Agenda
City of Minnetonka
Economic Development Authority
Monday, June 5, 2023
6:30 PM
Council Chambers

1. Call to Order

2. Roll Call: Calvert-Schaeppi-Coakley-Kirk-Schack-Wilburn-Wiersum

3. Approval of Agenda

4. Approval of Minutes:

   A. May 22, 2023 EDA meeting minutes
   Approve minutes.

5. Business Items:

   A. Amendment to Economic Development Authority bylaws
   Adopt the resolution approving amended EDA bylaws and delegating limited authority to the president and executive director.

   B. Emergency Business Loan Fund
   Adopt the resolution approving the Minnetonka emergency business fund loan program.

6. Adjournment

Minnetonka City Council meeting are broadcast live and available for replay on Comcast Channel 16 (SD)/859 (HD) and the city website.

Minutes
Minnetonka Economic Development Authority
Monday, May 22, 2023

1. Call to Order

Wiersum called the meeting to order at 11:01 p.m.

2. Roll Call

Commissioners Kimberly Wilburn, Deb Calvert, Bradley Schaeppi, Kissy Coakley, Brian Kirk, and Rebecca Schack and President Brad Wiersum were present.

3. Approval of Agenda

Calvert moved, Kirk seconded a motion to approve the agenda, as presented.

All voted "yes". Motion carried.

4. Approval of Minutes:

A. May 1, 2023 EDA meeting minutes

Wilburn moved, Kirk seconded a motion to approve the minutes, as presented.

All voted "yes". Motion carried.

5. Business Items:

A. Cedar Hills- Blooming Cedar Apartments, LLC, Financing Request

Community Development Director Julie Wischnack discussed the item.

Kirk moved, Calvert seconded a motion to approve Res. 2023-002.

All voted "yes". Motion carried.

B. Marsh Run II Redevelopment

Community Development Director Julie Wischnack discussed the item.

Schack moved, Wilburn seconded a motion to table item until June 26, 2023.

All voted "yes". Motion carried.

6. Adjournment

Coakley moved, Wilburn seconded a motion to adjourn the meeting at 11:04 p.m.

All voted “yes”. Motion carried.

Respectfully submitted,

Becky Koosman
City Clerk

Economic Development Authority
Agenda Item 5.A
Meeting of June 5, 2023

Title:	Amendment to Economic Development Authority bylaws
Report from:	Alisha Gray, EDFP, Economic Development and Housing Manager
Submitted Through:	Mike Funk, Executive Director Corrine Heine, City Attorney Julie Wischnack, AICP, Community Development Director
Presenter:	Corrine Heine, City Attorney

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

Summary Statement
The EDA routinely receives requests to execute various instruments that relate to EDA loans or development agreements. The city attorney has proposed a resolution and amendment to the EDA bylaws that delegates and clarifies the authority for the execution of those instruments.

Recommended Action
Adopt the resolution approving amended EDA bylaws and delegating limited authority to the president and executive director.

Strategic Profile Relatability
Financial Strength & Operational Excellence

The attached resolution and amendment and clarifies the authority for the execution of the documents.

Financial Consideration
No

Background
Staff is proposing to amend the EDA bylaws to reduce the need to obtain EDA board approval for routine contracts and documents.

The EDA periodically receives requests for the execution of instruments that relate to EDA loan and development agreements. Some of those requests would require approval of the EDA board but are administrative and do not materially affect or impair the EDA's interest in its development contracts and mortgage liens. A recent example is a public trail easement that the City of Minnetonka has obtained from the owner of 5420 Smetana Road. The EDA holds a mortgage on that property, and the city has requested that the EDA subordinate the mortgage to the easement. Subordination of the mortgage to an easement means that if the EDA were ever to come into ownership of the property by foreclosure of its

mortgage, the easement would remain in effect.

EDA bylaws require that, with limited exceptions, contracts and instruments must be executed by both the mayor and executive director. Although the bylaws delegate limited authority for executing some contracts, the bylaws do not currently address instruments such as the consent to an easement. The city attorney has recommended that the bylaws be amended to delegate authority to approve easement consents. The amended language is in section 4.8 of the bylaws attached to the proposed resolution.

In addition to approving amended bylaws, the proposed resolution also establishes parameters for the exercise of the powers that are delegated by section 4.8 of the bylaws:

- Section 2.02 of the resolution limits the approval of contracts, which is the same as approved in 2021.

- Section 2.03 of the resolution addresses instruments that consent to easements; it requires the president and executive director to determine whether the easement materially affects the EDA's mortgage security and, in such cases, the city may require that the compensation for the easement be applied to the mortgage balance.

- Section 2.04 clarifies that advance board approval is not required for the executive director to executive documents and instruments that are administrative and lists common examples of those instruments. An estoppel certificate attests to the current status of an agreement, e.g., that there has not been a default. A certificate of completion is required by EDA development agreements and attests that the developer has completed its obligations. A satisfaction is required when all mortgage obligations have been paid in full.

The bylaw amendment and resolution will reduce the need to obtain EDA board approval for routine contracts and documents.

ATTACHMENTS:
2023 EDA Bylaws.pdf
EDA Resolution_2023_Adopting bylaws and delegating authority.pdf

BYLAWS OF THE
ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MINNETONKA

ARTICLE I – THE AUTHORITY

Section 1.1. Name of Authority. Pursuant to the enabling resolution, as amended, adopted by the city council of the City of Minnetonka, Resolution Nos. 88-8637, 94-9715 and 2010-023, the name of the economic development authority is the "Economic Development Authority in and for the City of Minnetonka" (the "Authority").

Section 1.2. Enabling Resolution. The Minnetonka City Council created the Authority by adoption of Resolution No. 88-8637, which, as amended by Resolution Nos. 94-9715 and 2020-023, governs the powers and operations of the Authority.

Section 1.3. Office of Authority. The offices of the Authority shall be at city hall, 14600 Minnetonka Boulevard, in the City of Minnetonka, Minnesota.

Section 1.4. Official Newspaper. The official newspaper shall be the official newspaper designated by the city council as its official newspaper each year.

Section 1.5. Seal. The Authority shall have an official seal, which shall be maintained by the Authority secretary.

ARTICLE II – BOARD

Section 2.1. Number and Appointment of Commissioners. The Authority shall consist of a governing body of seven commissioners (the "Board"). The commissioners shall be the members of the city council. The terms of the commissioners shall coincide with their terms of office as members of the city council. The enabling resolution requires that the city council and board membership shall be at all times the same, a duly elected and sworn member of the city council may not resign his or her membership on the Board unless also vacating membership on the city council.

Section 2.2. Vacancies. A vacancy is created in the membership of the Authority when a commissioner ends his or her city council membership. A vacancy must be filled for the balance of the unexpired term, in the manner in which the original appointment was made.

ARTICLE III – OFFICERS AND EMPLOYEES

Section 3.1. Officers. The officers of the Authority shall be a president, vice-president, secretary, treasurer, and assistant treasurer, each of whom shall have the usual duties and powers of such offices, the duties and powers given to them by the board from time to time, and those duties and powers prescribed by Minnesota law or these bylaws. The president, vice-president, and treasurer must be commissioners. No commissioner may be both president and vice-president simultaneously.

Section 3.2. President. The commissioner who holds the office of mayor of the city shall be elected the president. The president shall preside at all meetings of the board. At each meeting of the board, but subject to the notice provisions otherwise provided by law or these

bylaws, the president shall submit such recommendations and information as he or she may consider proper concerning the business, affairs, and policies of the Authority.

Section 3.3. Vice-President. The commissioner who is the acting mayor of the city shall be elected the vice-president. The vice-president shall perform the duties of the president in the absence or incapacity of the president. In case of the resignation or death of the president, the vice-president shall perform the duties of the president until such time as the vacancy in that office is filled.

Section 3.4. President Pro Tem. In the event of the absence or incapacity of both the president and the vice-president at any meeting, the board may appoint any remaining commissioner as president pro tem to preside at such meeting.

Section 3.5. Secretary. The city clerk of the City of Minnetonka shall serve as secretary. The secretary will keep an accurate account of meetings and proceedings of meetings, send written notices and agendas of all meetings to members, keep a policy file of all EDA records and documents, and notify the city council in writing of all EDA conclusions and recommendations.

Section 3.6. Treasurer. The treasurer shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such national or state bank or banks in Minnesota as the board may select. The treasurer shall sign all Authority orders and checks for the payment of money and shall pay out and disburse such moneys under the direction of the board. The treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the board, at least annually (or more often when requested), an account of such transactions and also of the financial condition of the Authority by filing a detailed financial statement with the secretary. The treasurer is responsible for the acts of the assistant treasurer and must give bond as required by law.

Section 3.7. Assistant Treasurer. The assistant treasurer shall be the finance director of the City of Minnetonka, shall act at the direction of the treasurer and shall have all the powers and duties of the treasurer if the treasurer is absent or incapacitated. The assistant treasurer is authorized to perform all of the treasurer's duties set forth in Minnesota Statutes, § 469.096 and in Section 3.6 of these bylaws.

Section 3.8. Executive Director. The city manager of the City of Minnetonka shall be the chief executive officer of the Authority and shall have general supervision over the administration of the Authority's business and affairs, subject to the direction of the Authority. He or she shall have authority to make contracts as provided in Section 4.8 of these bylaws and shall have such additional responsibilities and authority as the board may from time to time by resolution prescribe. In the absence or disability of the executive director, the person designated as acting city manager shall serve as the acting executive director.

Section 3.9. Additional Employees. The Authority may from time to time employ such personnel as it deems necessary to exercise its powers, duties, and functions, including but not limited to a chief engineer, other technical experts and agents, and other employees. The selection and compensation of such personnel shall be determined by the executive director, in accordance with the EDA's approved budget.

Section 3.10. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or the bylaws or rules and regulations of the Authority.

ARTICLE IV – FINANCIAL MATTERS

Section 4.1. Fiscal Year. The fiscal year of the Authority shall be the same as the fiscal year of the city.

Section 4.2. Accounting System and Audits; Books and Records. The financial records and financial statements of the Authority shall be prepared, audited, filed, and published or posted in the manner required for the financial statements of the city. The books and records of the Authority shall be public records maintained in accordance with state law and with such rules, regulations, and ordinances adopted by the city for maintaining public records.

Section 4.3. Public Money; Checks. All Authority money is public money. An Authority check must be signed by the president and executive director. The check must state the name of the payee and the nature of the claim for which the check was issued.

Section 4.4. Reports to the City. Annually, at a time and in a form fixed by the city council, the Authority shall make a written report to the city council giving a detailed account of its activities and of its receipts and expenditures during the preceding calendar year, together with additional matters and recommendations the Authority deems advisable for the economic development of the city.

Section 4.5. Financial Statement. Annually, or more often, the Authority shall examine the treasurer's detailed financial statement, together with the Treasurer's vouchers, filed with the secretary. The financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the Authority's credits and assets, and the Authority's outstanding liabilities in a form required for the city's financial statements. If the Authority finds that the statement and vouchers are correct, it shall approve them by resolution and enter the resolution in its records.

Section 4.6. Budget to the City. The Authority shall annually, at a time fixed by the city, send its budget to the city council. The budget must include a detailed written estimate of the amount of money that the Authority needed by the Authority from the city and from tax levies authorized by Minnesota Statutes, §§ 469.033, subdivision 6 and 469.107 in order for the Authority to conduct business during the next fiscal year. The city council may approve, reject or modify the budget submitted by the Authority.

Section 4.7. Employees, Services, Supplies, and Contracts. The Authority shall have all of the power and do all of the things permitted by Minnesota Statutes, § 469.097, as amended, including but not limited to employing an executive director, a chief engineer, technical experts and other employees as it may require; contracting for the services of consultants, agents, public accountants, legal services, and such other persons or services as it may need to perform its duties and exercise its powers; purchasing supplies and materials; and using City facilities, offices, and staff, including the city engineer and city attorney, in the exercise of its powers and the performance of its duties.

Section 4.8. Execution of Contracts and Instruments. The Authority may make and enter into contracts pursuant to Minnesota Statutes, § 469.101, as amended, and other

applicable law. Except as expressly provided by this Section 4.8 and by EDA Resolution No. 2023-___, all contracts, notes, and other written agreements or instruments to which the Authority is a party or by which the Authority may be bound must be executed by the president and executive director. Subject to the provisions of EDA Resolution No. 2023-___ and except as otherwise required by law: (1) the executive director is authorized to make contracts and purchases on behalf of the Authority without approval of the board, when the amount of the purchase or contract does not exceed $175,000; and (2) the president and executive director are authorized to approve instruments that consent to public or private easements on properties in which the Authority holds a mortgage lien, without prior board approval.

ARTICLE V – MEETINGS

Section 5.1. Open Meeting. All meetings of the board, whether as a whole or in committee, shall be held in accordance with the Minnesota Open Meeting Law, Minnesota Statutes, Chapter 13D.

Section 5.2. Annual Meeting. The annual meeting of the Authority shall be held on the first regular meeting in January of each year, at which the board shall elect the vice president and treasurer and designate other officers in accordance with these bylaws.

Section 5.3. Regular Meetings. The board will hold meetings in the council chambers of the community center, 14600 Minnetonka Boulevard, Minnetonka, Minnesota, according to a schedule adopted annually by resolution no later than the first official meeting held in each year. The schedule of regular board meetings must coincide with the schedule of regular meetings of the city council, but there may be fewer regular board meetings in any month than there are regular city council meetings. No meeting will be held on a legal holiday. The starting time for regular meetings of the board shall be immediately following the adjournment of the city council meeting scheduled for that same day.

Section 5.4. Special Meetings. Special meetings of the Authority may be called by the president or any two commissioners of the Authority for the purpose of transacting any business designated in the call. The call for a special meeting must be delivered in person or electronically to each member at least three days prior to the time of the proposed meeting.

Section 5.5. Emergency Meetings. Emergency meetings may be called by the president or any three commissioners of the Authority upon at least four hours' notice to each member of the board either in writing or by telephone.

Section 5.6. Cancellation of Meetings. The mayor may cancel a meeting because of insufficient agenda items, lack of a quorum, inclement weather or other similar reasons. Except for inclement weather and emergencies, commissioners must be notified of the cancellation by electronic message or by telephone, at least four hours in advance of the time that the meeting was scheduled to occur.

Section 5.7. Quorum. The powers of the Authority shall be vested in the commissioners thereof in office from time to time. Four commissioners shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained.

Section 5.8. Order of Business. At the regular meetings of the Authority the following shall be the order of business:

1. Roll Call.
2. Approval of the Minutes of the Previous Meeting.
3. Reports of the Executive Director.
4. Unfinished Business.
5. New Business.
6. Adjournment.

All resolutions shall be in writing.

Section 5.9. Rules of Order. In the absence of a bylaw to govern a point or procedure, the City Council Rules of Procedure, as amended, should be used as a guide.

Section 5.10. Adjournment of Meetings. Unless otherwise agreed by at least a majority of the board, all meetings of the board must be adjourned by 12 midnight. A motion to set a different, specific time at which to adjourn, is not debatable and not subject to amendment except by unanimous vote of all members present.

ARTICLE VI – CODE OF ETHICS

Section 6.1. Commissioners shall abide by the code of ethics established in Section 105 of the Minnetonka City Code as amended from time to time. Additionally, no commission shall act as a representative for any housing or development proposal that comes before the Authority or the city council.

ARTICLE V – AMENDMENTS

Section 1. Amendments to Bylaws. These bylaws may be amended by a majority vote of the members of the board at any regular or special meeting of the board, provided the amendment was personally or electronically delivered to the commissioners at least four days before the meeting.

Adopted: _____

EDA Resolution No. 2023-

Resolution approving bylaws and making limited delegations of authority to the president and executive director

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Be it resolved by the Board of Commissioners (the "Board") of the Economic Development Authority in and for the City of Minnetonka, Minnesota as follows:

Section 1. Background.

1.01. The City of Minnetonka city council established the Authority by the adoption of Resolution No. 88-8637 and subsequently amended by Resolution No. 94-9715 and 2010-023.

1.02. The Authority has adopted bylaws to govern organizational and procedural matters for the Authority. The bylaws were last updated in 2021.

1.03. The EDA routinely receives requests to execute documents relating to its agreements and mortgages, where the documents are administrative in nature.

1.04. The Authority has determined to clarify the authority of the executive director to execute documents and instruments that are administrative in nature, and to delegate authority to the president and executive director to execute certain real estate instruments on behalf of the Authority.

Section 2. Board Action.

2.01. Subject to the limitations in Sections 2.02 and 2.05 of this resolution, the Authority authorizes the executive director to approve and execute agreements on behalf of the Authority without prior action by the Board, including without limitation professional services agreements, nondisclosure agreements, right of entry agreements, consultant agreements, and contracts for the purchase of goods or services, provided that the agreements relate to the routine business of the Authority or projects approved by the Board or potential future projects.

2.02. If the agreement that is approved by the executive director under Section 2.01 above involves the expenditure or receipt of monies, the amount of the agreement may not exceed $175,000.

2.03. Subject to the limitation in Section 2.05 of this resolution, the president and executive director are authorized to approve and execute instruments that consent to public or private easements on properties in which the Authority holds a mortgage or other lien; provided, that the president and executive director must first determine whether the impact of the easement materially affects the Authority's mortgage security and, in such cases, may require that the compensation to be paid for the easement be applied to the Authority's mortgage balance.

2.04. The executive director has the authority to execute documents and instruments, without action of the Board, where the documents and instruments are administrative in nature, as required by approved development agreements or as required by law, including but not limited to estoppel certificates, certificates of completion, and satisfactions of mortgages.

2.05. The executive director shall promptly report to the Authority regarding any agreements or instruments executed pursuant to the authority delegated by Sections 2.01 or 2.03 of this resolution.

2.06. The attached bylaws are approved and adopted by the Authority. The attached bylaws supersede and replace any previously adopted bylaws.

Adopted by the Economic Development Authority in and for the City of Minnetonka, Minnesota, on June 5, 2023.

_____
Brad Wiersum, President

Attest:

_____
Becky Koosman, Secretary

Action on this resolution:

Motion for adoption:
Seconded by:
Voted in favor of:
Voted against:
Abstained:
Absent:
Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Economic Development Authority in and for the City of Minnetonka, Minnesota, at a meeting held on June 5, 2023.

_____
Becky Koosman, Secretary

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concerning the business, affairs, and policies of the Authority.

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Section 3.9. Additional Employees. The Authority may from time to time employ such personnel as it deems necessary to exercise its powers, duties, and functions, including but not limited to a chief engineer, other technical experts and agents, and other employees. The selection and compensation of such personnel shall be determined by the executive director, in accordance with the EDA's approved budget.

Section 3.10. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or the bylaws or rules and regulations of the Authority.

ARTICLE IV – FINANCIAL MATTERS

Section 4.1. Fiscal Year. The fiscal year of the Authority shall be the same as the fiscal year of the city.

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Section 4.6. Budget to the City. The Authority shall annually, at a time fixed by the city, send its budget to the city council. The budget must include a detailed written estimate of the amount of money that the Authority needed by the Authority from the city and from tax levies authorized by Minnesota Statutes, §§ 469.033, subdivision 6 and 469.107 in order for the Authority to conduct business during the next fiscal year. The city council may approve, reject or modify the budget submitted by the Authority.

Section 4.7. Employees, Services, Supplies, and Contracts. The Authority shall have all of the power and do all of the things permitted by Minnesota Statutes, § 469.097, as amended, including but not limited to employing an executive director, a chief engineer, technical experts and other employees as it may require; contracting for the services of consultants, agents, public accountants, legal services, and such other persons or services as it may need to perform its duties and exercise its powers; purchasing supplies and materials; and using City facilities, offices, and staff, including the city engineer and city attorney, in the exercise of its powers and the performance of its duties.

Section 4.8. Execution of Contracts and Instruments. The Authority may make and enter into contracts pursuant to Minnesota Statutes, § 469.101, as amended, and other applicable law. Except as expressly provided by this Section 4.8 and by EDA Resolution No. 2023-___, all contracts, notes, and other written agreements or instruments to which the Authority is a party or by which the Authority may be bound must be executed by the president and executive director. Subject to the provisions of EDA Resolution No. 2023-___ and except as otherwise required by

law: (1) the executive director is authorized to make contracts and purchases on behalf of the Authority without approval of the board, when the amount of the purchase or contract does not exceed $175,000; and (2) the president and executive director are authorized to approve instruments that consent to public or private easements on properties in which the Authority holds a mortgage lien, without prior board approval.

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Section 5.7. Quorum. The powers of the Authority shall be vested in the commissioners thereof in office from time to time. Four commissioners shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained.

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1. Roll Call.
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4. Unfinished Business.
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6. Adjournment.

All resolutions shall be in writing.

Section 5.9. Rules of Order. In the absence of a bylaw to govern a point or procedure, the City Council Rules of Procedure, as amended, should be used as a guide.

Section 5.10. Adjournment of Meetings. Unless otherwise agreed by at least a majority of the board, all meetings of the board must be adjourned by 12 midnight. A motion to set a different, specific time at which to adjourn, is not debatable and not subject to amendment except by unanimous vote of all members present.

ARTICLE VI – CODE OF ETHICS

Section 6.1. Commissioners shall abide by the code of ethics established in Section 105 of the Minnetonka City Code as amended from time to time. Additionally, no commission shall act as a representative for any housing or development proposal that comes before the Authority or the city council.

ARTICLE V – AMENDMENTS

Section 1. Amendments to Bylaws. These bylaws may be amended by a majority vote of the members of the board at any regular or special meeting of the board, provided the amendment was personally or electronically delivered to the commissioners at least four days before the meeting.

Adopted: _____

Economic Development Authority
Agenda Item 5.B
Meeting of June 5, 2023

Title:	Emergency Business Loan Fund
Report from:	Rob Hanson, EDFP, Economic Development Coordinator
Submitted Through:	Mike Funk, Executive Director Julie Wischnack, AICP, Community Development Director Darin Nelson, Assistant Treasurer
Presenter:	Julie Wischnack, AICP, Community Development Director

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

Summary Statement
Guidelines have been prepared for an emergency business loan fund to support Minnetonka businesses.

Recommended Action
Adopt the resolution approving the Minnetonka emergency business fund loan program.

Strategic Profile Relatability
Community Inclusiveness

This program will provide assistance for businesses and preserve economic opportunity for Minnetonka businesses.

Financial Consideration
Yes

$50,000 HRA Levy (Approved in 2021)

Background
In December 2020, the city council approved $50,000 through the HRA Levy to support businesses with emergency expenses. With the influx of resources available through Federal and State programs, it was apparent that the city did not need to release the funds immediately, and through 2021 researched the needs of the businesses to determine the best possible use of the city-committed funds.

At the EDAC meeting on March 10, 2022, staff presented the Business Development Strategy Work Plan, which outlined programmatic ideas for consideration to address issues identified in the 2021 business survey. Businesses indicated that loans and financing support were among the most important potential future services that city staff could provide. The 2023-2027 Economic Improvement Program also identified $50,000 towards an Emergency Business Assistance Fund from the 2021 HRA Levy.

The EDAC reviewed the preliminary emergency business loan fund guidelines at its May 11, 2023 meeting and recommended forwarding the program to the City Council for consideration. A summary of the EDAC comments are included in this report.

Program Details

Staff developed guidelines for implementing the Emergency Business Assistance Program with an initial pool of $50,000 from the 2021 approved HRA Levy. The program will provide one-time forgivable loans to local businesses that have experienced an emergency or unforeseen circumstance which would prove burdensome for the business. The assistance is structured as a forgivable loan of up to $2,500. The Metropolitan Consortium of Community Developers (MCCD) or Elevate Hennepin (Hennepin County) will meet with businesses to identify the need for assistance before disbursing the forgivable loan.

Eligible Businesses:

To be eligible to receive a loan through the Emergency Business Assistance Program, all applicants must meet the following criteria:

- Physically located within Minnetonka.
- Be a locally owned and operated for-profit business.
- Be a legal entity registered with the Minnesota Secretary of State and be in good standing.
- Comply with city ordinances, codes, and licensing, and must not have any delinquent taxes, bills, or other charges due to the city.

Eligible Uses of Funds:

The use of program funds is based upon the recommendation received by a third-party business advisor or city staff review. Examples of potential uses of funding include:

- Situational Marketing Assistance (In response to construction projects, road closures, detours, natural disasters, etc.)
- Technical Assistance (Consulting, Engineering, etc.)
- Unplanned relocation expenses (if within Minnetonka)
- Security Updates
- Inventory
- Critical Equipment Repair

Funding is not to be used for general operating expenses. For example, this program would not be for rent, payroll, utilities, and other non-capital costs.

Program Administration

Staff will administer this program internally. However, a business intending to apply must meet with a business assistance provider such as Open to Business or Elevate Hennepin before funding approval. The business consultant may be asked to recommend the best use of emergency funds to the client.

EDAC Feedback from May 11, 2023

- The commissioners viewed the program favorably. Feedback focused on edits to the eligibility guidelines. The following feedback is summarized below.
    - Commissioner Jacobsohn suggested changing the wording in the guidelines from "unexpected financial burdens" to unforeseen circumstances that are not market driven.
        - Staff adjusted the language in the guidelines to reflect the request

- Commissioner Jacobsohn suggested adding language prohibiting businesses dealing in the sales of firearms from participating in the program
    - Staff revised the guidelines to prohibit companies that are involved with the sale of firearms.
- Multiple commissioners agreed that pending the outcome of state legislation, THC and THC related businesses should be included in the guidelines as businesses prohibited from receiving funds.
    - Staff has added that language in the guidelines to prohibit businesses that are involved in the sale of THC and THC-related products.
- The attached redlined guidelines include the feedback from the EDAC.

ATTACHMENTS:
Attachment - Emergency Business Fund Guidelines.pdf
EDA_Resolution_Approving_Emergency_Business_Loan_Program.pdf

Minnetonka Emergency Business Fund Guidelines

Purpose

The City of Minnetonka approved $50,000 through the HRA Levy in 2021 to be used for emergency business assistance. The fund has been established to provide one-time assistance of up to $2,500 to local businesses that have experienced an emergency or ~~unexpected cost which would prove burdensome~~ unforeseen circumstances that are not primarily driven by market conditions for the business operation and jeopardize job retention for employees.

Forgivable loan funds would be available on a first-come, first-served basis. The program is subject to funding available from the EDA. The EDA retains the authority and discretion to approve or deny an application and reserves the right to subsequently add different priorities, change eligibility criteria, or discontinue the program.

Eligibility

To be eligible to receive a loan through the Minnetonka Emergency Business Fund, all applicants must meet the following criteria:

- Be located within the City of Minnetonka and have a physical commercial property
- Be a locally owned and operated business (including independently owned and operated franchises);
- Be a for-profit business
- Be a legal entity registered with the Minnesota Secretary of State, and be in good standing;
- Be in compliance with city ordinances, codes, licensing, and must not have any delinquent taxes, bills, or other charges due to the city.
- Must have met with a business advisor or city staff to determine project need.

Ineligible Applicants

Assistance will not be provided to businesses that:

- Do not have a physical commercial address located within the City of Minnetonka
- Primarily generate income from gambling activities, tobacco, THC, vaping, the sale of firearms or firearm related goods, or other adult-oriented activities
- Are a non-profit organization

Eligible Expenses

- Situational Marketing Assistance (In response to construction project, road closure, detour, natural disaster, etc.)
- Technical Assistance (Consulting, Engineering, etc)
- Unplanned relocation expenses (if within Minnetonka)
- Security Updates
- Inventory

- Critical equipment repair
- Operational systems repair

Ineligible Expenses

- Rent
- Payroll Expenses
- Insurance Costs
- Taxes/Utilities
- Other Operating Expenses / Non-capital costs

Loan Guidelines

1. **Amount**: Business may apply for a one-time forgivable emergency loan award not to exceed $2,500. Staff will review each applicant's request for loan funds to determine the level of assistance that will be provided. Staff reserves the right to increase the award based on need.

2. **Uses**: The final use of funds will be based upon the recommendation received by a third party business advisor or city staff. Examples include: technical assistance, software, legal advice, etc.

3. **Term**: All loan funds must be utilized within three months of a fully executed loan agreement.

4. **Proof of Need:** All applicants must provide evidence of financial need for funds before approval.

5. **Proof of Expenses:** Applicant shall provide proof of eligible expenses requested to be paid with grant funds.

6. **Disbursement of Funds:** Funds shall be distributed within two weeks after all required parties have executed a loan agreement.

7. **Termination:** Minnetonka shall demand immediate payment of the loan if a loan recipient is found to violate any conditions outlined in the eligibility guidelines or the loan agreement.

8. **Right to Deny:** Minnetonka retains the right to deny funding for any applicant.

9. **Loan Agreement:** Upon an applicant being awarded loan funds, the loan recipient shall enter into a loan agreement with the Minnetonka EDA. Funds will not be distributed for any award until the applicant provides proof of expenses and a loan agreement with the Minnetonka EDA has been executed by all required parties.

10. **Forgiveness of Loan.** Once the EDA receives the proof of expenses described in Section 5, the EDA will forgive the loan and terminate the loan agreement.

11. **Reporting:** All grant recipients are required to submit a brief survey to the EDA within six months after receiving grant funds, specifying how the entirety of the grant funds was utilized and how this money benefitted the business. Recipients may be asked to provide evidence in the form of paid invoices, statements, or similar documentation.

12. **Funding Availability:** The Emergency Business Fund has a limited amount of funds available. Loans will be provided on a first-come, first serve basis until the earlier of the date the fund is exhausted.

13. **Indemnification:** All grant recipients shall be required to indemnify the City of Minnetonka, the Minnetonka Economic Development Authority, and any officers acting on their behalf.

Application Process

Before applying, please review the Emergency Business Fund guidelines to determine eligibility for your business. A business must meet with a business advisor (Open to Business, Elevate Business HC, or other partner) or consult with city staff before applying.

Applications are available upon request at bizsupport@minnetonkamn.gov.

1. Upon receipt of an application, staff will confirm acceptance of the application via email.

2. Minnetonka staff and/or consultants will review the applications for eligibility. If additional documentation is necessary, staff will contact the applicant.

3. Funds will be awarded on a first-come, first-serve basis. Applications will be accepted until funds are fully committed.

4. Questions about the application and submissions should be sent to bizsupport@minnetonkamn.gov or by hard copy at

   Attn: Rob Hanson
   14600 Minnetonka Blvd.
   Minnetonka, MN 55345

Funding Process

If an application is approved and funds are available, businesses will be notified within 7 business days and provided with an electronic loan agreement for signatures.

Upon execution of the signed loan agreement with the Minnetonka EDA, funds will be distributed within two weeks. Applicants can select electronic ACH payment or payment by check (which may take longer to receive).

Businesses receiving funds must commit to using the funds for eligible program expenses and agree to show proof of the expenses paid upon the request of the Minnetonka EDA within six months of receiving an award.

EDA Resolution No. 2023-

Resolution approving the Minnetonka emergency business fund loan program

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Be it resolved by the Board of Commissioners (the "Board") of the Economic Development Authority in and for the City of Minnetonka, Minnesota (the "Authority") as follows:

Section 1. Background.

1.01. The Authority was created pursuant to Minnesota Statutes, Sections 469.090 through 469.1082, as amended, and was authorized to transact business and exercise its powers by a resolution adopted by the City Council of the City of Minnetonka, Minnesota (the "City").

1.02. The City approved $50,000 through a levy in 2021 to be used for emergency business assistance. Pursuant to a resolution adopted by the City Council of the City on the date hereof, the City will transfer such levy funds from the City's HRA Fund to the Authority to provide funds for emergency business assistance.

1.03. The Authority intends to establish the Minnetonka Emergency Business Fund Loan Program (the "Program") using the levy funds to provide forgivable emergency loans in the maximum principal amount of $2,500 each to local businesses that have experienced an emergency or unexpected cost which would prove burdensome for the business operation.

1.04. The Authority has proposed to approve guidelines for the Program as well as a form of loan agreement, which have been presented to the Board.

Section 2. Creation of Program.

2.01. The Board hereby approves the creation of the Program and accepts the transfer of the levy funds from the HRA Development Fund held by the City.

2.02. The Board hereby approves the guidelines for the Program as well as the form of loan agreement to be executed by the Authority in connection with each loan.

2.03. The Board hereby authorizes and directs the Executive Director of the Authority to execute all loan agreements on behalf of the Authority.

2.04. The staff of the Authority are further authorized to commence providing forgivable loans under the Program.

Adopted by the Board of Commissioners of the Economic Development Authority in and for the City of Minnetonka, Minnesota, on June 5, 2023.

_____

Brad Wiersum, President

Attest:

_____
Becky Koosman, Secretary

Action on this resolution:

Motion for adoption:
Seconded by:
Voted in favor of:
Voted against:
Abstained:
Absent:
Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Board of Commissioners of the Economic Development Authority in and for the City of Minnetonka, Minnesota, at a meeting held on June 5, 2023.

_____
Becky Koosman, Secretary

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