$1,025,000 Loan to The Ridge	\$4,515,000 TIF Revenue Bonds, Series 2017 and \$502,588 IFL	\$2,283,000 PAYGO TIF Note to Tonka on the Creek LLC PAYGO	\$2,500,000 PAYGO TIF Note to Rowlands Investments LLC	\$1,290,000 PAYGO TIF Note to United Properties	\$4,200,000 PAYGO TIF Note	\$1,900,000 PAYGO TIF Note	\$4,161,000 PAYGO TIF Note for Sr. housing and \$3,648,000 PAYGO TIF Note for workforce housing	\$2,780,000 PAYGO TIF Note to Wellington, \$553,000 Grant to Linden Street Partners (IFL) and \$280,000 grant to Doran (IFL)
2022 Estimated TIF Revenue	\$1,991,066	\$658,209	\$258,206	\$264,463	\$248,931	\$235,666	\$2,538	\$268,427	\$0
Fiscal Disparities Option	Option A (outside)		Option B (inside)						
County Number	1460	1463	1464	1465	1466	1467	1468	1469	1470

Note 1: Estimated TIF revenue is based on the increment reports from the County

Note 2: For TIF 1-2, approximately \$1,253,000 of the annual TIF is returned to the County for redistribution and the remainder is utilized for affordable housing projects.

Pooling Transfers to Local Housing Trust Fund Per Special Legislation

Year	Beacon Hill (Housing)	Boulevard Gardens (Redevelopment)	Tonka on the Creek (Housing)	Applewood Pointe (Redevelopment)	Rowland (Housing)	Marsh Run (Housing)	Shady Oak Crossing (Redevelopment)	Total	Cummulative
To Date	\$ 936,640	\$ 3,753,602	\$ 147,196	\$ -	\$ 124,242	\$ -	\$ -	\$ 4,961,680	\$ 4,961,680
2022		\$ 3,532,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,532,814	\$ 8,494,494
2023			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,494,494
2024			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,494,494
2025			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,494,494
2026			\$ -	\$ 194,520	\$ -	\$ -	\$ -	\$ 194,520	\$ 8,689,014
2027			\$ -	\$ 242,979	\$ -	\$ -	\$ -	\$ 242,979	\$ 8,931,993
2028			\$ -	\$ 245,408	\$ -	\$ -	\$ -	\$ 245,408	\$ 9,177,401
2029			\$ -	\$ 355,790	\$ -	\$ -	\$ -	\$ 355,790	\$ 9,533,191
2030			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,533,191
2031			\$ -	\$ -	\$ -	\$ 533,389	\$ -	\$ 533,389	\$ 10,066,580
2032			\$ -	\$ -	\$ -	\$ 563,792	\$ -	\$ 563,792	\$ 10,630,372
2033			\$ -	\$ -	\$ -	\$ 569,430	\$ -	\$ 569,430	\$ 11,199,802
2034			\$ 65,446	\$ -	\$ -	\$ 575,124	\$ -	\$ 640,570	\$ 11,840,372
2035			\$ 253,398	\$ -	\$ 36,472	\$ 580,875	\$ -	\$ 870,745	\$ 12,711,117
2036			\$ 255,932	\$ -	\$ 259,734	\$ 586,684	\$ -	\$ 1,102,350	\$ 13,813,467
2037			\$ 258,491	\$ -	\$ 262,331	\$ 592,551	\$ -	\$ 1,113,373	\$ 14,926,841
2038			\$ 261,076	\$ -	\$ 264,955	\$ 598,477	\$ -	\$ 1,124,507	\$ 16,051,348
2039			\$ 263,687	\$ -	\$ 267,604	\$ 604,461	\$ -	\$ 1,135,752	\$ 17,187,100
2040			\$ 266,323	\$ -	\$ 270,280	\$ 610,506	\$ -	\$ 1,147,110	\$ 18,334,210
2041			\$ 268,987	\$ -	\$ 272,984	\$ 616,611	\$ -	\$ 1,158,582	\$ 19,492,792
2042			\$ -	\$ -	\$ 275,715	\$ 622,777	\$ -	\$ 898,492	\$ 20,391,284
2043			\$ -	\$ -	\$ 278,473	\$ 629,005	\$ 121,796	\$ 1,029,274	\$ 21,420,558
2044			\$ -	\$ -	\$ -	\$ 635,295	\$ 159,999	\$ 795,294	\$ 22,215,852
2045			\$ -	\$ -	\$ -	\$ 641,648	\$ 161,599	\$ 803,247	\$ 23,019,098
2046			\$ -	\$ -	\$ -	\$ 648,064	\$ 163,215	\$ 811,279	\$ 23,830,377
2047			\$ -	\$ -	\$ -	\$ -	\$ 164,847	\$ 164,847	\$ 23,995,224
Total	\$ 936,640	\$ 7,286,416	\$ 2,040,534	\$ 1,038,697	\$ 2,312,792	\$ 9,608,690	\$ 771,455	\$ 23,995,224	\$ 23,995,224

History of Economic Development Grant Awards for Minnetonka Projects (2016-Present)

Year Awarded	Fund / Project Name	Grant Amount
2016	NatureWorks - Minnesota Investment Fund -	\$250,000
2017	LCDA-TOD (Mariner)	\$1,876,500
2018	Hennepin County Corridor Planning Grant (Opus Design Guidelines)	\$50,000
2018	Hennepin TOD (Mariner)	\$450,000 *
2018	Hennepin AHIF (Mariner)	\$400,000 *
2018	LHIA - Mariner	\$210,500
2018	LCDA-TOD (Dominium)	\$2,000,000
2019	MN DEED Job Creation Fund (Carlson Wagonlit)	\$450,000
2019	MN DEED Job Creation Fund (PeopleNet/Trimble)	\$600,000
2019	MN DEED Minnesota Investment Fund (PeopleNet/Trimble)	\$1,000,000
2020	Hennepin County Brownfields Gap Financing Participation (Opus AUAR Study)	\$44,000
2020	MN DEED Redevelopment Grant (Shady Oak Crossing)	\$246,653
2020	Hennepin County TOD (Shady Oak Crossing)	\$250,000 *
2020	Met Council TBRA (Shady Oak Crossing)	\$414,200
2021	Hennepin County TOD (Wellington)	\$250,000 *
2021	Homes Within Reach	\$188,000
2022	King Technology	\$617,000
2023	Metropolitan Council Policy Grant	\$50,000
2024	Metropolitan Council – 5432 Rowland Rd	\$288,634
	Total	\$9,635,497

** Indicates funds that were not applied for by the city, but required staff support and city administration.*



AFFORDABLE HOUSING GOALS



**MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM**

CRITICAL MEASURES OF REGIONAL HOUSING POLICY

projected *NEED*

Significantly more households will need affordable housing in the next decade - whether we plan for them or not. Our region will be more successful if we all do what we can to address the growing affordable housing need.



More households will *NEED* affordable housing

Cities are allocated a share of the region's projected need

Cities' share of the region's growth in affordable housing need is on their Community Page within the Local Planning Handbook. This share is proportional to a city's overall forecasted growth, its existing affordable housing stock, and the ratio of low-wage jobs to low-wage earning residents.

Cities must plan for their share of the need

Cities aren't required to create enough units to meet their share of the need, but they must plan for the possibility of these units by guiding sufficient land at higher residential densities in their comprehensive plans.

achievable *GOAL*

An aspirational but realistic number of new affordable housing units that a city, in partnership with developers, funders and others, can help create by 2030.



Livable Communities Act *GOAL*

Cities negotiate their goal with the Council.

Cities wanting grants from the Livable Communities Act programs must negotiate a goal with the Council. The goal represents the affordable and life-cycle housing that developers could realistically build in a city, recognizing market conditions and available funding.

Why participate in Livable Communities Act programs?

The Livable Communities Act programs give participating cities access to grant dollars for environmental clean-up, innovative development and redevelopment projects, and affordable housing production or preservation.

performance *SCORE*

The Council recognizes communities for their efforts around affordable housing annually. Scores can influence certain Council funding decisions.



Housing Performance *SCORE*

How can cities achieve a higher score?

The Council annually calculates a Housing Performance Score to acknowledge the local efforts to create and preserve affordable housing. Cities can increase scores by creating or preserving affordable housing as well as by offering programs, plans and tools that support and encourage affordable housing.

Do Housing Performance scores matter?

Housing Performance Scores affect a city's competitiveness for Livable Communities Act funding and regionally allocated federal transportation funding. Data collected in the scoring process also provides useful information on how cities are addressing their housing needs.

2021-2030 ALLOCATION OF AFFORDABLE HOUSING NEED

The 2021-2030 Allocation of Affordable Housing Need—or the *NEED*—is based on forecasting consistent with [Thrive MSP 2040](#), the regional development guide adopted in May 2014 by the Metropolitan Council. The *NEED* numbers are shared with local governments to aid their fulfillment of affordable housing planning responsibilities statutorily required by the [Metropolitan Land Use Planning Act](#). The *NEED* is proportional to 1) a city or township's total forecasted population growth between 2021 and 2030, 2) its existing affordable housing stock, and 3) the ratio of low-wage jobs to low-wage earning residents. The full methodology is described in the Council's [2040 Housing Policy Plan](#). Here, affordable refers to housing units that households at three levels of Area Median Income—as defined by the [U.S. Department of Housing and Urban Development](#)—could pay for without becoming cost-burdened (that is, spending more than a third of their income on housing costs).

As local governments submit their comprehensive plans and formal updates over the next decade, their forecasts and/or *NEED* numbers may change. *NEED* numbers are current as of the date indicated; refer to [Community Pages in our Local Planning Handbook](#) for the most current information, which is updated in real time.

	Net population growth (2021-2030) (1/29/2021)	<i>NEED</i> for affordable units, total (1/29/2021)	<i>NEED</i> for units afford- able to households with income at or below 30% of AMI	<i>NEED</i> for units afford- able to households with income 31% to 50% of AMI	<i>NEED</i> for units afford- able to households with income 51% to 80% of AMI
Sewered Communities					
Hennepin County					
Minnetonka	2,400	1,064	508	412	144

AFFORDABLE HOUSING GOALS

Progress on the city's affordable housing goals.

In 1995, the Minnesota Legislature created the Livable Communities Act (LCA) to address the affordable and life-cycle housing needs in the Twin Cities metropolitan area. When the LCA was established, Minnetonka was one of the first communities to sign up to participate in the program. At that time, a series of affordable housing goals for the city was established for 1996 to 2010. The city has elected to continue to participate in the LCA program, establishing affordable and lifecycle housing goals for 2011 to 2020. In 2020, the city will establish new goals for 2021-2030.

1995-2010 AFFORDABLE HOUSING GOALS

	Goals (1995-2010)	Results	Percent Achieved
New Affordable Ownership Units	180 Units	202	112%
New Affordable Rental Units	324 Units	213	66%
New Rental Units (All)	540 Units	697	130%

1995-2010 New Affordable Ownership Units

Project	Year Completed	Affordable Units	EIP Program Used
Gables of West Ridge Market	1996-1997	90	Boulevard Gardens TIF
Habitat for Humanity	1999	4	None
Ridgebury	2000	56	Ridgebury TIF
The Enclave	2002	1	None
The Sanctuary	2005-2007	3	-Grants -Homes Within Reach
Lakeside Estates	2005	1	Homes Within Reach
Cloud 9 Sky Flats	2006	34	Homes Within Reach
Wyldewood Condos	2006	8	None
Minnetonka Drive	2007	1	Homes Within Reach
Deephaven Cove	2007	2	-Grants -Homes Within Reach
Meadowwoods	2007/2008	2	Homes Within Reach

1995-2010 New Affordable Rental Units

Project	Year Completed	Affordable Units	EIP Program Used
Excelsior Court Apartments	1996	24	
West Ridge Retirement	1997	45	Boulevard Gardens TIF
Boulevard Gardens	1997	46	Boulevard Gardens TIF
Crown Ridge Apartments	1997	46	Boulevard Gardens TIF
Minnetonka Mills	1997	30	Minnetonka Mills TIF
Cedar Pointe Townhouses	1997	9	Cedar Pointe
The Oaks at Glen Lake	2008	13	Glenhaven TIF

2011-2020 AFFORDABLE HOUSING GOALS

	Goals (2011-2020)	Results	Percent Achieved (to date)
New Affordable Units (rental & ownership)	246 to 378	679	276%
New Lifecycle Units	375 to 800	1,655	441%

2011-2020 New Affordable Units (rental and ownership)

Project	Year Completed	Affordable Units	EIP Program Used
The Glenn by St. Therese	2011	30	Glenhaven TIF
The Ridge	2013	51	TIF Pooling
Tonka on the Creek	2016	20	Tonka on the Creek TIF
At Home	2016	21	Rowland Housing TIF
Cherrywood Pointe	2017	8	N/A
The RiZe	2019	32	N/A
Preserve at Shady Oak/ Legends of Minnetonka	2020*	482	TIF Housing
Marsh Run	2020*	35	TIF Housing
Total	N/A	679	N/A

2011-2020 New Lifecycle Units

Project	Year Completed	Lifecycle Units	EIP Program Used
The Glenn by St. Therese	2011	150	Glenhaven TIF
The Ridge	2013	64	TIF Pooling
Tonka on the Creek	2016	100	Tonka on the Creek TIF
At Home	2016	106	Rowland Housing TIF
Applewood Pointe	2017	89	Applewood Pointe TIF
Lecesse*	2017	290	N/A
Cherrywood Pointe	2017	92	N/A
Zvago	2017	54	Glenhaven TIF
Orchards of Minnetonka	2019	147	N/A
Havenwood	2019	100	N/A
Minnetonka Hills	2019	78	N/A
Ridgedale Executive Apts	2020*	77	N/A
Avidor	2020*	168	N/A
Marsh Run	2020*	140	TIF Housing
Total	N/A	1,655	N/A

2021-2030 AFFORDABLE HOUSING GOALS

	Goals (2021-2030)	Results	Percent Achieved (to date)
New Affordable Units (rental & ownership)	558 - 1,064	752*	135%
New Lifecycle Units	2,400	1,336*	55%

*New construction is not counted toward the goal until the project is occupied.

2021-2030 New Affordable Units (rental and ownership)

Project	Year Completed	Affordable Units	EIP Program Used
Preserve at Shady Oak/ Legends of Minnetonka	2021	482	TIF Housing
Shady Oak Crossings	2021	35	TIF Pooling
The Pointe	2023	19	AHTF
Alcott	2023	53	AHTF
Minnetonka Station	2023	28	AHTF
Townline	2023	68	Opus TIF
Marsh II – Doran	2024*	40	Marsh II TIF
Greystar	2025*	27	Opus TIF
Total	N/A	752	

*Indicates projects that are approved, but not yet constructed therefore affordable and lifecycle units are not counted in the 2011-2020 goals.

2021-2030 New Lifecycle Units

Project	Year Completed	Lifecycle Units	EIP Program Used
Shady Oak Crossings	2021	52	TIF Pooling
The Pointe	2023	186	Development Fund
Alcott	2023	297	Opus TIF
Minnetonka Station	2023	247	Opus TIF
Townline	2023	155	Opus TIF
Marsh II	2024*	157	Marsh II TIF
Greystar	2025*	242	Opus TIF
Total	N/A	1,336	

*Indicates projects that are approved, but not yet constructed therefore affordable and lifecycle units are not counted in the 2021-2030 goals.

2024 AFFORDABLE HOUSING INCOME LIMITS

Household Size	30%	50%	60%	80%	120%
1	\$26,100	\$43,500	\$52,200	\$66,300	\$104,350
2	\$29,800	\$49,700	\$59,650	\$75,750	\$119,250
3	\$33,550	\$55,900	\$67,100	\$85,200	\$134,150
4	\$37,250	\$62,100	\$74,550	\$94,650	\$149,050
5	\$40,250	\$67,100	\$80,550	\$102,250	\$161,000
6	\$43,250	\$72,050	\$86,500	\$109,800	\$172,900
7	\$46,200	\$77,050	\$92,500	\$117,400	\$184,850
8	\$50,560	\$82,000	\$98,400	\$124,950	\$196,750
Twin Cities Median Family Income 2024: \$124,900					

Income limits are published on the US Department of Housing and Urban Development User Portal:
<https://www.huduser.gov/portal/datasets/il.html>

How much do residents pay for affordable housing?

Maximum Gross Rents by Bedroom Size				
AMI	Studio	1 bedroom	2 bedroom	3 bedroom
30%	\$652	\$699	\$838	\$969
50%	\$1,087	\$1,165	\$1,397	\$1,615
60%	\$1,305	\$1,398	\$1,677	\$1,938
80%	\$1,740	\$1,864	\$2,236	\$2,584

Maximum rent tables are published annually with Minnesota Housing:
<https://www.mnhousing.gov/sites/multifamily/limits>

Affordable rent based on sample occupations and their average salaries

Occupation	Median Salary	Affordable Rent
Fast Food Workers	\$32,788	\$820
Retail Salesperson	\$36,304	\$908
Laborers	\$47,597	\$1,190
Chef / Head Cook	\$60,890	\$1,522
Elementary School Teacher	\$65,327	\$1,633
Electrician	\$85,697	\$2,142
Nurse	\$103,847	\$2,596
Veterinarian	\$110,635	\$2,766

Salaries are based off of MN DEED data (2023)

Minnetonka Housing/Business Development Policies

The City of Minnetonka has several policies related to housing and business development. Policy direction from the council can take many different forms, including such channels as formally adopted ordinances and resolutions, to more informal requests and suggestions to the city manager, who is ultimately responsible to the city council for carrying out their policy decisions.

These policies are intended as a general guide for the city council. They are not binding and may be modified when, in the sole discretion of the council, such modification is deemed necessary or appropriate in the interest of the city.

This listing is regularly updated as new policy directions are established, and it is by no means exclusive. These policies are included in the EIP as a reminder for the EDAC and Council to review annually during the EIP review. The city's policies are updated annually on the city's website.

City of Minnetonka City Council Policies (excerpts of housing related policies):

Chapter 2: Administration and Finance

2.4 – Special Assessments with Tax Increment Districts

2.5 – Tax Exempt Financing for Industrial Development, Health Care Facilities, and Multi-family Housing Projects (Private Activity Tax Exempt Financing)

2.14 - Tax Increment Financing Pooling Fund

2.15 - Housing Improvement Areas

2.16 - Post-Issuance Compliance Procedure and Policy For Tax-Exemption Governmental Bonds

2.18 - Tax Increment Financing and Tax Abatement

2.19 – Debt Management

Chapter 11: Streets, Parks, and Other Public Property

11.12 – Real Estate Property Management

Chapter 12: Public Utilities

12.10 - Met Council Sewer Availability Charge and City Residential Equivalency Charge Payment Deferral Program

Chapter 13: General Provisions and Policies

13.1 Fair Housing

13.2 Affordable Housing Policy

GLOSSARY

Affordable Housing Trust Fund (AHTF)	State Statute 462C.16 allows local governments to establish a Housing Trust Fund for local housing development.
Community Development Block Grant (CDBG)	A program through HUD assisting state and local governments with a variety of community development needs
Department of Employment and Economic Development (DEED)	A state agency assisting in economic development through programs targeting business recruitment, expansion and retention; workforce development; and community development
Economic Development Advisory Commission (EDAC)	An advisory commission to the city council on matters related to economic development, housing and redevelopment
Economic Development Authority (EDA)	An authority granted to local governments by the state for the purpose of conducting economic development, housing and redevelopment activities. EDAs have the ability to levy taxes
Housing Improvement Area (HIA)	A defined area in the city in which housing improvements to commonly owned space in condominium/townhouse developments may be financing with the assistance of a city through special assessments
Housing and Redevelopment Authority (HRA)	An authority granted to local governments by the state for the purpose of conducting housing and redevelopment activities
Light Rail Transit (LRT)	A mode of public transit where trains run in a separate right of way
Livable Communities Act (LCA)	A program adopted in 1995 by the Minnesota State Legislature and administered by the Metropolitan Council for purposes of increasing affordable housing and investing in local communities
Metropolitan Council	A regional policy-making body, planning agency and provider of services to guide growth in the Twin Cities metropolitan area
Metro Transit	The transit arm of the Metropolitan Council responsible for running the metropolitan area's bus and train systems
MN Investment Fund (MIF) and Job Creation Fund (JCF)	Business financing tools offered by DEED to help businesses locate or expand in Minnesota
Property Assessed Clean Energy (PACE)	A program that allows businesses to make clean energy investments in their businesses by financing the costs through a special assessment on the property
Tax Abatement	A temporary deferral of property taxes for purposes of stimulating economic development
Tax Increment Financing (TIF)	A financing tool where additional property taxes are generated from a new development are captured and used for public purposes such as housing, removal of blight and employment opportunities
U.S. Department of Housing and Urban Development (HUD)	Established in 1965 as a cabinet-level federal agency that is responsible for housing and community development activities

2023 Final Special Taxing District Levies

Taxing District	A Certified Levy	B Fiscal Disparity Distribution Levy	C Local Levy (A - B)
Hennepin County	\$930,849,945	\$74,756,066	\$856,093,879

Bassett Creek WMO (County Levy) 7	\$2,207,000	\$124,803	\$2,082,197
Lower Minnesota River Watershed District 2 *	\$314,054	\$20,732	\$293,322
Middle Mississippi WMO 6	\$6,528,955	\$532,938	\$5,996,017
Minnehaha Creek Watershed District 3 *	\$9,431,632	\$663,950	\$8,767,682
Nine Mile Creek Watershed District 1	\$2,800,000	\$134,410	\$2,665,590
Riley Purgatory Bluff Creek Watershed District 4*	\$2,910,646	\$177,971	\$2,732,675
Shingle Creek WMO (County Levy) 8	\$212,100	\$111,386	\$100,714
Rice Creek Watershed #5	\$44,794	\$4,286	\$40,508
West Mississippi Water Management #9	\$159,075	\$20,441	\$138,634
Elm Creek #2A	\$589,903	\$22,967	\$566,936

* Hennepin County Levy portion of joint district

Bloomington HRA	\$2,776,969	\$201,638	\$2,575,331
Brooklyn Center HRA	\$508,633	\$115,524	\$393,109
Brooklyn Park HRA	\$1,000,000	\$151,796	\$848,204
Champlin EDA	\$524,047	\$65,035	\$459,012
Crystal HRA	\$316,200	\$51,306	\$264,894
Dayton EDA	\$100,000	\$7,733	\$92,267
Eden Prairie HRA	\$205,000	\$11,725	\$193,275
Edina HRA	\$244,400	\$6,842	\$237,558
Golden Valley HRA	\$245,000	\$10,565	\$234,435
Hopkins HRA	\$451,531	\$46,777	\$404,754
Maple Grove HRA	\$150,000	\$11,280	\$138,720
Mnetonka HRA	\$300,000	\$15,756	\$284,244
Mound HRA	\$250,000	\$15,825	\$234,175
New Hope EDA	\$437,850	\$67,085	\$370,765
Plymouth HRA	\$639,634	\$38,561	\$601,073
Richfield HRA	\$675,960	\$95,159	\$580,801
Robbinsdale HRA	\$274,836	\$46,925	\$227,911
St Anthony HRA	\$209,414	\$24,831	\$184,583
St Louis Park HRA	\$1,582,696	\$116,760	\$1,465,936
Hennepin County HRA	\$17,908,995	\$1,496,007	\$16,412,988

Metropolitan Mosquito Control District *	\$8,911,594	\$730,668	\$8,180,926
Metropolitan Council *	\$15,502,160	\$1,277,215	\$14,224,945
Metropolitan Council Transit Debt *	\$27,137,376	\$2,260,760	\$24,876,616

* Hennepin County Levy portion of joint district

Hennepin Regional Railroad Authority	\$32,000,000	\$2,578,721	\$29,421,279
Minneapolis Teacher's Retirement Fund	\$1,632,323	\$225,872	\$1,406,451
Park Museum	\$17,437,591	\$1,400,930	\$16,036,661
Suburban Hennepin Regional Park District	\$47,659,494	\$3,482,652	\$44,176,842
Minnneapolis Chapter 595 (HRA)	\$0	\$0	\$0

WMO: Water Management Organization

**Economic Development Advisory Commission
Agenda Item 5.B
Meeting of August 8, 2024**



Title: Economic Development and Housing Report
Report from: Kjerstin Yager, Economic Development Coordinator
Submitted Through: Julie Wischnack, FAICP, Community Development Director
Alisha Gray, EDFP, Economic Development and Housing Manager

Action Requested: Informational
Form of Action: Report
Votes needed: N/A

Recommended Action
Informational

Background
See attached staff report.

ATTACHMENTS:
[ED & Housing Report](#)

Transit Updates

METRO Green Line Extension (Southwest LRT)

- A new [drone video](#) of the entire METRO Green Line Extension is now available. Start at 8:30 to see the alignment in Minnetonka. YouTube settings offer the option to watch the video at a double playback speed.
- In June 2024, Metro Transit celebrated the 20-year anniversary of the METRO Blue Line and the 10-year anniversary of the METRO Green Line.
- The new 17th Avenue South extension connecting Excelsior Drive to a reconfigured 5th Street South and K-Tel Drive at Shady Oak Station is now open.
- The Minnesota River Bluffs Trail between Shady Oak Road in Minnetonka and Excelsior Boulevard in Hopkins is now open.
- Visit the [project website](#) for more details and visuals of construction activities in Minnetonka.

Business Updates

Business Survey

Staff is beginning survey consultant interviews with plans to conduct a citywide business survey. This survey will build upon the data received from the [2021 business survey](#), providing updated information on the state of the local economy and identifying any program, assistance and outreach changes that may be necessary to connect with businesses.

Elevate Hennepin

The City of Minnetonka partners with Hennepin County's Elevate Hennepin to provide business consulting services to businesses and aspiring entrepreneurs in Minnetonka. Hennepin County contracts with 39 business advisors to provide cohort learning opportunities, professional consulting services, and 1:1 business advising.

- Since 2020 Q4 through 2024 Q1, advisors have counseled 60 Minnetonka businesses for a total of 684 hours.
- In 2024 Q1 specifically, 15 Minnetonka businesses worked with Elevate Hennepin advisors for a cumulative 142 hours.
- The program overall has served a total of 2,718 businesses over 31,425 hours in 36 Hennepin County communities.

Development Updates

Projects	Location	Status
<i>Housing</i>		
Marsh Run II	11816 Wayzata Blvd	Under Construction
City-owned Properties	Rowland/Baker	Proposal Received
Greco Minnetonka	15407/15409 Wayzata Blvd	Waiting on bldg. permit.
Minnetonka Mills (Habitat)	3521 Baker Road	Approved. Waiting for a building permits. Additional grants applications being prepared
Greystar	10701 Bren Rd	Site development permit application received.
Marsh III	11800 Wayzata Blvd	Neighborhood meeting Aug.7
Amira Villas	901 Carlson Pkw	planning commission Aug. 1
<i>Misc. Projects</i>		
Viola (Suez)	5951 Clearwater	Remodeling (Former GE Osmonics)
10900 Wayzata	Wayzata Blvd	Full floor remodel
Eye Clinic	12501 Whitewater	Final construction - remodeling
Children's Hospital	600 Whitewater	Full floor 1-3 remodel
<i>Business Projects</i>		
MidCountry Bank	14617 Hwy 7	Issued Permits. Under Construction
Walser Kia	Wayzata Blvd	Waiting for Building Permit
Kowalski's	13500 Wayzata Blvd	Waiting for Building Permit

Zone Co. Update

The 2040 Comprehensive Guide Plan includes a variety of goals related to affordable housing and equitable development. While some sections of the zoning ordinance have been periodically updated to promote a broader range of housing opportunities, other sections require additional considerations for affordability and equity.

Using the Livable Communities Act grant received in 2022, the city engaged Zone Co. to analyze the zoning ordinance relative to comprehensive plan goals. Zone Co. has completed a draft of the diagnostic analysis of our zoning code, outlining areas of code/comprehensive plan conflict and a "menu" of possible solutions. They presented the draft to the city council on Apr. 15, 2024. At the July 22, 2024, city council study session, the council reviewed options for the next steps and decided to pursue a full rewrite of the zoning code. Staff will present a process for the rewrite to occur.

Housing Updates

Rental Registration

In 2023, the city council adopted a rental registry ordinance. The registration program helps the city gain a more comprehensive look at the rental market, increase communication with property managers, and collect necessary data to support various departments, including police, fire and community development, to stay updated regarding contact information. It also provides a network for essential communications regarding resources to tenants and landlords.

While residents in rental units still receive the city's Minnetonka Memo, the city recently distributed its first monthly landlord newsletter, the Minnetonka Community Connection. This newsletter provides landlords with important city information to keep them up to date and to provide them with content to add to their own monthly communications with their tenants. The newsletter also includes flyers for events that landlords can print and post in common areas of their buildings. The [newsletter's](#) first edition went out on July 3, 2024, and highlighted city summer activities, tenant resources, and other city department information for landlords to pass along to their tenants. The newsletter experienced an open rate of 65% (86 unique opens out of 132 recipients) and an incredible click rate of 124%. This means the 132 people who received it clicked a link 164 times. This click rate was exciting for staff because it means people are not only reading the newsletter but also taking action by visiting the information and learning more. Staff is committed to continue making these successful connections with landlords and, in turn, ensuring that tenants are updated on resources and activities available in the community.

The council discussed the staff's recommendation at the [July 24, 2023](#), study session and reviewed the introduced ordinance on Oct. 30, 2023. The council generally agreed that rental registration was a good start but that conversations regarding future rental licensing should continue.

The collected data could help inform licensing if the city decides to go in that direction in the future. The city council adopted the rental registration ordinance on Dec. 18, 2023, and it went into effect on Feb. 3, 2024. Since the effective date, staff has received 277 registrations; 241 registrants are for individual units, and 36 are for multi-family buildings.

Down Payment Assistance - Pathways to Homeownership

Minnetonka launched the Pathways to Homeownership program in the Fall of 2023, which provides up to \$75,000 to eligible first-time homebuyers earning up to 120 percent AMI. The loan terms provide a 0-percent interest rate with 5 percent of the loan amount forgiven annually. The borrower repays any remaining assistance if the property is sold before the 20-year term. The program supports a higher level of financial aid to offset the high cost of homeownership in Minnetonka, reducing the housing cost burden for these households and is intended to create more household wealth.

The pilot program has been extremely successful since its launch. The council approved \$300,000 to start the program. As of June 2024, nine loans have been completed, and all funds have been expended. Of the nine borrowers, seven identified as White, one as Asian or Pacific Islander, and one as Black or African American. The average annual household income of the borrowers was \$83,301, and the average age was 46. Seven of the nine borrowers listed their marital status as unmarried.

At a future council meeting, staff will ask for an additional \$200,000 to be allocated to the Pathways to Homeownership program through the Affordable Housing Trust Fund to continue providing down payment assistance to eligible households.

His House Foundation

As of July 2024, His House Foundation has assisted 59 Minnetonka residents (including 34 minors) experiencing an emergency homeless situation. Approximately \$68,887 has been used to support the residents, with roughly \$131,113 remaining in the program funds.

Specific Resources Spent	
Lease Termination	\$956
Hotel Expenses	\$38,376
Case Management	\$26,075 (924 hours at \$25/hr)
Other (Moving, Uber, etc.)	\$3,480

At a future council meeting, staff will recommend an extension to the contract between His House Foundation and the City for an additional two years to continue supporting households in need. There will be no additional request for funding for this work at this time.

Homelessness Workgroup and Dashboard

In January 2023, a collaborative workgroup between community development, police, and legal met to discuss more ways to address the homelessness needs in our community. The group prioritized two goals: drafting procedures based on common housing insecurity scenarios and developing an ArcGIS dashboard to communicate information between departments.

The workgroup created an internal homelessness dashboard to track homeless data and understand who is accessing the homelessness program and other resources. The police department worked on developing the homelessness dashboard and intake form, and on May 8, 2023, it was released to the working group for internal use. The dashboard has helped staff to identify 32 potential homeless situations and provide timely resources to those who wanted them. Many of the points on the dashboard are referred to His House Foundation to get assistance.

The homelessness workgroup is proactively working on the best approach to providing resources and gaining a better understanding of our homeless population in the city. Over the past few months, staff has discussed and begun researching a policy or ordinance to address homelessness encampments in the city. While the city has not experienced encampments at any great scale, staff believes it is prudent to consider how the city might address these in the future. At the July 22, 2024, city council study session, staff presented research on encampment and camping policies nationwide and recent court decisions. Staff recommended proactively approaching the issue by developing a policy or ordinance. The council was interested in developing a policy, so staff will move forward with research and writing a policy.

Emergency Rental Assistance

The emergency rental assistance program started to help residents impacted by the COVID-19 pandemic in 2020. ICA and Minnetonka continue to offer emergency rental assistance for Minnetonka residents. Emergency Rental Assistance provides housing assistance payments to help prevent eviction and homelessness and maintain housing stability for eligible renters.

Meeting of Aug 8, 2024

Subject: Economic Development and Housing Report

Renters earning up to 120 percent of the area median income (AMI) and experiencing financial hardship may receive a one-time payment of up to \$1,500 to assist with rent and utility expenses.

The city council approved \$300,000 in funding for the program. As of July 2024, 218 households received \$291,295 in direct rental assistance through the city's emergency rental assistance program. The average assistance per household was \$1,336. There is a balance of \$8,704 of assistance remaining, and the city approved and allocated an additional \$50,000 in 2023.

[Housing GIS Story Map](#)

Staff has assembled a story map that will provide the council with a more interactive and visual aid for accessing information about the city's housing efforts.