Agenda
City of Minnetonka
Economic Development Advisory Commission
Thursday, August 13, 2026
6:00 PM
Council Chambers
14600 Minnetonka Blvd.

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes
   - A. June 11, 2026 meeting minutes
5. Business Items
   - A. 2027-2031 Economic Improvement Program
   - B. Economic Development and Housing Updates
6. Adjournment

The next scheduled EDAC meeting will be held on Sept. 10, 2026.

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, FAICP, Community Development Director, (952) 939-8282

Economic Development Advisory Commission
Agenda Item 4.A
Meeting of August 13, 2026

Title:	June 11, 2026 meeting 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 draft minutes.

ATTACHMENTS:
Minutes

Unapproved
Minutes
Minnetonka Economic Development Advisory Commission
Regular Meeting
June 11, 2026

1. Call to Order

Chair Duginske Cibulka called the meeting to order at 6 p.m.

2. Roll Call

Commissioners Anderson, Connors, Haeg, Jin and Duginske Cibulka were present. Falk and Pebbles were absent.

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

Councilmember Paula Ramalay was present.

3. Approval of Agenda

A. Approval of Agenda

No changes were made to the agenda.

4. Approval of Minutes

A. March 12, 2026 Meeting Minutes

Anderson moved, Haeg seconded a motion to approve the meeting minutes with two corrections changing “Connor” to “Connors”. Anderson, Connors, Haeg, Jin and Duginske Cibulka voted “yes.” Falk and Pebbles were absent. Motion carried.

5. Business Items:

A. 2027-2031 Economic Improvement Program (EIP)

Chair Duginske Cibulka introduced the item and called for the staff report.

Gray gave the staff report.

In response to Anderson’s question, Gray explained that $25,000 of the Homes Within Reach fund is allocated to administration of the fund and $100,000 is used on projects.

Gray noted that the EIP will be reviewed again at the next EDAC meeting and invited commissioners to share comments and questions at that meeting as well.

Haeg asked for the benefits of the Pathways program that provides down-payment assistance. He questioned if the Pathways program could inadvertently increase housing prices in comparison to naturally occurring affordable housing. Gray explained that councilmembers and EDAC commissioners have expressed support for providing a variety of options and ways for buyers to access affordable housing. The traditional buyer utilizing Pathways is in their forties and this is the first time they have purchased a house. Each program serves a different population.

Anderson agrees that the funds target different audiences. Eligible buyers for the Pathways and Welcome Home Minnetonka programs may have up to 120 percent of the area-median income. Homes Within Reach serves a buyer with a lower-level income. The programs provide a balance. He does not see an increase in housing costs being created by a buyer utilizing down-payment assistance for a house that would have otherwise been purchased by a buyer who would not qualify for down-payment assistance.

Gray noted that Pathways utilizes a sliding scale where eligibility is tied to a borrower's income. Every borrower is required to bank qualify.

Anderson was curious to find out if Homes Within Reach uses the capital budget for a homebuyer-initiated program; new development; or acquisition rehabilitation. A homebuyer-initiated program usually offers a lower level of investment than a development project. There could be a way to support that in order to get more affordable units.

Chair Duginske Cibulka asked if an ideal vacancy factor has been determined for the city. Anderson felt tracking vacancies for multi-family residential housing makes sense. Tracking general information on single-family homes, including how long houses stayed on the market before being sold, is beneficial. The MN Association of Realtors provides that information on a regular basis. Gray noted that the information generated by the MN Association of Realtors is used to determine index units and a couple of other programs' metrics. The housing study for the comprehensive guide plan includes a lot of information regarding the sales prices for houses in the city. Staff will provide that information at a future meeting.

Jin asked how a buyer finds out about the assistance programs. Gray answered that information is provided on the city's website; posted on social media accounts; advertised at a variety of events; shared by lenders; and spread by word of mouth.

Gray and Yager resumed the staff report.

Haeg asked for more information on the MinnPACE program. He found it to be an efficient way for a business to make smart investments that pay for themselves via energy savings and provide sustainability. Yager agreed. She explained that Minnetonka has four open MinnPACE voluntary special assessments that are administered by Hennepin County and the St. Paul Port Authority. The timeline the county previously used was not ideal for lenders since the county only sent out letters of approval in the fall and lenders want confirmation of approval of the assessment prior to closing on a loan. Staff worked with the St. Paul Port Authority to set up a process for the lender to

receive a special assessment resolution in time for the closing. The program is great because it covers the cost of improvements to provide energy efficiency. There has been some interest from owners of office buildings to take advantage of MinnPACE to fund improvements that would otherwise be more challenging to finance. Office spaces need to provide updated, high-quality spaces to meet demand.

In response to Haeg's question, Yager explained that the final interest rate is set by a private lender and not known at the time the city council adopts a resolution approving the voluntary special assessment. The projects so far have been valued at a little more than $1 million.

Gray noted that Minnetonka does not charge an administration fee, but the property owner does pay an administration fee to the St. Paul Port Authority.

Anderson noted the unique benefit of MinnPACE that allows a business owner to finance a beneficial, sustainable improvement without having to place a subordinate loan on the property.

In response to Chair Duginske Cibulka's question, Gray will check the city's agreement with the St. Paul Port Authority to find if MinnPACE operates as a non-profit or another type of entity.

In response to Chair Duginske Cibulka's question, Yager explained that part of the application process includes financial and energy-efficiency audits. The cost of the improvements cannot be higher than 30 percent of the value of the property.

Connors noted that the business advisory services did well this year, serving 45 businesses.

Haeg was happy to see the Minnetonka Business Network continue to provide outreach to businesses. The speakers have been great and the meetings have been very well run.

Gray continued the staff report.

In response to Haeg's question, Larson described the information available on the website's housing dashboard.

In response to Anderson's question, Gray explained that the draft of the proposed zoning ordinance update includes a study of small, village areas in the city that assesses the need for redevelopment in those areas.

B. Economic Development and Housing Updates

Chair Duginske Cibulka introduced the item and called for the staff report.

Gray, Yaeger and Larson reported.

The next EDAC meeting is scheduled to be held July 16, 2026.

The annual council and commissions tour is scheduled to take place July 30, 2026.

6. Adjournment

The meeting adjourned at 7:35 p.m.

Economic Development Advisory Commission
Agenda Item 5.A
Meeting of August 13, 2026

Title:	2027-2031 Economic Improvement Program
Report from:	Kendyl Larson, Housing Coordinator Kjerstin Yager, Economic Development Coordinator
Submitted Through:	Julie Wischnack, FAICP, Community Development Director Alisha Gray, EDFP, Economic Development and Housing Manager

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Action Requested:	Informational
Form of Action:	Report

Recommended Action
Provide a recommendation.

Background
See attached staff reports.

ATTACHMENTS:
EIP Report
2027-2031 EIP
Supplemental Program Data

EIP Report

The city's first Economic Improvement Program (EIP) was published in 2012 and is updated annually. The 2027-2031 EIP provides a detailed five-year plan for the city's economic development activities. The second draft of the document is attached.

The EDAC reviewed the first draft at its June 11 meeting, and it was presented at the city council study session on July 20. The EDAC will provide final feedback at the Aug. 13, 2026, meeting, and the final version will go to the council on Sept. 11, 2026.

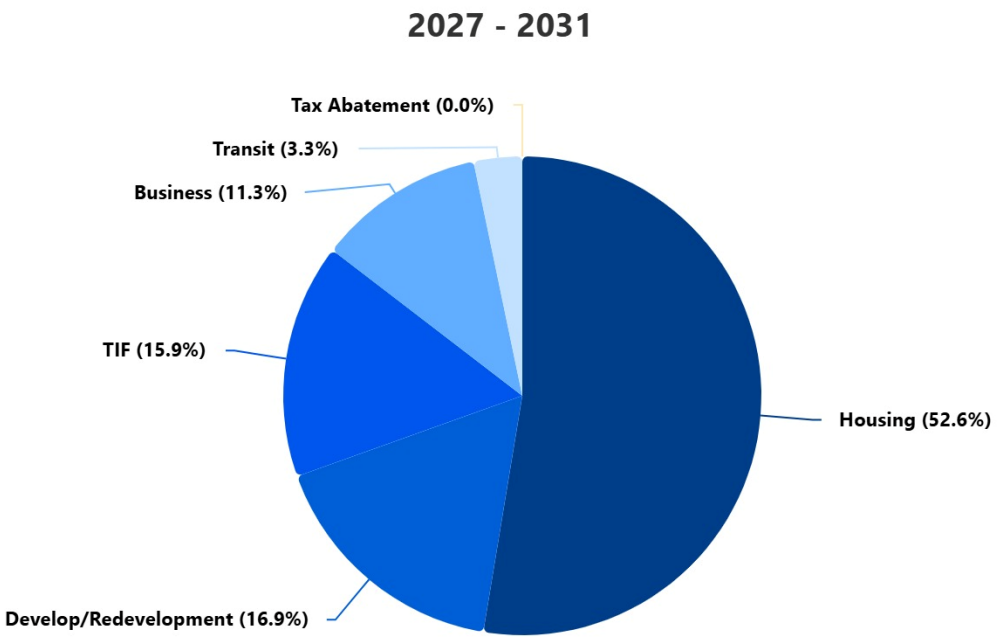
2027-2031 Economic Improvement Program

- **Chapter 1 Policy** - defines what funding categories programs will fall under and details the funding principles.
- **Chapters 2 through 7** - provides 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 is a one-year (2027) summary of total expenditures by category and fund. 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

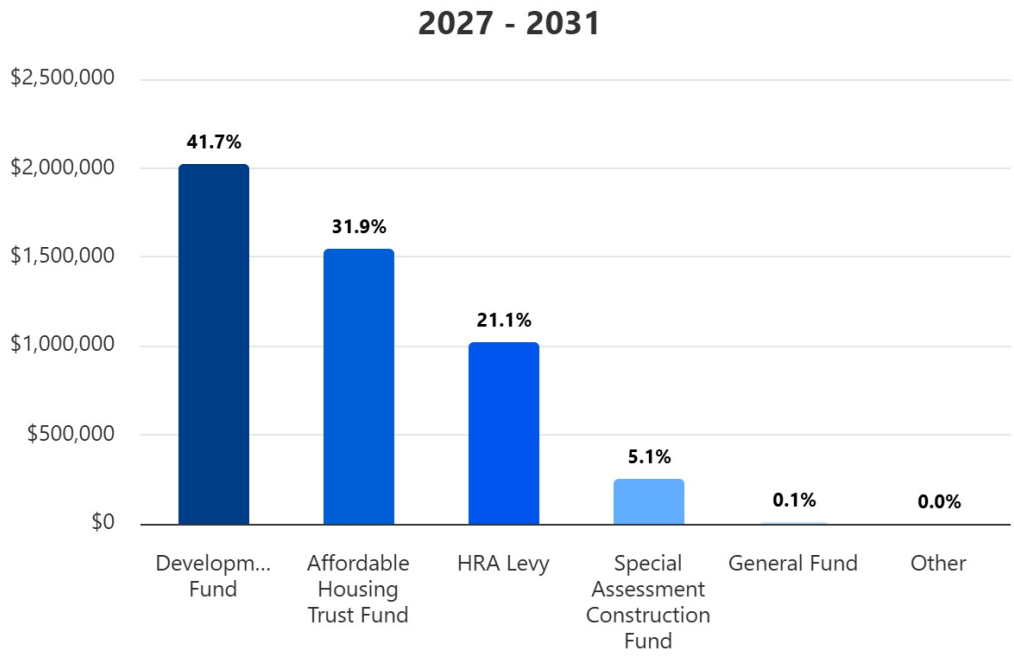
Housing programming continues to be the city's highest priority in this year's recommended EIP. Nearly $2.78 million is projected to be designated for housing programs, followed by $875,000 for development/redevelopment and $585,000 for business programs over the next 5 years. Additionally, each TIF district generates a portion of the increment for ongoing administration. 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.

5-Year Spending Projections by Program Type



In years 2027-2031, $2 million from the development fund account for the largest single resource for EIP implementation, at 42% percent of all funding. The Affordable Housing Trust Fund and HRA Levy are anticipated to be the next-largest sources of funding for programming.

5-Year Funding Source Projections by Fund



2027-2031 EIP Updates

Housing Chapter Summary

CDBG Program

Prior to 2018, the city was an entitlement community that administered CDBG dollars for home rehabilitation and supported service providers within the city. In 2018, the city elected to join the Urban County CDBG Consortium, and Hennepin County began overseeing the city's CDBG home rehabilitation loan program. At that time, the city became a direct allocation city within the consortium, submitting a sole, non-competitive proposal to receive a portion of the Urban County CDBG funds. The city remained a direct allocation city until 2025.

Hennepin County decided to phase out the direct allocation city option starting in program year 2026, but cities could opt into the consolidated pool a year early. The city of Minnetonka opted into the consolidated pool in program year 2025. The county administers the housing rehabilitation program, and program income from repaid loans is rolled back into the program. The county also offers opportunities for cities to apply for additional funding for larger scope projects through an RFP process.

In 2025, 16 housing rehabilitation projects were completed, an increase over 2024. While it is difficult to determine exactly why more projects were completed, county staff indicated it was likely due to the timing of project completions and loan payoffs, which allowed more names to be pulled from the waitlist. It was also noted that there were a few emergency roof repairs/replacements.

Homes Within Reach (HWR)

The city has been allocating funding for HWR for many years. Current funding comes from the HRA Levy. HWR currently has an available funding commitment of approximately $250,000.

- Of the $250,000 contributions, $200,000 was committed in 2023 and 2024 from the HRA for rehabilitation. The remaining $50,000 was levied in 2025 and 2026 for ongoing program administration.
- The city also has a $1 million line of credit that HWR can use to purchase property in Minnetonka.
- Homes Within Reach receives grants from other funding sources to supplement their purchasing and rehabilitation of homes.
- The 2027-2031 EIP recommendation funds $125,000 for HWR administrative and acquisition/rehab costs. There was no funding for home rehabilitation committed in 2025 or 2026.
    - At the July 20 city council study session, council supported $125,000 for HWR in 2027.

City-owned properties

- In 2023, staff completed due diligence on 5501 Baker Road and 5432 Rowland Road (residential) to sell for affordable housing and advertised to attract contractors and builders to submit site proposals.
    - Staff contracted with Amani Construction to redevelop a twinhome on the 5432 Rowland Road property.
        - The project is finalizing construction and is scheduled to be sold during the summer of 2026. A Minnetonka Matters page was established to share information about the resale.
    - In 2026, staff will research different affordable housing options for 5501 Baker Road, including manufactured homes.
- The city purchased two additional single-household properties in 2022: 10505 Belmont Rd and 1809 Welland Ave. Both properties have remained vacant since their purchase.
    - In 2025, staff had the properties surveyed, which included a tree inventory.
    - In 2026, Better Futures participated in the recovery of building materials for reuse for the Welland property. The building was demolished, and the site was reseeded in July 2026.
- Staff is exploring the sale of 10505 Belmont Rd in 2026/2027 for affordable housing. The house is in habitable condition but may need some minor remodeling.

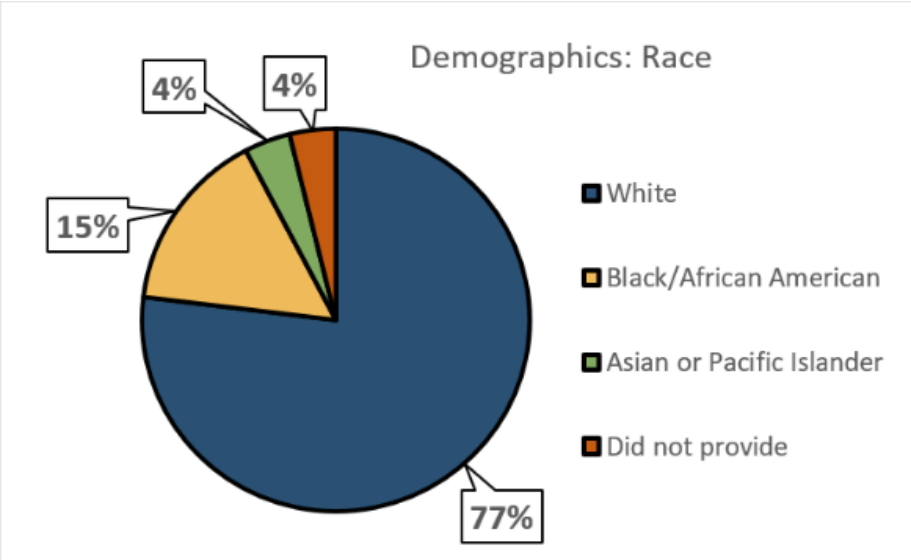
Pathways to Homeownership

In 2023, the city council approved $300,000 for the Pathways to Homeownership Program Pilot, which provides up to $75,000 to eligible first-time homebuyers earning up to 120 percent of 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 provides additional financial aid to offset the high cost of homeownership in Minnetonka, reducing the housing cost burden for these households. The program has been extremely popular and successful.

Year	Funding Allocated	Loans Completed	Average Loan Amount
2023	$300,000 (AHTF)	1	$16,000
2024	$200,000 (AHTF)	12	$35,517
2025	$100,000 (HRA Levy) and $300,000 (AHTF); $200,000 approved via resolution (AHTF)	13	$48,862
2026 (to date)	$175,000 (HRA Levy)	1	$18,000
Total	**$1,275,000**	**27**	**$40,570**

- There is currently $162,600 remaining for the program in 2026.
- Since the start of the program, no loans have been repaid. Every household that has accessed these funds has remained in their homes.

- Other demographic information:
    - Average Age of Borrower: 38
    - Average Household Income: $87,182
    - One household identified as Hispanic/Lantine.



Staff is recommending a $500,000 funding commitment from the AHTF in 2027 for the Pathways to Homeownership Program.

Housing Initiatives

Homelessness

- The homelessness encampment policy was approved by the council on June 8, 2026.
- The council approved $50,000 in funding in 2026. All funds have been distributed to His House Foundation, and no approved funds remain for 2026. The majority of the funding is used to pay for casework to help unhoused persons secure permanent housing.
- His House is currently spending approximately $50,000 per year on this effort. At the July 20 study session, council supported budgeting $50,000 for 2027 from the city's Affordable Housing Trust Fund.

Rental Assistance

- The city continues to provide rental assistance for tenants facing eviction.
- In 2026, the city council approved an additional $100,000 for this effort. Approximately $55,000 remains in the program.

- HisHouse is currently spending approximately $50,000 per year on this effort. At the July 20 study session, council supported budgeting $50,000 for 2027 from the city's Affordable Housing Trust Fund.
    - ICA continues to refer applicants who don't meet the ICA eligibility requirements and who require a larger amount of assistance than what a single program offers.

Legacy Housing Initiative

- Legacy housing programs focus on preserving naturally occurring affordable housing options in cities where housing costs continue to rise. In 2025, staff drafted and presented a one-page resource guide to the council that offers homeowners options to preserve their homes' affordability for future generations.
    - The information was shared in the Minnetonka Memo and is on the city's website as Legacy Housing.
- The guide also provides resources for multi-unit building owners who are considering selling their properties.

Zoning

- The city is currently updating the zoning code. More information regarding the schedule and updates can be found on the Minnetonka Matters page.

Other

- In 2026, the staff continues their research on prefab or manufactured homes for affordable housing development on city-owned residential property. The complexity of how to purchase this type of home and resell it is challenging.

Business Chapter Summary

Business Survey

- Business survey results were presented to the Minnetonka Business Council and the economic development advisory commission (EDAC) in spring 2025. From these survey results and feedback from the EDAC and city council, the city began to fine-tune its programming and outreach. This work included:
    - Following up with businesses impacted by Operation Metro Surge
    - Updating the 2021 Alternate Urban Area Review for the Opus area
    - Launching a Minnetonka corporation video series
    - Hosting another Thriving Thursdays business consultation event
    - Changing the Minnetonka Business Council event series format to be networking-focused
    - Directly supporting the MinnPACE financing program

Business Outreach

Building new connections and strengthening pre-existing business relationships has been a major focus for the city's economic development department. The city had 60 business assistance meetings in 2025, more than double the previous year's numbers, quadruple the number of business meetings in prior years. This relationship-building proved to be a key

resource during Operation Metro Surge, as city staff had direct contact with many impacted businesses.

Beyond creating new business events and meeting with entrepreneurs, city staff also met with multiple commercial lenders and other cities' economic development staff to hear about their best practices and opportunities for additional business support.

- $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 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.
    - 2,220 online subscribers are on the business email list.
    - 2,363 business mailings were sent per edition, almost double the previous year's number.
    - Average email open rate is 48% for Thrive edition notification emails.
- The city partnered with the Wayzata West Metro Chamber to host the Minnetonka Business Council series that met quarterly.
    - These 90-minute programs provided an opportunity to connect Minnetonka business leaders and key city leaders while sharing information about the city.
    - Topics included public safety, sustainability, and business technical assistance.
    - On average, meetings have had approximately 20 business leaders in attendance.

Site Request Broadcasts

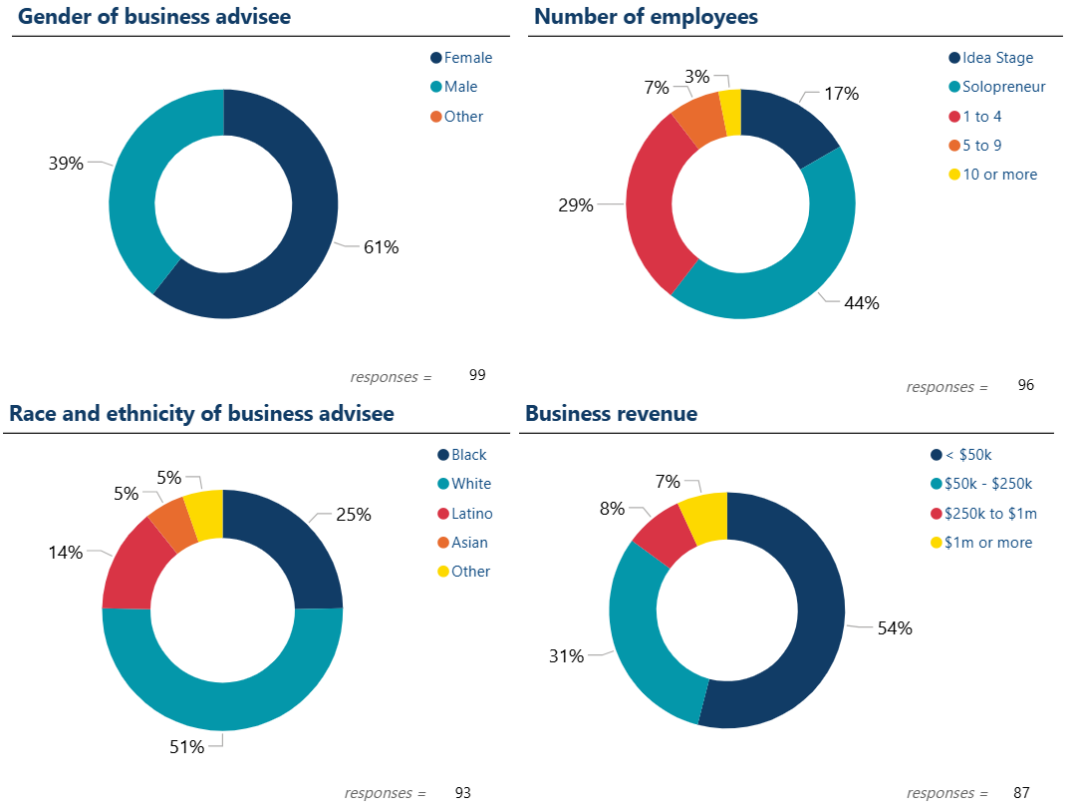
Economic development includes both retaining current Minnetonka businesses and attracting new businesses to the community. One way to attract new business is to respond to site request broadcasts shared via the Minnesota Department of Employment and Economic Development (DEED) and GREATER MSP. DEED is now offering an economic development database and a site selection RFI platform at no cost to cities, and staff is working with commercial brokers to utilize these new resources to respond to all applicable site request broadcasts. Through its relationship with GREATER MSP, Minnetonka attracted Pivot Bio, a $2 billion agtech company, that relocated from California in March 2026.

Employment and Business Programs

In 2025, Open to Business provided 38.5 hours of direct technical assistance to twelve Minnetonka clients. Of those clients, five were women entrepreneurs, eight were BIPOC entrepreneurs, and nine were low-wealth entrepreneurs (less than 80% AMI household income).

Since 2020, the city partnered with Hennepin County's Elevate Hennepin Program with 39 business advisors. This program provides business advising and technical assistance at no cost to entrepreneurs and business owners in Hennepin County. In 2025, Elevate Hennepin served 45 Minnetonka businesses with 878 hours of technical assistance. In 2026, the county released a PowerBI portal, refined their data and provided cities with easier access to their statistics.

Elevate Hennepin Advising Demographics Since 2023



Veteran Resources

The city has contacts in CareerForce's veterans division and presents to their staff about career opportunities available in the city.

Small Business Calls

The city participates in regular business-focused meetings hosted by Hennepin County, the Minnesota Department of Employment and Economic Development (DEED), and the Small Business Administration to learn more about no-cost business resources and economic development trends. Resources relevant for Minnetonka business owners are shared via *Thrive* and email.

Transit Chapter Summary

Commuter Services

- 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.

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

- The city's contribution is based on the city's population and the contributions from member communities. The fee could increase in future years if other communities choose not to participate.

Network Now

The service in Minnetonka has been changed under Metro Transit's new Network Now plan, and the agency continues to refine these changes to better meet the public's needs. This framework aims to improve transit service in the regional transit network through 2027, when the METRO Green Line Extension is expected to open.

Transit Cooperation Agreement

Minnetonka intends to extend the Transit Cooperation Agreement with Metro Transit for another year. The current agreement runs until July 31, 2026 (and was considered for an extension on July 13, 2026). In addition to encouraging Metro Transit to implement the recommendations highlighted in the city's 2024 transit study, the city has been meeting regularly with suburban transit providers to discuss transit opportunities.

Development and Redevelopment Chapter Summary

Studies, Plans, Research Fund

In 2026 and 2027, a multi-departmental team will begin the process of selecting a consultant to assist with the city's 2050 Comprehensive Plan. The Comprehensive Plan is the city's policy framework for guiding development, redevelopment, public services, and programs over the next 30 years.

EDAC Feedback from the June 11, 2026, Meeting

Housing

- Is the effort to explore manufactured housing going to be a shift in focus for the housing staff?

    - The research on manufactured housing will not shift the overall focus of housing staff. The city will continue to offer other programmatic housing offerings.

- A commissioner posed the question as to whether offering downpayment assistance, such as Welcome to Minnetonka or Pathways to Homeownership, increases overall housing prices in the city.

    - The city's downpayment programs are designed to assist a subset of the population that meets certain income limit restrictions (120% AMI) and home purchase price restrictions (capped at approx. $500,000). There is limited funding for these programs, and very few loans are issued each year to support this effort. Typically, sellers list homes based on comparables and what the market supports. From that perspective, there isn't a direct correlation between the city's down payment programs and higher home listing prices.

        - The Welcome to Minnetonka program had three down payment assistance loans in 2025, and one loan to date in 2026.
        - The Pathways to Homeownership Program had 13 loans in 2025 and zero loans to date in 2026.
    - The city had 618 “good sales” transactions over the past year (meaning that they are confirmed to be a good representation of the market) that include single-family, townhomes and condominiums.

- What are the tradeoffs of downpayment assistance programs vs. preserving naturally occurring affordable housing, new construction of affordable housing, such as the Amani project, or the Chasewood HIA project?
    - At a high level, each of the programs or initiatives offers a different approach to providing affordable housing options, preserving existing housing, or creating new housing.
        - Downpayment assistance provides a subset of the population with an opportunity to purchase a home in Minnetonka that would previously have been unattainable due to high housing costs in the city.
        - The preservation of naturally occurring affordable housing occurs through many programs that span rental and homeownership. This includes the Minnetonka Home Enhancement Program for homeowners, EDA Loans for multi-unit rental buildings in need of repair, and Housing Improvement Areas (HIAs), such as Chasewood HIA, that could not access traditional bank financing for its rehabilitation project, which is repaid through special assessments without direct city subsidy. Each tool serves a unique subset of properties within the city.
        - The city sold the previously owned property at 5432 Rowland Road to Amani Construction in 2025 for a demonstration project to build an affordable twinhome on the site. The city had owned the property for 20+ years with the intent of providing affordable housing at a future date after a planned infrastructure project was no longer needed.
        - All of these efforts were policy decisions made over time to meet an unserved need in the community. The EIP review is an opportunity for the EDAC and the city council to prioritize funding for these programs. Staff aims to provide the information necessary to make informed decisions, such as program utilization and funding commitment balances.

- Homes Within Reach: Is this $125,000 request for 2027 operating support or support for capital requests?
    - Previous EIP’s and council discussions identified $100,000 for capital requests and $25,000 for operating support in 2027.
    - Of the $250,000 of remaining dollars, $200,000 was committed in 2023 and 2024 from the HRA for rehabilitation. The remaining $50,000 was levied in 2025 and 2026 for ongoing program administration.

  - HWR generally requests $100,000 of city subsidy for each home, along with a compilation of other grant sources not provided by the city. The funds are used to purchase and rehabilitate existing homes, which are then sold for less than the initial purchase price to support affordable homeownership. The program provides 1-2 ownership opportunities a year.

- What is the current vacancy rate of single-family homes in Minnetonka? Do we track them, and is there a goal for where vacancy rates should be?

  - The city does monitor the housing market conditions in Minnetonka; however, it does not attempt to regulate the production of multifamily and single-family homes in the community based on vacancy rates. Based on previous housing studies, assessment data, and the monthly association of realtors report, the demand for all types of housing exceeds production year over year. The vacancy rate for multifamily housing in Minnetonka is typically below 5%.

  - Minnetonka is a fully built community. Historically, Minnetonka has not subsidized the construction of new single-family housing due to construction costs and affordability gaps, but has subsidized homebuyer programs that allow ownership of existing housing.

- What metrics do we track for our programs? New units created, affordable units created, NOAH units preserved, is this part of the housing dashboard?

  - The use of various funding sources allows for the collection of demographic information for various programs, but ultimately, it is voluntarily provided by the applicant.

  - The city collects the information and provides it on the EIP for each program, as supplemental information during the EIP discussion, and on the city's housing storyboard and housing inventory dashboard.

- What are the programs that help people afford scarce housing, vs policies that make housing less scarce, and create new housing units?

  - Pathways, Welcome to Minnetonka, Homes Within Reach, and Affordable Rental Units (Affordable Housing Policy Requirements), and indexed housing units assist with providing housing options.

  - Housing Improvement Areas and Home Repair Programs preserve existing housing (does not necessarily have to be affordable to qualify).

  - Initiatives that create new housing opportunities include financial subsidy for affordable housing in new multi-unit housing (affordable housing policy), construction of new ownership housing (roughly 30 units a year), and proposed changes to the zoning code.

Business

- Will there be funding budgeted to update the village center studies?

    - The village centers were all studied as part of the zoning rewrite, and there likely will not be additional funding budgeted for that purpose.

    - Multiple departments will be contributing to the update of the 2050 comprehensive plan.

- PACE is a great tool. Is it allowed through State Legislation?

    - PACE was developed under the Jobs Bill legislation in 2010 to allow local governments to voluntarily create programs that assist commercial, industrial, non-profit, and multi-family property owners to finance renewable energy and efficiency improvements.

    - Businesses approach a city to request a special assessment to finance energy-efficiency improvements. Those improvements are repaid to the financial institution through special assessments. The goal of the improvements is to reduce energy use and use the resulting cost savings to pay for them over time.

Feedback from the July 20, 2026 City Council Study Session

- Staff updated the council on the remaining balances for the homeless prevention and rental assistance programs. Based on 2026 utilization, council supported staff's recommendation to increase the budget for 2027 to $50,000 for each program in 2027. The EIP pages were updated to reflect this change.

    - The council allocated $100,000 for rental assistance and $50,000 for homeless prevention in 2026. There is a balance of $50,000 for rental assistance and $48,000 for homeless prevention.

- The council inquired about the $175,000 recommendation for Homes Within Reach (HWR). Staff reviewed the council's previous contributions, noting that HWR did not receive funding for acquisition/rehab in 2025 or 2026. HWR only received $25,000 for ongoing administrative expenses. Previous EIP's supported $125,000 in funding beginning in 2027 to support administrative expenses and acquisition/rehab. The council supported the $125,000 recommendation for 2027.

    - The council had continued discussion about the value of the program and requested the following information at the 2027 study session.

        - Provide information on how many owners have sold or left the program and provide the sales data.

        - Conduct an owner's survey by the 2027 housing study session.

- There was a question about whether the city can raise the area median income to higher than 120% AMI for some programs. Staff clarified that the maximum AMI is set by state laws and program regulations that cannot exceed 120% AMI.

Summary

In summary, the 2027-2031 EIP includes the following priorities:

- Focus on administering existing programs with available fund balances.

- Exploring manufactured homes for affordable homeownership options.
- Implementing new initiatives in response to the transit study, business survey, and commercial market analysis.

The EIP includes a forecast for the 2027 Housing Redevelopment Authority Property Tax Levy to be $225,000, which continues to fund Minnetonka Home Enhancement/Welcome to Minnetonka $100,000, and Homes Within Reach $125,000.

Recommendation

Does the EDAC have additional guidance on the recommended 2027-2031 EIP? Does the recommend the document as presented?

Supplemental Information

2027-2031 Economic Improvement Program (EIP)

Supplemental Program Data



2027-2031

ECONOMIC IMPROVEMENT PROGRAM





CITY OF MINNETONKA

2027-2031

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 that 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

CITY OF MINNETONKA

MINNETONKA ECONOMIC IMPROVEMENT PROGRAM

HOUSING CHAPTER SUMMARY

Projects and programs that 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. One additional page contains conceptual programming for future consideration.

- The total five-year estimated cost of the programs is $2,781,000.

Program	2027	2028	2029	2030	2031	5-Year Total
Homes Within Reach	125,000	125,000	125,000	125,000	25,000	**$525,000**
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**
Pathways to Homeownership	500,000	250,000	250,000	250,000	250,000	**$1,500,000**
Homeless Response	50,000	5,000	5,000	5,000	5,000	**$70,000**
Emergency Rental Assistance	50,000	34,000	34,000	34,000	34,000	**$186,000**
Total	**$825,000**	**$514,000**	**$514,000**	**$514,000**	**$414,000**	**$2,781,000**

Programs funded through other sources:

- Housing Improvement Areas – Housing Improvement Fees (Housing Assessments)
- Affordable Housing Production
- Metro Housing Sales Tax (state sales tax for housing)
- Tax Increment Financing (property tax-based financing tool)
- Housing Grants (various agencies)

Conceptual Programs

- Housing Initiatives

Housing

Economic Improvement Program

Project #	Housing-03
Project Name	CDBG
Type	Program

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. The city continues to receive program income from rehabilitation loans that were made prior to 2018 when the city was in its entitlement status. The city will receive repayment of prior year loans if an owner sells the property prior to the 10-year deferment period. There are approximately 74 loans still outstanding that could be repaid in the future. The repayments are distributed to Hennepin County to make new loans to Minnetonka residents through a sub-agreement through June 30, 2028.

SCHEDULING AND PROJECT STATUS

This is an ongoing program. The CDBG program year is July 1 to June 30. Hennepin County indicated that they are moving toward one consolidated funding pool by program year 2026. The city elected to opt in starting in program year 2025.

Justification

The city's offers a home improvement program through the consortium. The Home Rehabilitation Loan Program offers ten-year, no interest deferred loans up to $20,000. The loan amount was increased in 2024 to respond to increased cost of repairs. Households up to 80% of area median income qualify for the $20,000 program, which allows for housing repairs and maintenance.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan

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

Strategic Profile

- Balance community-wide interests and respect Minnetonka’s unique features while continuing community reinvestment.
- Evaluate city programs that provide funding to affordable rental and ownership products to assess effectiveness of programs.

KEY MEASURES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Households Assisted	5	8	6	10	16	3	8	8	8	8	8

Budget Impact

As part of the Urban County Consortium, no new CDBG funds flow through the city. Any program income received from prior years is collected and transferred to the county.

Hennepin County is phasing out the "direct allocation" in the Urban County Consortium to meet the ongoing spend-down timeliness challenges with HUD. Instead, by program year 2026 all cities in the consortium will have the option to opt into the Consolidated Pool, or manage their own CDBG dollars. The City of Minnetonka has opted into the consolidated pool starting program year 2025.

Housing

Economic Improvement Program

Project #	Housing-05
Project Name	Homes Within Reach
Type	Program

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.

In 2025, staff explored the sale of 10505 Belmont to Homes Within Reach.

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 organization 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

- Increase and diversify the types of housing within the city.
- Evaluate city programs that provide funding to affordable rental and ownership products to assess effectiveness of program

KEY MEASURES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total HWR Units	60	62	63	64	66	67	68	69	70	71	72

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Program Cost	125,000	125,000	125,000	125,000	25,000	**525,000**
Total	**125,000**	**125,000**	**125,000**	**125,000**	**25,000**	**525,000**

Funding Sources	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
HRA Levy	125,000	125,000	125,000	125,000	25,000	**525,000**
Total	**125,000**	**125,000**	**125,000**	**125,000**	**25,000**	**525,000**

Budget Impact

Homes Within Reach requests funding through the annual EIP process. 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 balance of approximately $200,000.

In 2020, an annual fee of $25,000 was added to assist with ongoing operations. HWR has a current funding commitment for admin costs of $50,000. The proposed funding source for ongoing maintenance is the HRA levy.

Homes Within Reach also receives grants from various other funding sources to supplement their work.

Housing

Economic Improvement Program

Project # Housing-06
Project Name Housing Improvement Areas

Type Maintenance

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 common-interest communities (condos, townhomes) by providing a financing structure to address deferred maintenance on commonly owned assets. The program ensures that the association can finance long-term capital expenditures. The city prioritizes assisting projects with housing units that are priced under $350,000 (affordable up to 100% AMI).

HIA Project Name	Year Approved	Number of Units	Total Amount Funded	Financing Tool	Improvements
Cedar Ridge	2012	180	$674,000	City Loan	Roof, Elevators, seal garage floor & redirect floor drains, decks, and hot water boilers.
Cloud 9 Condominiums	2019	164	$3,282,300	Bonds	Curtain wall, elevator, and repairs to the heating, ventilating and HVAC systems.
Villas at Chasewood	2025	188	$11,367,195	Bonds	Replacement of concrete patio, concrete valley gutter, and windows and doors; rooftop deck repair; attic insulation and fixed roof vents; masonry repairs; gutters and downspouts; deck reconstruction; removal and replacement of chimney caps; Façade replacement (siding, trim, fascia, soffits)

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan

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

Strategic Profile

- Balance community-wide interests and respect Minnetonka’s unique features while continuing community reinvestment.
- Increase and diversify the types of housing within the city.

Budget Impact

The HIA program is administered by staff who work on various parts of the project, ranging from answering HIA inquiries to ongoing project management. Once an HIA request is received, staff time is committed to preparing a resolution, ordinance, development agreement, and determining housing 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. The city issues bonds to pay for the association's improvements, the bond is repaid through the owner's property taxes in the same manner as a special assessment.

Housing

Economic Improvement Program

Project #	Housing-08
Project Name	Minnetonka Home Enhancement
Type	Program

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 2026 is 3.448% (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 (updated annually).

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan

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

Strategic Profile

- Evaluate city programs that provide funding to affordable rental and ownership products to assess effectiveness of programs.

KEY MEASURES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Number of Loans	0	0	1	1	1	0	4	4	4	4	4

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**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	**2027**	**2028**	**2029**	**2030**	**2031**	**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

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. The current fund balance for the Welcome to Minnetonka and Minnetonka Home Enhancement programs is approximately $304,115. There is $77,815 remaining in the pool for Minnetonka Home Enhancement, and 7 loans are currently in repayment. Annually, the guidelines are reviewed to ensure the program meets the needs of the target population.

Housing

Economic Improvement Program

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

Description

The Welcome to Minnetonka program 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. In 2024, the guidelines were adjusted to decrease the amount contributed by the borrower and make the program have a 0% interest rate (previously it was 1%). 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. There are currently 18 active loans in this program.

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% of the area median income, with down payment and closing cost assistance. Those participating in the program must contribute at least 1% of the total purchase price.

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

- Evaluate city programs that provide funding to affordable rental and ownership products to assess effectiveness of programs.

KEY MEASURES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Number of Loans	1	2	0	3	3	1	4	5	5	5	5

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**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	**2027**	**2028**	**2029**	**2030**	**2031**	**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

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. The current fund balance for the Welcome to Minnetonka and Minnetonka Home Enhancement programs is approximately $304,115. There is $226,300 remaining in the pool for Welcome to Minnetonka, and 18 loans are currently in repayment. Annually, the guidelines are reviewed to ensure the program meets the needs of the target population.

Housing

Economic Improvement Program

Project #	Housing-23
Project Name	Pathways to Homeownership
Type	Program

Description

In 2023, the city council approved the creation of the Pathways to Homeownership down-payment assistance program. This program assists first-generation households (not owned home within past 7 years) earning up to 120% AMI. The amount of assistance is tiered to provide the most assistance to the lowest-income borrower and is adjusted based on the purchase price. Loans are forgiven at 5% annually. The funding source for this program is the Affordable Housing Trust Fund. Since the program started, 27 loans have been completed. There is approximately $162,600 remaining in the fund.

SCHEDULING AND PROJECT STATUS

The program began in the Fall of 2023. This is an ongoing program.

Justification

The Pathways to Homeownership Program expands assistance to first-generation households (not owned home within past 7 years) 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

- 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-

- Evaluate city programs that provide funding to affordable rental and ownership products to assess effectiveness of programs

KEY MEASURES

	2023	2024	2025	2026	2027	2028	2029	2030	2031
Number of Loans	1	12	13	1	5	5	5	5	5

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Program Cost	500,000	250,000	250,000	250,000	250,000	**1,500,000**
Total	**500,000**	**250,000**	**250,000**	**250,000**	**250,000**	**1,500,000**

Funding Sources	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Affordable Housing Trust Fund	500,000	250,000	250,000	250,000	250,000	**1,500,000**
Total	**500,000**	**250,000**	**250,000**	**250,000**	**250,000**	**1,500,000**

Budget Impact

The Center for Energy and Environment (CEE) manages the program on behalf of the city. The original funding source for the Pathways to Homeownership program was $300,000 in indirect ARPA funding, which was transferred to the Affordable Housing Trust Fund in 2023. Council approved an additional $200,000 for the program in October 2024 to replenish program funds (which were depleted in July 2024). In 2025, $400,000 was allocated for Pathways, $300,000 from the AHTF and $100,000 from the HRA Levy. In July 2025, $200,000 was approved by the city council via resolution. Annually, the guidelines are reviewed to ensure the program meets the needs of the target population.

Housing

Economic Improvement Program

Project # Housing-24
Project Name Rental Registration Program

Type Program

Description

The registration program helps the city gain a more comprehensive view of the rental market, improve communication with property managers, and collect the necessary data and contact information to support various departments, including police, fire, and community development. The rental registration program was adopted 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 also provides 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

- Balance community-wide interests and respect Minnetonka's unique features while continuing community reinvestment.

KEY MEASURES

	2024	2025	2026	2027	2028	2029	2030
New Applications	359	265	68	50	50	50	50
Renewals	0	329	367	300	350	350	350

Budget Impact

The Rental Registry Program expenditures are funded through the development fund and the program is staffed by the Housing Coordinator. There is no registration fee.

Housing

Economic Improvement Program

Project # Housing-25
Project Name Homelessness Response

Type Program

Description

On July 27, 2022, the City of Minnetonka partnered with His House Foundation to establish a two-year pilot program to help 24 homeless households in Minnetonka. 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. 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.

SCHEDULING AND PROJECT STATUS

The city's partner organization, His House Foundation, provides quarterly updates. The council approved a 2-year contract extension in 2026.

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 internal dashboard is utilized by Police and Community Development to help respond to potential homeless cases and be able to provide resources.

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

- Balance community-wide interests and respect Minnetonka's unique features while continuing community reinvestment.
- Create and expand equitable opportunities for accessing programs, services and facilities.

KEY MEASURES

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Individuals Assisted - HHF	22	51	17	84	51	80	80	80	80	80
Observed Homeless Cases	n/a	23	13	19	6	20	20	20	20	20

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Program Cost	50,000	5,000	5,000	5,000	5,000	**70,000**
Total	**50,000**	**5,000**	**5,000**	**5,000**	**5,000**	**70,000**

Funding Sources	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Affordable Housing Trust Fund	50,000	0	0	0	0	**50,000**
Total	**50,000**	**0**	**0**	**0**	**0**	**50,000**

Budget Impact

In 2022, the council approved $200,000 for the two-year pilot program. In 2024, the contract was extended for an additional two years, but no additional funds were allocated. In 2026, the council approved $50,000 for the program and extended the contract for an additional 2 years, until 2028. There is a fund balance of $48,000 remaining for 2026.

Housing

Economic Improvement Program

Project # Housing-26
Project Name Emergency Rental Assistance

Type Program

Description

The Minnetonka Rental Housing Assistance Program 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 average 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 $200,000 in funding for the program in 2020, $100,000 in 2022, with an additional $50,000 approved in 2023. Minnetonka partnered with ICA to administer the program until Nov. 2024, when His House Foundation entered into an agreement with the city to administer the remaining dollars to provide emergency rental assistance as part of their preventative homelessness work. The city council approved an additional $100,000 in funding in March 2026. There is approximately $50,000 remaining in the fund for 2026. The city applied for additional rental assistance funds through Minnesota Housing in March 2025 and was awarded $150,000, which will support the rent for the transitional housing unit at Vale.

SCHEDULING AND PROJECT STATUS

This is an ongoing program.

Justification

Since the start of the program, 220 households have been assisted in direct rental assistance through the city's emergency rental assistance program. The average assistance per household was $1,336 and 67% of the recipients were female heads of household.

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

- Evaluate city programs that provide funding to affordable rental and ownership products to assess effectiveness of programs.

KEY MEASURES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Households Assisted	60	69	8	4	12	12	10	10	10	10	10

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Program Cost	50,000	34,000	34,000	34,000	34,000	**186,000**
Total	**50,000**	**34,000**	**34,000**	**34,000**	**34,000**	**186,000**

Funding Sources	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Affordable Housing Trust Fund	50,000	10,000	10,000	10,000	10,000	**90,000**
Total	**50,000**	**10,000**	**10,000**	**10,000**	**10,000**	**90,000**

Budget Impact

The city council approved $200,000 in funding for the program in 2020, $100,000 in 2022, and an additional $50,000 approved in 2023. In March 2026, $100,000 was allocated toward the emergency rental assistance program. There is approximately $ 50,000 remaining for 2026.

In March 2025, staff applied for grant dollars to provide rental assistance for the transitional unit at the Vale. The city was awarded $150,000. Those dollars have been distributed to the city, and the rent for the transitional unit at Vale is paid through December 2026.

2027 thru 2031

Housing

Economic Improvement Program

Project # Housing-21
Project Name Housing Initiatives

Type Conceptual

Supplemental Attachments

Affordable Housing Dashboard Housing Story Map

Description

This page lists housing topics for future research.

SCHEDULING AND PROJECT STATUS

New initiatives are currently underway, as well as those under development.

Justification

New Housing Initiatives Underway:

- Homelessness Encampment Policy/Ordinance
- 5432 Rowland Rd - Construction of Affordable Twinhome
- Mills Townhomes - Construction of 10 Affordable Townhomes
- Explore sale of 10505 Belmont to Homes Within Reach
- Explore sale of 4292 Oak Drive Lane
- Explore future use of 1809 Welland Ave
- Research Manufactured Homes for Affordable Homeownership at city-owned properties
- Minnetonka Legacy Housing Initiative
- Short-Term Rental Ordinance
- Eviction Research and Ordinance

Future Housing Program/Policy/Research:

- Research General Funding for Affordable Housing
- Multifamily Housing Rental Rehabilitation Loan

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

- Balance community-wide interests and respect Minnetonka's unique features while continuing community reinvestment.

Budget Impact

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



BUSINESS

CITY OF MINNETONKA

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 2027-2031 Economic Improvement Program, there are seven active business programs.

- The total five-year estimated cost of the programs is $585,500.

Program	2027	2028	2029	2030	2031	5-Year Total
GreaterMSP	26,000	26,000	26,000	26,000	26,000	**$130,000**
Business Advisory Services	20,000	20,000	20,000	20,000	20,000	**$100,000**
Outreach	10,000	10,000	10,000	10,000	10,000	**$50,000**
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**
Emergency Business Assistance	2,500	2,500	2,500	2,500	2,500	**$12,500**
Commercial Code Compliance	7,500	7,500	7,500	7,500	7,500	**$37,500**
Total	**$117,100**	**$117,100**	**$117,100**	**$117,100**	**$117,100**	**$585,500**

Programs/Initiatives funded through other sources

- Business Grants
- Minnesota Investment Fund (MIF)
- Job Creation Fund (JCF)
- Other agency grants
- Property Assessed Clean Energy – Energy Cost Savings, Low-cost Financing
- Fire Sprinkler Retrofit Program – Special Assessments

The city's role in business development in the past was more reactive, typically responding only when requested. In recent years, the city has been slowly investing in more programs for businesses, such as business advisory programs, business retention visits, the production of the Thrive newsletter, business surveys and commercial market analyses.

Conceptual Programs

- Business Initiatives

Business

Economic Improvement Program

Project #	Business-04
Project Name	GREATER MSP
Type	Program

Description

GREATER MSP is the regional economic development organization for the Twin Cities metropolitan area. The organization partners across public and private sectors to advance regional competitiveness on a national and global stage, focusing on job creation, capital investment, and economy-building initiatives that increase the corporate tax base.

SCHEDULING AND PROJECT STATUS

This is an ongoing program. The city became a member in 2013.

Justification

GREATER MSP serves as an extension of Minnetonka's economic development capacity, connecting the city to national and international companies considering the region. This includes proactive business attraction, lead generation, and direct support on active projects.

A recent example is Pivot Bio, a fast-growing $2 billion agtech company that relocated its corporate headquarters from Berkeley, CA to Minnetonka. GREATER MSP played a leading role in advancing the project, including connecting the company to the Carlson Towers opportunity, which ultimately enabled the deal, including 50+ immediate jobs and renovation of existing space.

The company is expected to grow significantly, presenting a near-term opportunity for continued engagement and support in partnership with GREATER MSP.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan

- Cultivate business stability and growth by identifying resources, partnerships, networks, and programs that attract businesses and entrepreneurs. GREATER MSP directly supports these objectives by strengthening business recruitment, attraction, and expansion efforts; connecting Minnetonka to regional and global partners; and contributing to data-driven economic development strategies and outreach aligned with the city's Business Retention and Expansion goals.

Strategic Profile

- Enhance vitality across the business sector focusing on large corporate businesses
- Continue to support Opus Area transformation as a vital and connected part of Minnetonka

Expenditures	2027	2028	2029	2030	2031	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	2027	2028	2029	2030	2031	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

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

Business

Economic Improvement Program

Project # Business-07
Project Name Business Advisory Services

Type Program

Description

The City of Minnetonka collaborates with the Minnesota Consortium of Community Developers' Open to Business Program and Hennepin County's Elevate Hennepin program to provide technical assistance and consulting services for small businesses at no cost to them.

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 for both partnerships is reviewed biannually, and the current contract will terminate December 31, 2026.

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 an "Elevate Hennepin business advisor," and is the first point of contact for any Minnetonka residents or entrepreneurs. As the Elevate Hennepin program continues to grow and strengthen, the city is evaluating the need to continue its Open to Business contract in 2027.

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

- Create and expand equitable opportunities for accessing programs, services and facilities

KEY MEASURES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Businesses Assisted	4	22	42	26	45	34	34	34	34	34	34
Technical Assistance Hours	44	198	416	411	878	476	476	476	476	476	476
Loans Made	1	2	0	1	0	1	0	0	0	0	0

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**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	**2027**	**2028**	**2029**	**2030**	**2031**	**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

Minnetonka contracts directly with Hennepin County for Elevate Hennepin services. MCCD subcontracts with Hennepin County as part of this arrangement. The fee is an annual $10,000 base-level fee for Elevate Hennepin and additional $10,000 annual fee for MCCD. The total cost annually is $20,000.

Business

Economic Improvement Program

Project # Business-08
Project Name Outreach

Type Program

Description

Business outreach happens through the *Thrive* business newsletter, individual business meetings, city website, business canvassing, and business-focused events like the Minnetonka Business Council.

SCHEDULING AND PROJECT STATUS

Outreach is ongoing.

Justification

Outreach is a proactive approach in supporting business retention and expansion. Business retention and expansion efforts are part of a collaborative effort between staff and the Wayzata West Metro Chamber, Minneapolis Regional Chamber, Grow Minnesota, and GREATER MSP. In 2018, staff developed the Thrive Business publication. The publication is distributed by mail to Minnetonka businesses three times a year and is also available online. The cost to mail the newsletters is approximately $2,000 per issue, including printing and postage. Staff also utilizes professionally designed print materials for legislative reporting, speaking engagements, and educational materials. There is a balance of $44,842.97 remaining for these efforts.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan

- Connect with partnership organizations to explore outreach opportunities.

Strategic Profile

- All people feel welcome and engaged
- Create and expand equitable opportunities for accessing programs, services and facilities

KEY MEASURES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Newsletter Recipients	1,203	1,208	1,247	1,265	2,363	2,599	2,835	3,071	3,307	3,543	3,779
Electronic Subscribers	1,010	1,515	1,904	2,088	2,220	2,286	2,355	2,425	2,498	2,573	2,650
Business Assistance Meetings	13	10	12	28	60	24	24	24	24	24	24

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Program Cost	10,000	10,000	10,000	10,000	10,000	**50,000**
Total	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**50,000**

Funding Sources	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Development Fund	10,000	10,000	10,000	10,000	10,000	**50,000**
Total	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**50,000**

Budget Impact

Funds are budgeted for a business survey, Thrive business publications, business marketing materials, and business leadership events. Outreach will be coordinated with GREATER MSP, Mpls Regional Chamber, and Wayzata West Metro Chamber.

Business

Economic Improvement Program

Project #	Business-11
Project Name	Regional Chambers of Commerce
Type	Program

Description

SCHEDULING AND PROJECT STATUS

In 2024, Minnetonka joined the Wayzata West Metro Chamber. The Wayzata West Metro Chamber (WWMC) partners with the City of Minnetonka to host the Minnetonka Business Network, a quarterly event for Minnetonka business leaders. The WWMC also hosts an annual Meet the Mayors luncheon for mayors to share city priorities with local business attendees.

Justification

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan

- Connect with partnership organizations to explore outreach opportunities.

Strategic Profile

- All people feel welcome and engaged.

KEY MEASURES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Minnetonka MRC chamber members	30	36	164	38	18	18	18	18	18	18	18
Minnetonka WWMC chamber members	0	0	0	41	45	45	47	49	51	53	56

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**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	**2027**	**2028**	**2029**	**2030**	**2031**	**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

Memberships are renewed annually. There may be additional membership fees throughout the year to attend Chamber-hosted events.

Business

Economic Improvement Program

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

Type Program

Description

The goal of this program is to minimize the impact of the Metropolitan Council's Sewer Availability Charge (SAC) and the city's Sewer and Water Residential Equivalency Charges (REC) to small businesses by allowing businesses to defer a portion of the repayment of fees over time. Ten businesses have participated in the program, six businesses are currently in repayment with a total outstanding balance of approximately $84,513.

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

- Create and expand equitable opportunities for accessing programs, services and facilities.

Expenditures	2027	2028	2029	2030	2031	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	2027	2028	2029	2030	2031	Total
Special Assessment Construction 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

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.

Business

Economic Improvement Program

Project #	Business-16
Project Name	Emergency Business Assistance
Type	Program

Description

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 preserve employment opportunities by preventing business closures and promoting long-term economic vitality in the community during the pandemic. In 2021, the council approved an additional $50,000 in funding through the HRA levy to continue this effort. The maximum forgivable loan under this program is $2,500. One emergency business loan was awarded in 2024, and another in March 2026, due to Operation Metro Surge.

SCHEDULING AND PROJECT STATUS

The program is active.

Justification

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

- Balance community-wide interests and respect Minnetonka's unique features while continuing community reinvestment.

KEY MEASURES

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Businesses Assisted	0	1	0	2	1	1	1	1	1	1	1

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Program Cost	2,500	2,500	2,500	2,500	2,500	**12,500**
Total	**2,500**	**2,500**	**2,500**	**2,500**	**2,500**	**12,500**

Funding Sources	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Development Fund	2,500	2,500	2,500	2,500	2,500	**12,500**
Total	**2,500**	**2,500**	**2,500**	**2,500**	**2,500**	**12,500**

Budget Impact

Staff time is committed to implementing the program. 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. The remaining balance for this program is $45,000.

Business

Economic Improvement Program

Project #	Business-18
Project Name	Commercial Code Compliance Fund
Type	Maintenance

Description

In 2022, the city council approved the commercial code compliance program 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. The program includes a 2% fixed interest rate. Loan repayment terms are 5 years for amounts less than $15,000, and 10 years for loans from $15,000 to $25,000. One business received a loan in 2024.

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.
- 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

- Balance community-wide interests and respect Minnetonka's unique features while continuing community reinvestment.

KEY MEASURES

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Businesses Assisted	0	1	0	0	1	1	1	1	1	1	1

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Construction/Maintenance	7,500	7,500	7,500	7,500	7,500	**37,500**
Total	**7,500**	**7,500**	**7,500**	**7,500**	**7,500**	**37,500**

Funding Sources	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Development Fund	7,500	7,500	7,500	7,500	7,500	**37,500**
Total	**7,500**	**7,500**	**7,500**	**7,500**	**7,500**	**37,500**

Budget Impact

The council approved $100,000 through the Development Fund to provide loans up 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. The remaining balance for the program is $88,478.

Business

Economic Improvement Program

Project #	Business-17
Project Name	Business Initiatives
Type	Conceptual

Supplemental Attachments

2025 Commercial Real Estate Market Analysis 2025 Business Survey Results Minnetonka Financing Assistance

Description

At the March 22, 2018, EDAC Meeting, staff presented a formal Business Development Strategy Plan. The plan outlined the tools, resources, and activities to support Minnetonka's business community. In 2021, staff conducted a business survey to help inform the existing efforts and identify new business programming. A survey was conducted in early 2025 and a new survey will be conducted every three years.

SCHEDULING AND PROJECT STATUS

New initiatives are currently underway, as well as those under development.

Justification

New Business Initiatives Underway:

- Business story map of Minnetonka economic data
- Opus Alternate Urban Area Review Update
- Large corporation video series
- Changing Minnetonka Business Council event series format
- Thriving Thursdays business consultation event
- Exploring additional city support of MinnPACE financing program

Future Business Program/Policy/Research:

- Strengthen business newsletter via storytelling
- Connect with partner economic development organizations
- Write a new Business Subsidy Policy
- Work with communications to increase outreach efforts (social media, direct email, etc.)

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

- Community-wide adoption of sustainability and conservation best practices
- Enhance vitality across the business sector focusing on large corporate businesses
- Continue to support Opus Area transformation as a vital and connected part of Minnetonka
- All people feel welcome and engaged
- Create and expand equitable opportunities for accessing programs, services and facilities

Budget Impact

There is staff time committed to researching the budget impacts of this program.



TRANSIT

CITY OF MINNETONKA

MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM

TRANSIT CHAPTER SUMMARY

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

The city's role in transit has been minimal, as Metro Transit has provided 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 the existing contract, providing more detail and clarity on the roles and responsibilities of both parties. The city extended the contract until July 31, 2026, to coincide with Metro Transit's Network Now initiative to review and expand transit services.

In recent years, the city's role in transit has expanded as it has become a more active participant in the city's opt-out status and is preparing for the Southwest LRT (Green Line Extension) line to open in 2027.

- All facets of transit, such as commuting and rideshare services, bus/dial-a-ride, and Light Rail Transit (LRT) are included.
- The total five-year estimated cost of the programs is $169,000.

Program	2027	2028	2029	2030	2031	5-Year Total
Commuter Services (494)	33,000	33,000	34,000	34,000	35,000	**$169,000**
Total	**$33,000**	**$33,000**	**$34,000**	**$34,000**	**$35,000**	**$169,000**

Programs/Initiatives funded through other sources

- Metro Transit Services
- Transit Grants

Conceptual Programs

- Station Area Redevelopment

Transit

Economic Improvement Program

Project # Transit-01
Project Name Commuter Services

Type Program

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 (ending membership in 2026), and Edina.

SCHEDULING AND PROJECT STATUS

This is an ongoing program.

Justification

Commuter Services offers programs such as commuter events, fare assistance, bike commuting, carpool facilitation, teleworking resources, and 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

- Create and expand equitable opportunities for accessing programs, services and facilities.

KEY MEASURES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Business Contacts	120	106	98	87	92	129	134	139	144	154	159
Commuters Assisted	172	123	80	138	171	186	201	216	231	246	261

Budget Impact

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 farmers' market, to promote their services. The city's fee is a formula based on population.

Transit

Economic Improvement Program

Project # Transit-02
Project Name Transit Improvements

Type Program

Supplemental Attachments

2025 Transit Study Presentation

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 2025. The agreement runs until July 31, 2026. The city has been meeting regularly with Metro Transit and SouthWest Transit to discuss its transit options.

Justification

The service in Minnetonka is being adapted followings its Network Now plan that aims to improve transit service in the regional transit network through 2027. Much of the Minnetonka's 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-

- Create and expand equitable opportunities for accessing programs, services and facilities.

KEY MEASURES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Annual Bus Rides	56,640	71,589	76,031	86,047	101,090	101,090	101,090	101,090	101,090	101,090	101,090
Annual LRT Rides	N/A	N/A	N/A	N/A	N/A	N/A	77,000	80,000	85,000	85,000	85,000

Budget Impact

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



DEVELOPMENT AND REDEVELOPMENT

CITY OF MINNETONKA

MINNETONKA ECONOMIC IMPROVEMENT PROGRAM

DEVELOPMENT/REDEVELOPMENT
CHAPTER SUMMARY

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

For the 2027-2031 Economic Improvement Program, there are two development/redevelopment programs underway.

- The total five-year estimated cost of the programs is $875,000.

Program	2027	2028	2029	2030	2031	5-Year Total
Pre-development	75,000	75,000	75,000	75,000	75,000	$375,000
Studies, Plans, Research	100,000	100,000	100,000	100,000	100,000	$500,000
Total	$175,000	$175,000	$175,000	$175,000	$175,000	$875,000

Programs/Initiatives funded through other sources

Development/Redevelopment Grants

- Metropolitan Council
- Hennepin County
- State of Minnesota
- Other agency grants

State Bonding for Infrastructure Improvements

- Tax Increment Financing

Conceptual Programs

- Places Public Art

Development and Redevelopment

Economic Improvement Program

Project #	Dev/Redev-01
Project Name	Predevelopment
Type	Program

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 ongoing program.

Justification

Pre-development activities make a city development-ready by preparing properties for development or redevelopment. Staff determines when it is appropriate to use for a potential redevelopment project. For example, initial TIF runs were conducted for the Tonka on the Creek "Overlook", Shady Oak Crossing, Legends of Minnetonka, Bren Road Station, Birke, and Opus redevelopment sites to determine if Tax Increment Financing would be feasible. Once it was determined that this was the case, and the developer moved forward accordingly, the developer was then responsible for paying all legal counsel and financial consultant expenses.

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

- Balance community-wide interests and respect Minnetonka's unique features while continuing community reinvestment.

Expenditures	2027	2028	2029	2030	2031	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	2027	2028	2029	2030	2031	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

Development projects can be time-intensive for staff. The range per year is 500 to 1,000 hours, depending on the request, the number of projects, the number of meetings and the type of assistance requested. The predevelopment funds will be used to hire consultants or others to complete work outside of the staff's expertise. In 2025, there were $30,422 in reimbursable expenses related to the review of financing requests. Funding rolls over from year to year for future expenditures.

Development and Redevelopment

Economic Improvement Program

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

Description

The fund was initially established to fund village center studies that examined each of the city's thirteen designated village centers and create a guide for redevelopment. The following village center studies were completed: Minnetonka Mills, Opus, Hwy 7/101, Shady Oak, Ridgedale, and Glen Lake. The program continues to serve as the primary source of funding for essential studies and to inform the department's work.

Additional studies include:

- Redevelopment visioning process for the city-owned property at 5937 County Road 101.
- Opus AUAR and 2026 AUAR Update
- Zone Co. Zoning Rewrite (partial funding)
- Housing Study
- Business Surveys, Commercial Market Analysis, Visitor Data
- Upcoming studies will be needed beginning in 2027 to inform the 2050 Comprehensive Plan (ie: housing)

SCHEDULING AND PROJECT STATUS

This is an ongoing program.

Justification

Studies provide potential investors, developers, and policymakers with timely information needed for decision making.

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.

Expenditures	2027	2028	2029	2030	2031	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	2027	2028	2029	2030	2031	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

While consultants are brought on to assist with the project, staff time is spent on the studies to prepare contracts, review plans, facilitate ideas, prepare for public meetings and attend public meetings. In 2025, $42,000 was expended on various studies. In 2026, the fund was utilized to update the 2021 Opus AUAR, the cost of the update was $30,000.

Development and Redevelopment

Economic Improvement Program

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

Description

Minnetonka has actively been planning for the Green Line Extension since the early 2000's. As the light rail transit (LRT) project progresses from design to construction, there is a desire for redevelopment to occur around the city's station areas, creating a more transit-oriented area. In 2021, the Metropolitan Council announced a delay in completing the project due to unforeseen soil conditions in the Minneapolis segment of the route.

Southwest LRT Milestones:

- Dec. 20, 2018 - Project received "Limited Notice to Proceed" and Construction began with on-site preparation, demolition, utility work and contractor mobilization.
- March 2019 - The Metropolitan Council performed pre-construction inspections, and the contractor submitted a schedule of activities.
- Fall 2019 - Full Funding Grant Agreement.
- August 2019 - Heavy Construction 2019-2027.
- Summer/Fall 2027 - LRT service to begin.

SCHEDULING AND PROJECT STATUS

The Green Line Extension Service is scheduled to begin in 2027.

Justification

It is anticipated that, due to limited county, regional, and state resources, as well as competition for these resources, the city will need to provide resources to assist in facilitating redevelopment in the LRT station areas. Resources that are available as of 2025 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.

Strategic Profile

- Continue to support Opus Area transformation as a vital connected part of Minnetonka.

Budget Impact

In July 2015, the city committed $2 million towards the LRT project. This is being initially funded through the Special Assessment Construction Fund. The HRA Levy repaid 750,000 of the remaining balance over a 10-year repayment period that ended in 2025. It is unknown which types of programs will need to be added; therefore, the additional budget impacts beyond the city's financial commitment to the LRT project are also unknown. As programs are developed, staff time and future funding will need to be reviewed to determine a program's viability.

Development and Redevelopment

Economic Improvement Program

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

Description

The city owns scattered site residential and commercial properties. These properties have been purchased over the years for a variety of reasons, including potential for future redevelopment/resale and 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

City-owned properties include: 4292 Oak Drive Lane (residential) - occupied as a rental property, 5937 County Road 101 (residential) - vacant future redevelopment site, 5501 Baker Road (residential) - sell for affordable housing use, 5432 Rowland Road (residential) - sell for affordable housing use, 4700 Woodland Rd (residential)- vacant property needed for infrastructure needs, 10505 Belmont Road (residential) - sell for affordable housing, 1809 Welland Ave (residential) - sell for affordable housing use. The city also owns many other non-buildable properties for natural resource management and stormwater infrastructure. 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.

Strategic Profile

- Increase and diversify the types of housing within the city.

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Other	0	0	0	0	0	**0**
Total	**0**	**0**	**0**	**0**	**0**	**0**

Funding Sources	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Other	0	0	0	0	0	**0**
Total	**0**	**0**	**0**	**0**	**0**	**0**

Budget Impact

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 or open space, etc.



TAX INCREMENT FINANCING

CITY OF MINNETONKA

MINNETONKA ECONOMIC IMPROVEMENT PROGRAM

2027 thru 2031

TIF Admin

Economic Improvement Program

Project # TIF-01
Project Name TIF Administration

Type Program

Supplemental Attachments

2024 TIF Management Report

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 is required over the life of the TIF district. The city collects a portion of the increment to cover ongoing administrative expenses, totaling approximately $150,000 from all active districts.

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 Green Line Extension.

Justification

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan

- Continue to implement the city's policy requiring 10 to 20 percent of new multi-unit housing projects to be affordable housing, and ensure long-term affordability in 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

- Balance community-wide interests and respect Minnetonka's unique features while continuing community reinvestment.

KEY MEASURES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
TIF Districts	8	11	11	9	9	8	8	9	10	11	12
Tax Abatement	1	1	1	1	1	1	1	1	1	1	1

Expenditures	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Other	150,000	160,000	160,000	175,000	175,000	**820,000**
Total	**150,000**	**160,000**	**160,000**	**175,000**	**175,000**	**820,000**

Funding Sources	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Development Fund	150,000	160,000	160,000	175,000	175,000	**820,000**
Total	**150,000**	**160,000**	**160,000**	**175,000**	**175,000**	**820,000**

The TIF Management Report will be updated every two years and will be updated again in 2026.

Tax Increment Financing

Economic Improvement Program

Project #	TIF-04
Project Name	Glenhaven TIF District
Type	Program

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. In 2025, the city council approved a modification to the district that transferred $774,008 to the affordable housing trust fund for affordable housing.

Justification

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan

- Continue to implement the city's policy that 10 to 20 percent of new multi-unit housing projects 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

- Increase number of affordable housing units in the city.

Budget Impact

Staff, with occasional assistance from consultants, 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 2024 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Tax Increment Financing

Economic Improvement Program

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

Description

The Tonka on the Creek Housing TIF district was approved on February 10, 2014. The Tonka on the Creek TIF District was established to assist with financing a 100-unit apartment building, with 20 units affordable to those earning 50% or less of the Area Median Income (AMI).

SCHEDULING AND PROJECT STATUS

This TIF district was approved in 2014 and is scheduled to end in 2041. Construction began in late 2014 and was completed in early 2016.

Justification

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 the AMI and explore additional mixed-income practices.

Strategic Profile

- Increase the number of affordable housing units in the city.

Budget Impact

Staff, with occasional assistance from consultants, 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 2024 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Tax Increment Financing

Economic Improvement Program

Project #	TIF-07
Project Name	Applewood Pointe TIF District
Type	Program

Description

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

SCHEDULING AND PROJECT STATUS

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

In 2025, the city council approved a modification to the district that transferred $194,823 to the affordable housing trust for affordable housing.

Justification

The Applewood Pointe Redevelopment TIF District was established to assist with development of an 89-unit senior cooperative building, known as 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

- Increase number of affordable housing units in the city.

Budget Impact

Staff, with occasional assistance from consultants, 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 2024 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Tax Increment Financing

Economic Improvement Program

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

Description

At Home apartments is a 106-unit apartment building that received TIF assistance through the Rowland Housing Tax Increment Financing (TIF) district. Twenty-one units are affordable for those at 50% or less of the Area Median Income (AMI).

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

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan

- Continue to implement the city's policy that 10 to 20 percent of new multi-unit housing developments 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

- Increase the number of affordable housing units in the city.

Budget Impact

Staff, with occasional assistance from consultants, 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 2024 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Tax Increment Financing

Economic Improvement Program

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

Description

The TIF district includes a 482-unit multifamily housing project that received assistance through the Dominium Housing Tax Increment Financing (TIF) District. All 482 units are affordable for those at 60% of the Area Median Income (AMI). The project includes 262 senior housing units and 220 workforce units.

SCHEDULING AND PROJECT STATUS

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

In 2025, the city council approved a modification to the district that transferred $180,149 to the affordable housing trust for affordable housing.

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 Transit-Oriented Development (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

- Increase the number of affordable housing units in the city.
- Continue to support Opus Area transformation as a vital and connected part of Minnetonka.

Budget Impact

Staff, with occasional assistance from consultants, 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 2024 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Tax Increment Financing

Economic Improvement Program

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

Description

The Birke is a 175 multi-unit housing project that received TIF assistance through a Marsh Run Housing TIF district. The project has 20% (35 units) of its units affordable to those at 50% of the Area Median Income (AMI).

SCHEDULING AND PROJECT STATUS

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

In 2025, the city council approved a modification to the district that transferred $218,387 to the affordable housing trust for affordable housing.

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 city's policy that 10 to 20 percent of new multi-unit housing projects 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

- Increase the number of affordable housing units in the city.

Budget Impact

Staff, with occasional assistance from consultants, 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 2024 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Tax Increment Financing

Economic Improvement Program

Project #	TIF-11
Project Name	Shady Oak Crossing
Type	Program

Description

Shady Oak Crossing is a 75-unit project that received TIF assistance through the establishment of a redevelopment district. This project includes 23 affordable units for those earning 60% or less of the Area Median Income (AMI).

SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2020 and is scheduled to terminate in 2047. Construction began in 2020 and was completed in 2021. In 2025, At Home Apartments purchased the property.

Justification

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan

- Continue to implement the city's policy that 10 to 20 percent of new multi-unit housing projects 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

- Increase the number of affordable housing units in the city.

Budget Impact

Staff, with occasional assistance from consultants, 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 2024 TIF Management Report prepared by the Ehlers, the city's financial consultant.

Tax Increment Financing

Economic Improvement Program

Project #	TIF-12
Project Name	Opus TIF District
Type	Program

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 Alternative Urban Areawide Review (AUAR).

Scheduling and Project Status

The TIF district was approved in 2021 and is scheduled to 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 four housing developments in the district, and planned transportation mitigation measures:
Housing projects: 1. Minnetonka Station 2. Townline 3. Alcott 4. Marlowe
Road Improvement projects: 1. Shady Oak Road & Red Circle (complete) 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 (second right turn lane on southbound ramp to Bren Rd.

Comprehensive Plan

- Continue to implement the Economic Development Authority's policy that 10 to 20 percent of new multi-unit housing projects 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

- Increase number of affordable housing units in the city.
- Continue to support Opus Area transformation as a vital and connected part of Minnetonka.
- Prepare planned infrastructure needs prior to light rail opening in 2027 (Identified in 2026 AUAR).

Budget Impact

Staff, with occasional assistance from consultants, 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 2024 TIF Management Report prepared by the Ehlers, the city's financial consultant.

2027 thru 2031

Tax Increment Financing

Economic Improvement Program

Project #	TIF-13
Project Name	Marsh II District
Type	Program

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. The Marsh II project (Vale) 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.

SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2023 and is scheduled to terminate in 2050.

In 2025, the city received a $150,000 grant from Minnesota Housing to provide ongoing support for the transitional housing unit at Vale.

Justification

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan

- Continue to implement the city's policy that 10 to 20 percent of new multi-unit housing projects 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

- Increase the number of affordable housing units in the city.

Budget Impact

Staff, with occasional assistance from consultants, 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 2024 TIF Management Report prepared by the Ehlers, the city's financial consultant.



TAX ABATEMENT

CITY OF MINNETONKA

MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM

Tax Abatement

Economic Improvement Program

Project #	Abatement-1
Project Name	Ridgedale
Type	Improvement

Description

The Ridgedale Tax Abatement was approved for the improvements at Ridgedale Mall and specifically applies to the properties of Macy's, Nordstrom, and the mall outlots. The allocated funds were utilized for transportation improvements in the area surrounding the mall and for enhancing public amenities on the site.

SCHEDULING AND PROJECT STATUS:

The Ridgedale Tax Abatement project was approved in Spring 2013.

Justification

The Ridgedale Tax Abatement helped finance the transportation and other public improvements that needed to 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

- Strengthen relationships with local businesses and corporations through ongoing engagement, broaden outreach to culturally diverse businesses, and refine strategies based on feedback and impact monitoring.

KEY MEASURES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Market Value Increase	-13.22%	0.00%	1.18%	2.18%	3.16%	1.64%	2.00%	2.50%	3.00%	3.50%	4.00%

Budget Impact

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

CITY OF MINNETONKA

MINNETONKA
ECONOMIC
IMPROVEMENT
PROGRAM

FUND DESCRIPTIONS

Development Fund - 2026 estimated beginning fund balance: $4,580,329 (committed to interfund loans and projects)

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 - 2026 estimated beginning fund balance: $437,760 (committed to Homes Within Reach)

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.

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: $828,057 - Committed to programming

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 - 2026 estimated fund balance: $7,381,861 available for affordable housing initiatives (uncommitted to specific projects)

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.

Metro Housing Sales Tax – 2026 estimated fund balance: $1,139,332

Local Affordable Housing Aid helps metropolitan local communities develop and preserve affordable housing within their jurisdictions to keep families from losing housing and to help those experiencing homelessness find housing. Aid began in 2024 through the collection of state sales tax.

SUMMARY TABLE
EIP 2026
Expenditures by Category & Fund

Category	Program		Total	Fund: Devpt Fund	Fund: HRA Levy	Fund: Aff. Housing Trust Fund	Fund: Other
Housing:							
	Homes Within Reach	$	125,000		125,000		
	Welcome to Minnetonka	$	50,000		50,000		
	Mtka Home Enhancement	$	50,000		50,000		
	Pathways to Homeownership	$	500,000			500,000	
	Homeless Response	$	50,000			50,000	
	Emergency Rental Assistance	$	50,000			50,000	
	Subtotal	***$***	***825,000***	*$ -*	*$ 225,000*	*$ 600,000*	*$ -*
Business:							
	GreaterMSP	**$**	**26,000**	26,000			
	Elevate Hennepin/Open to Business	**$**	**20,000**	20,000			
	Outreach	**$**	**10,000**	10,000			
	MN Regional Chambers	**$**	**1,100**				1,100
	SAC/REC Deferral Program	**$**	**50,000**				50,000
	Emergency Business Grant	**$**	**2,500**	2,500			
	Commercial Code Compliance	**$**	**7,500**	7,500			
	Subtotal	***$***	***117,100***	*$ 66,000*	*$ -*	*$ -*	*$ 51,100*
Transit:							
	Commuter Services	**$**	**33,000**				33,000
	Transit Improvments	**$**	**-**				
	Subtotal	***$***	***33,000***	*$ -*	*$ -*	*$ -*	*$ 33,000*
Devpt & Redevpt:							
	Predevelopment	**$**	**75,000**	75,000			
	Studies, Plans, Research	**$**	**100,000**	100,000			
	Subtotal	***$***	***175,000***	*$ 175,000*	*$ -*	*$ -*	*$ -*
TIF Districts:							
	Devpt Agmt & TIF Admin	**$**	**150,000**	150,000			
	Subtotal	***$***	***150,000***	*$ 150,000*	*$ -*	*$ -*	*$ -*
Tax Abatement:							
	Ridgedale	**$**	**-**	$ -	$ -	$ -	$ -
	Subtotal	***$***	***-***	*$ -*	*$ -*	*$ -*	*$ -*
	TOTALS	***$***	***1,300,100***	***$ 391,000***	***$ 225,000***	***$ 600,000***	***$ 84,100***

Projects by Category and Dept 10YR

Economic Improvement Program

Department / Category	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
1-Housing												
Housing												
Emergency Rental Assistance	*Housing-26*	50,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	**356,000**
Homelessness Response	*Housing-25*	50,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	**95,000**
Homes Within Reach	*Housing-05*	125,000	125,000	125,000	125,000	25,000	25,000	25,000	25,000	25,000	25,000	**650,000**
Housing Improvement Areas	*Housing-06*	0	0	0	0	0	0	0	0	0	0	**0**
Minnetonka Home Enhancement	*Housing-08*	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	**500,000**
Pathways to Homeownership	*Housing-23*	500,000	250,000	250,000	250,000	250,000	100,000	100,000	100,000	100,000	100,000	**2,000,000**
Welcome to Minnetonka Loan Program	*Housing-14*	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	**500,000**
Housing Total		**825,000**	**514,000**	**514,000**	**514,000**	**414,000**	**264,000**	**264,000**	**264,000**	**264,000**	**264,000**	**4,101,000**
1-Housing Total		**825,000**	**514,000**	**514,000**	**514,000**	**414,000**	**264,000**	**264,000**	**264,000**	**264,000**	**264,000**	**4,101,000**
2-Business												
Business												
Business Advisory Services	*Business-07*	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	**200,000**
Commercial Code Compliance Fund	*Business-18*	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	**75,000**
Emergency Business Assistance	*Business-16*	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	**25,000**
GREATER MSP	*Business-04*	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	**260,000**
Outreach	*Business-08*	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	**100,000**
Regional Chambers of Commerce	*Business-11*	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	**11,000**
SAC/REC Deferral Program	*Business-14*	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	**500,000**
Business Total		**117,100**	**117,100**	**117,100**	**117,100**	**117,100**	**117,100**	**117,100**	**117,100**	**117,100**	**117,100**	**1,171,000**
2-Business Total		**117,100**	**117,100**	**117,100**	**117,100**	**117,100**	**117,100**	**117,100**	**117,100**	**117,100**	**117,100**	**1,171,000**
3-Transit												
Transit												
Commuter Services	*Transit-01*	33,000	33,000	34,000	34,000	35,000	35,000	36,000	36,000	37,000	37,000	**350,000**
Transit Improvements	*Transit-02*	0	0	0	0	0	0	0	0	0	0	**0**
Transit Total		**33,000**	**33,000**	**34,000**	**34,000**	**35,000**	**35,000**	**36,000**	**36,000**	**37,000**	**37,000**	**350,000**
3-Transit Total		**33,000**	**33,000**	**34,000**	**34,000**	**35,000**	**35,000**	**36,000**	**36,000**	**37,000**	**37,000**	**350,000**
4-Development & Redevelopment												
Develop/Redevelopment												
City Owned Properties	*Dev/Redev-05*	0	0	0	0	0	0	0	0	0	0	**0**
LRT and LRT Station Area Development	*Dev/Redev-03*	0	0	0	0	0	0	0	0	0	0	**0**

Department *Category*	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Predevelopment	*Dev/Redev-01*	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	**750,000**
Studies, Plans, Research Fund	*Dev/Redev-02*	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	**1,000,000**
Develop/Redevelopment Total		**175,000**	**175,000**	**175,000**	**175,000**	**175,000**	**175,000**	**175,000**	**175,000**	**175,000**	**175,000**	**1,750,000**
4-Development & Redevelopment Total		**175,000**	**175,000**	**175,000**	**175,000**	**175,000**	**175,000**	**175,000**	**175,000**	**175,000**	**175,000**	**1,750,000**
5-TIF Districts												
TIF												
Applewood Pointe TIF District	*TIF-07*	0	0	0	0	0	0	0	0	0	0	**0**
Dominium TIF District (Legends/ Preserve)	*TIF-09*	0	0	0	0	0	0	0	0	0	0	**0**
Glenhaven TIF District	*TIF-04*	0	0	0	0	0	0	0	0	0	0	**0**
Marsh II District	*TIF-13*	0	0	0	0	0	0	0	0	0	0	**0**
Marsh Run TIF District (The Birke)	*TIF-10*	0	0	0	0	0	0	0	0	0	0	**0**
Opus TIF District	*TIF-12*	0	0	0	0	0	0	0	0	0	0	**0**
Rowland Housing TIF District (At Home)	*TIF-08*	0	0	0	0	0	0	0	0	0	0	**0**
Shady Oak Crossing	*TIF-11*	0	0	0	0	0	0	0	0	0	0	**0**
TIF Administration	*TIF-01*	150,000	160,000	160,000	175,000	175,000	175,000	150,000	150,000	150,000	150,000	**1,595,000**
Tonka on the Creek TIF District (The Overlook)	*TIF-06*	0	0	0	0	0	0	0	0	0	0	**0**
TIF Total		**150,000**	**160,000**	**160,000**	**175,000**	**175,000**	**175,000**	**150,000**	**150,000**	**150,000**	**150,000**	**1,595,000**
5-TIF Districts Total		**150,000**	**160,000**	**160,000**	**175,000**	**175,000**	**175,000**	**150,000**	**150,000**	**150,000**	**150,000**	**1,595,000**
6-Tax Abatement												
Tax Abatement												
Ridgedale	*Abatement-1*	0	0	0	0	0	0	0	0	0	0	**0**
Tax Abatement Total		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
6-Tax Abatement Total		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GRAND TOTAL		**1,300,100**	**999,100**	**1,000,100**	**1,015,100**	**916,100**	**766,100**	**742,100**	**742,100**	**743,100**	**743,100**	**8,967,000**

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Affordable Housing Trust Fund											
Beginning Balance		**7,381,861**	**6,781,861**	**6,521,861**	**6,261,861**	**6,001,861**	**5,741,861**	**5,631,861**	**5,521,861**	**5,411,861**	**5,301,861**
Revenues and Other Fund Sources											
Revenue											
Other Fund Sources											
Total Revenues and Other Fund Sources		0	0	0	0	0	0	0	0	0	0
Total Funds available		**7,381,861**	**6,781,861**	**6,521,861**	**6,261,861**	**6,001,861**	**5,741,861**	**5,631,861**	**5,521,861**	**5,411,861**	**5,301,861**
Expenditures and Uses											
Capital Projects & Equipment											
1-Housing											
Emergency Rental Assistance	Housing-26	50,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Homelessness Response	Housing-25	50,000	0	0	0	0	0	0	0	0	0
Pathways to Homeownership	Housing-23	500,000	250,000	250,000	250,000	250,000	100,000	100,000	100,000	100,000	100,000
	Total	600,000	260,000	260,000	260,000	260,000	110,000	110,000	110,000	110,000	110,000
Other Uses											
Total Expenditures and Uses		600,000	260,000	260,000	260,000	260,000	110,000	110,000	110,000	110,000	110,000
Change in Fund Balance		-600,000	-260,000	-260,000	-260,000	-260,000	-110,000	-110,000	-110,000	-110,000	-110,000
	Ending Balance	**6,781,861**	**6,521,861**	**6,261,861**	**6,001,861**	**5,741,861**	**5,631,861**	**5,521,861**	**5,411,861**	**5,301,861**	**5,191,861**

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Development Fund											
Beginning Balance		**4,580,329**	**4,256,839**	**3,923,349**	**3,589,859**	**3,241,369**	**2,892,879**	**2,544,389**	**2,220,899**	**1,897,409**	**1,573,919**
Revenues and Other Fund Sources											
Revenue											
Cedar Ridge Assessments		49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500
Chasewood Admin		1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380
Cloud 9 Admin		1,630	1,630	1,630	1,630	1,630	1,630	1,630	1,630	1,630	1,630
Interest Income		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
	Total	67,510	67,510	67,510	67,510	67,510	67,510	67,510	67,510	67,510	67,510
Other Fund Sources											
Total Revenues and Other Fund Sources		67,510	67,510	67,510	67,510	67,510	67,510	67,510	67,510	67,510	67,510

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Funds available		**4,647,839**	**4,324,349**	**3,990,859**	**3,657,369**	**3,308,879**	**2,960,389**	**2,611,899**	**2,288,409**	**1,964,919**	**1,641,429**
Expenditures and Uses											
Capital Projects & Equipment											
2-Business											
Business Advisory Services	Business-07	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Commercial Code Compliance Fund	Business-18	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Emergency Business Assistance	Business-16	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
GREATER MSP	Business-04	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Outreach	Business-08	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Total	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000
4-Development & Redevelopment											
Predevelopment	Dev/Redev-01	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Studies, Plans, Research Fund	Dev/Redev-02	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	Total	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
5-TIF Districts											
TIF Administration	TIF-01	150,000	160,000	160,000	175,000	175,000	175,000	150,000	150,000	150,000	150,000
	Total	150,000	160,000	160,000	175,000	175,000	175,000	150,000	150,000	150,000	150,000
Other Uses											
Total Expenditures and Uses		391,000	401,000	401,000	416,000	416,000	416,000	391,000	391,000	391,000	391,000
Change in Fund Balance		-323,490	-333,490	-333,490	-348,490	-348,490	-348,490	-323,490	-323,490	-323,490	-323,490
	Ending Balance	**4,256,839**	**3,923,349**	**3,589,859**	**3,241,369**	**2,892,879**	**2,544,389**	**2,220,899**	**1,897,409**	**1,573,919**	**1,250,429**

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
General Fund											
Beginning Balance		**0**	**-34,100**	**-68,200**	**-103,300**	**-138,400**	**-174,500**	**-210,600**	**-247,700**	**-284,800**	**-322,900**
Revenues and Other Fund Sources											
Revenue											
Other Fund Sources											
Total Revenues and Other Fund Sources		0	0	0	0	0	0	0	0	0	0
Total Funds available		**0**	**-34,100**	**-68,200**	**-103,300**	**-138,400**	**-174,500**	**-210,600**	**-247,700**	**-284,800**	**-322,900**
Expenditures and Uses											
Capital Projects & Equipment											
2-Business											
Regional Chambers of Commerce	Business-11	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
	Total	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
3-Transit											

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Commuter Services	Transit-01	33,000	33,000	34,000	34,000	35,000	35,000	36,000	36,000	37,000	37,000
	Total	33,000	33,000	34,000	34,000	35,000	35,000	36,000	36,000	37,000	37,000
Other Uses											
Total Expenditures and Uses		34,100	34,100	35,100	35,100	36,100	36,100	37,100	37,100	38,100	38,100
Change in Fund Balance		-34,100	-34,100	-35,100	-35,100	-36,100	-36,100	-37,100	-37,100	-38,100	-38,100
	Ending Balance	**-34,100**	**-68,200**	**-103,300**	**-138,400**	**-174,500**	**-210,600**	**-247,700**	**-284,800**	**-322,900**	**-361,000**

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
HRA Levy											
Beginning Balance		**828,057**	**950,057**	**1,047,057**	**1,069,057**	**1,116,057**	**1,263,057**	**1,385,057**	**1,507,057**	**1,629,057**	**1,504,057**
Revenues and Other Fund Sources											
Revenue											
Ad Valorem Tax Levy		325,000	300,000	225,000	250,000	250,000	225,000	225,000	225,000	0	0
Investment Interest		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	0	0
Loan paybacks		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	0	0
	Total	347,000	322,000	247,000	272,000	272,000	247,000	247,000	247,000	0	0
Other Fund Sources											
Total Revenues and Other Fund Sources		347,000	322,000	247,000	272,000	272,000	247,000	247,000	247,000	0	0
Total Funds available		**1,175,057**	**1,272,057**	**1,294,057**	**1,341,057**	**1,388,057**	**1,510,057**	**1,632,057**	**1,754,057**	**1,629,057**	**1,504,057**
Expenditures and Uses											
Capital Projects & Equipment											
1-Housing											
Homes Within Reach	Housing-05	125,000	125,000	125,000	125,000	25,000	25,000	25,000	25,000	25,000	25,000
Minnetonka Home Enhancement	Housing-08	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Welcome to Minnetonka Loan Program	Housing-14	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Total	225,000	225,000	225,000	225,000	125,000	125,000	125,000	125,000	125,000	125,000
Other Uses											
Total Expenditures and Uses		225,000	225,000	225,000	225,000	125,000	125,000	125,000	125,000	125,000	125,000
Change in Fund Balance		122,000	97,000	22,000	47,000	147,000	122,000	122,000	122,000	-125,000	-125,000
	Ending Balance	**950,057**	**1,047,057**	**1,069,057**	**1,116,057**	**1,263,057**	**1,385,057**	**1,507,057**	**1,629,057**	**1,504,057**	**1,379,057**

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Livable Communities Fund											
Beginning Balance		**437,760**	**363,760**	**289,760**	**290,760**	**291,760**	**292,760**	**293,760**	**294,760**	**295,760**	**296,760**
Revenues and Other Fund Sources											
Revenue											
HRA Levy		125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	0	0
HRA Levy		0	0	0	0	0	0	0	0	125,000	0
Interest Income		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0
	Total	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	0
Other Fund Sources											
Total Revenues and Other Fund Sources		126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	0
Total Funds available		**563,760**	**489,760**	**415,760**	**416,760**	**417,760**	**418,760**	**419,760**	**420,760**	**421,760**	**296,760**
Expenditures and Uses											
Capital Projects & Equipment											
Other Uses											
Funds Committed to HWR		200,000	200,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	0
	Total	200,000	200,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	0
Total Expenditures and Uses		200,000	200,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	0
Change in Fund Balance		-74,000	-74,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0
	Ending Balance	**363,760**	**289,760**	**290,760**	**291,760**	**292,760**	**293,760**	**294,760**	**295,760**	**296,760**	**296,760**

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Metro Housing Sales Tax											
Beginning Balance		**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**
Revenues and Other Fund Sources											
Revenue											
Other Fund Sources											
Total Revenues and Other Fund Sources		0	0	0	0	0	0	0	0	0	0
Total Funds available		**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**
Expenditures and Uses											
Capital Projects & Equipment											
Other Uses											
Total Expenditures and Uses		0	0	0	0	0	0	0	0	0	0
Change in Fund Balance		0	0	0	0	0	0	0	0	0	0
	Ending Balance	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**	**1,939,322**

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Other											
Beginning Balance		**0**	**50,000**	**100,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**
Revenues and Other Fund Sources											
Revenue											
Other		50,000	50,000	50,000	0	0	0	0	0	0	0
	Total	50,000	50,000	50,000	0	0	0	0	0	0	0
Other Fund Sources											
Total Revenues and Other Fund Sources		50,000	50,000	50,000	0	0	0	0	0	0	0
Total Funds available		**50,000**	**100,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**
Expenditures and Uses											
Capital Projects & Equipment											
Other Uses											
Total Expenditures and Uses		0	0	0	0	0	0	0	0	0	0
Change in Fund Balance		50,000	50,000	50,000	0	0	0	0	0	0	0
	Ending Balance	**50,000**	**100,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Special Assessment Construction Fund											
Beginning Balance		**0**	**-50,000**	**-100,000**	**-150,000**	**-200,000**	**-250,000**	**-300,000**	**-350,000**	**-400,000**	**-450,000**
Revenues and Other Fund Sources											
Revenue											
Other Fund Sources											
Total Revenues and Other Fund Sources		0	0	0	0	0	0	0	0	0	0
Total Funds available		**0**	**-50,000**	**-100,000**	**-150,000**	**-200,000**	**-250,000**	**-300,000**	**-350,000**	**-400,000**	**-450,000**
Expenditures and Uses											
Capital Projects & Equipment											
2-Business											
SAC/REC Deferral Program	Business-14	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Total	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other Uses											
Total Expenditures and Uses		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Change in Fund Balance		-50,000	-50,000	-50,000	-50,000	-50,000	-50,000	-50,000	-50,000	-50,000	-50,000
	Ending Balance	**-50,000**	**-100,000**	**-150,000**	**-200,000**	**-250,000**	**-300,000**	**-350,000**	**-400,000**	**-450,000**	**-500,000**

Source	Project #	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
TIF											
Beginning Balance		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Revenues and Other Fund Sources											
Revenue											
Other Fund Sources											
Total Revenues and Other Fund Sources		0	0	0	0	0	0	0	0	0	0
Total Funds available		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expenditures and Uses											
Capital Projects & Equipment											
Other Uses											
Total Expenditures and Uses		0	0	0	0	0	0	0	0	0	0
Change in Fund Balance		0	0	0	0	0	0	0	0	0	0
	Ending Balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Tax Increment Financing District Summary

District	Glenhaven	Tonka on the Creek	Rowland (The Chase at Nine Mile Creek)	Applewood Pointe	Marsh Run (Doran - The Birke)	Shady Oak Crossing (Ron Clark)	Dominium	Opus Business Park	Marsh Run II (Doran)
District Type	Renewal and Renovation	Housing	Housing	Redevelopment	Housing	Redevelopment	Housing	Renewal and Renovation	Redevelopment
Development	52-unit apartmentwith 20,500 sq. ft. of retail, 150-unit sr. apartment (ind./mem care), and 45 sr. cooperative (Zvago)	100-unit apartment with 20% of units affordable at or below 50% AMI	106-unit apartment with 20% of units affordable at or below 50% AMI	87-unit sr. cooperative with 9 units affordable	175-Unit Apartment with 20% of the units affordable at or below 50% AMI	75-Unit Apartment with 30% of the units affordable at or below 60% AMI	262-unit sr. apartment and 220-unit workforce apartment all affordable at or below 60% AMI	Various housing developments	197-Unit Apartment with 10% Units affordable at or below 60% AMI and 20% affordable at or below 80% AMI
Certification Date	6/2/2006	4/22/2014	7/2/2015	7/2/2015	7/26/2019	7/17/2020	12/10/2018	5/14/2021	7/25/2023
Legal MaxTterm	12/31/2029	12/31/2041	12/31/2043	12/31/2043	12/31/2046	12/31/2047	12/31/2046	12/31/2039	12/31/2050
Anticipated Term	**12/31/2029**	**12/31/2041**	**12/31/2043**	**12/31/2025**	**12/31/2046**	**12/31/2043**	**12/31/2046**	**12/31/2039**	**12/31/2036**
First Increment	2007	2016	2018	2018	2021	2022	2021	2024	2025
Current Obligations	**$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)	**$4,600,000** PAYGO TIF Note
2024 Estimated TIF Revenue	$748,364	$246,017	$247,102	$247,253	$634,748	$183,314	$421,158	$1,041,843	$0

Tax Increment Financing Available District Pooling

POOLING FOR AFFORDABLE HOUSING
Gray Shaded Columns Depict TIF Districts That Have Been Modified to Allow For Additional 10% - Green Shaded Columns Are Hsg TIF Districts
Blue Shaded Columns Depict TIF Districts That Could Be Modified to Allow For Additional 10% - Pink Shaded Column Is Redistributed Returned Increment

Year	Beacon Hill (Housing)	Boulevard Gardens (Redevelopment)	Tonka on the Creek (Housing)	Rowland (Housing)	Marsh Run (Housing)	Dominium (Housing)	Applewood Pointe (Redevelopment)	Shady Oak Crossing (Redevelopment)	Glenhaven (Renewal and Renovation)	Total	Cumulative	TIF Transferred to AHTF	TIF Remaining in the Respective Districts For Affordable Housing
To Date	$ 936,640	$ 3,753,602	$ 147,196	$ 124,242	$ -	$ -	$ -	$ -	$ -	$ 4,961,680	$ 4,961,680	$ 4,961,680	
2024	$ -	$ 3,605,131	$ 23,789	$ -	$ 144,431	$ 1,485	$ -	$ -	$ -	$ 3,774,835	$ 8,736,515	$ 3,774,835	
2025			$ 11,877	$ -	$ 46,086	$ 15,524	$ 93,857	$ 4,538	$ 841,926	$ 1,013,807	$ 9,750,322	$ 1,013,807	
2026			$ 16,667	$ -	$ 52,562	$ 14,555	$ 280,955	$ 6,430	$ 292,071	$ 663,239	$ 10,413,561	$ 663,239	
2027			$ 16,833	$ (21,813)	$ 53,088	$ 14,700	$ 238,556	$ 6,495	$ 294,639	$ 602,498	$ 11,016,059	$ -	$ 602,498
2028			$ 17,002	$ 5,489	$ 53,619	$ 14,847	$ 240,941	$ 6,559	$ 297,832	$ 636,289	$ 11,652,348	$ -	$ 636,289
2029			$ 17,172	$ 5,544	$ 54,155	$ 14,996	$ 243,351	$ 6,625	$ 338,962	$ 680,804	$ 12,333,153	$ -	$ 680,804
2030			$ 17,343	$ 5,599	$ 54,697	$ 15,145	$ -	$ 6,691	$ 28,956	$ 128,432	$ 12,461,585	$ -	$ 128,432
2031			$ 17,517	$ 5,655	$ 628,300	$ 15,297	$ -	$ 6,758	$ -	$ 673,527	$ 13,135,112	$ -	$ 673,527
2032			$ 17,692	$ 5,712	$ 615,874	$ 15,450	$ -	$ 6,826	$ -	$ 661,553	$ 13,796,665	$ -	$ 661,553
2033			$ 17,869	$ 5,769	$ 622,033	$ 15,604	$ -	$ 6,894	$ -	$ 668,169	$ 14,464,834	$ -	$ 668,169
2034			$ 18,048	$ 5,826	$ 628,253	$ 15,760	$ -	$ 6,963	$ -	$ 674,851	$ 15,139,684	$ -	$ 674,851
2035			$ 158,146	$ 5,885	$ 634,536	$ 15,918	$ -	$ 7,033	$ -	$ 821,517	$ 15,961,202	$ -	$ 821,517
2036			$ 230,117	$ 5,944	$ 640,881	$ 16,077	$ -	$ 7,103	$ -	$ 900,121	$ 16,861,323	$ -	$ 900,121
2037			$ 232,418	$ 249,599	$ 647,290	$ 16,238	$ -	$ 7,174	$ -	$ 1,152,719	$ 18,014,042	$ -	$ 1,152,719
2038			$ 234,742	$ 228,992	$ 653,763	$ 16,400	$ -	$ 7,246	$ -	$ 1,141,143	$ 19,155,184	$ -	$ 1,141,143
2039			$ 237,089	$ 231,282	$ 660,300	$ 16,564	$ -	$ 7,318	$ -	$ 1,152,554	$ 20,307,739	$ -	$ 1,152,554
2040			$ 239,460	$ 233,595	$ 666,903	$ 16,730	$ -	$ 124,316	$ -	$ 1,281,005	$ 21,588,744	$ -	$ 1,281,005
2041			$ 241,855	$ 235,932	$ 673,572	$ 16,897	$ -	$ 174,870	$ -	$ 1,343,127	$ 22,931,870	$ -	$ 1,343,127
2042				$ 238,292	$ 680,308	$ 17,066	$ -	$ 176,619	$ -	$ 1,112,286	$ 24,044,156	$ -	$ 1,112,286
2043				$ 240,676	$ 687,111	$ 17,237	$ -	$ 178,385	$ -	$ 1,123,409	$ 25,167,565	$ -	$ 1,123,409
2044					$ 693,982	$ 17,409	$ -	$ 180,169	$ -	$ 891,561	$ 26,059,126	$ -	$ 891,561
2045					$ 700,922	$ 17,583	$ -	$ 181,971	$ -	$ 900,476	$ 26,959,603	$ -	$ 900,476
2046					$ 707,931	$ 312,026		$ 183,791	$ -	$ 1,203,748	$ 28,163,350	$ -	$ 1,203,748
2047								$ 185,628	$ -	$ 185,628	$ 28,348,979	$ -	$ 185,628
Total	$ 936,640	$ 7,358,733	$ 1,912,832	$ 1,812,218	$ 11,000,598	$ 649,510	$ 1,097,659	$ 1,486,403	$ 2,094,386	$ 28,348,979	$ 28,348,979	$ 10,413,561	$ 17,935,418

TIF Pooling Summary:

Applewood Pointe's TIF Note will be paid in full in 2025. By making the election to retain 35% of the TIF in this district, thus keeping the district open for an additional four (4) years, the City foregoes having it decertified and having the captured tax capacity available to spread the City tax levy on. To provide some perspective, the estimated captured tax capacity for this district in 2026 is 242,131. If the City/EDA chose to decertify the district at the end of 2025 when the TIF Note is paid in full and not levy for this portion of the tax capacity, it would provide a .06% reduction in the tax levy, which equates to approximately a $2.93 reduction in taxes for the average value home of $495,000 (assumes no change in existing tax base from prior year or change in the fiscal disparities dollars from pay 2024). Likewise, if the EDA/City returned the $280,955 in TIF to the County for redistribution, the City's portion would be approximately $101,000 and the EDA/City would lose approximately $180,000 for the AHTF.

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

Year Awarded	Fund / Project Name	Grant Amount	Project Grant Uses
2016	NatureWorks - Minnesota Investment Fund -	$250,000	Machinery/Equipment purchase, the company invested $625,0200 and created six new FTE.
2017	LCDA-TOD (Mariner)	$1,876,500	Site acquisition, site prep, stormwater, sidewalk along Bren Rd.
2018	Hennepin County Corridor Planning Grant (Opus Design Guidelines)	$50,000	Grant for Opus Placemaking Implementation Guide.
2018	Hennepin TOD (Mariner)	$450,000 *	Deferred gap financing loan to developer.
2018	Hennepin AHIF (Mariner)	$400,000 *	Deferred gap financing loan to developer.
2018	LHIA - Mariner	$210,500	Deferred gap financing loan to the developer.
2018	LCDA- TOD (Dominium)	$2,000,000	Solar panels, site prep, stormwater, and design for stormwater.
2019	MN DEED Job Creation Fund (Carlson Wagonlit)	$450,000	The company created 75 new FTE.
2019	MN DEED Job Creation Fund (PeopleNet/Trimble)	$600,000	The company invested $7,991,461.
2019	MN DEED Minnesota Investment Fund (PeopleNet/Trimble)	$1,000,000	Created 250 new FTE.
2020	Hennepin County Brownfields Gap Financing Participation (Opus AUAR Study)	$44,000	Assisted with payment for Opus AUAR.
2020	MN DEED Redevelopment Grant (Shady Oak Crossing)	$246,653	Demolition, abatement, utility improvements, and utility relocation.
2020	Hennepin County TOD (Shady Oak Crossing)	$250,000 *	Demolition, stormwater management, and utilities.
2020	Met Council TBRA (Shady Oak Crossing)	$414,200	Environmental site investigation, asbestos abatement, contaminated soil remediation, and soil vapor sampling.
2021	Hennepin County TOD (Wellington)	$250,000 *	Demolition, public space, sidewalks/trails, public bike infrastructure, stormwater management.
2022	King Technology	$617,000	Invested $14.5M, and created 50 FTE.
2022	Metropolitan Council Policy Grant	$50,000	Assisted with payment for Zone Co. zoning diagnostic.
2024	Metropolitan Council – 5432 Rowland Rd	$288,634	Grant to assist with the construction costs of the twin homes.
2024	Metropolitan Council – Habitat Twinhome Project	$500,000	Grant to assist with the construction costs to build 10 twin homes.
2024	Hennepin County – 5432 Rowland Rd	$200,000*	Grant to assist with the two affordable homeownership units.
2025	Local Housing Trust Fund Match	$225,000	One-time funding application for the affordable housing trust fund.
	Total	**$8,822,487**	

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



AFFORDABLE HOUSING GOALS

CITY OF MINNETONKA

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 requied 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.

Sewered Communities	Net population growth (2021-2030) (1/29/2021)	*NEED* for affordable units, total (1/29/2021)	*NEED* for units affordable to households with income at or below 30% of AMI	*NEED* for units affordable to households with income 31% to 50% of AMI	*NEED* for units affordable to households with income 51% to 80% of AMI
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

Unit Type	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	N/A
Wyldewood Condos	2006	8	N/A
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	N/A
West Ridge Retirement	1997	45	Boulevard Gardens TIF
Boulevard Gardens	1997	46	Boulevard Gardens TIF
Crown Ridge Apartments	1997	46	Boulevard Gardens TIF

Project	Year Completed	Affordable Units	EIP Program Used
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

Unit Type	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

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

Project	Year Completed	Lifecycle Units	EIP Program Used
Avidor	2020*	168	N/A
Marsh Run	2020*	140	TIF Housing

2021-2030 AFFORDABLE HOUSING GOALS

Unit Type	Goals (2021-2030)	Results	Percent Achieved (to date)
New Affordable Units (rental & ownership)	558 - 1,064	770	138%
New Lifecycle Units	2,400	1,469	61%

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
United Properties – Amira Minnetonka	2023	19	AHTF
Alcott – Doran	2023	53	AHTF
Linden Street - Minnetonka Station	2023	28	AHTF
Wellington – Townline	2023	68	Opus TIF
Doran - Vale	2024	40	Marsh II TIF
Greystar – Bellamy	2026	27	Opus TIF
United Properties – Amira Villas	2026	3	N/A
Greco – The Ensley	2026	15	N/A
Total	N/A	770	N/A

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

2021-2030 New Lifecycle Units

Project	Year Completed	Lifecycle Units	EIP Program Used
Shady Oak Crossings	2021	52	TIF Pooling
Amira Minnetonka	2023	186	Development Fund
Alcott	2023	297	Opus TIF
Minnetonka Station	2023	247	Opus TIF
Townline	2023	155	Opus TIF
Vale	2025	157	Marsh II TIF
Bellamy	2026	242	Opus TIF
Amira Villas	2026	27	N/A

Project	Year Completed	Lifecycle Units	EIP Program Used
The Ensley	2026	106	N/A
Total	N/A	1,469	N/A

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

2026 Affordable Housing Income Limits

How much do residents make in the Twin Cities?

- Twin Cities Median Family Income 2026: $131,500

Household Size	30%	40%	50%	60%	80%	120%
1	$27,630	$36,840	$46,050	$55,260	$73,680	$110,450
2	$31,560	$42,080	$52,600	$63,120	$84,160	$126,250
3	$35,520	$47,360	$59,200	$71,040	$94,720,	$142,000
4	$39,450	$52,600	$65,750	$78,900	$105,200	$157,800
5	$42,630	$56,840	$71,050	$85,260	$113,680	$170,400
6	$45,780	$61,040	$76,300	$91,560	$122,080	$183,050
7	$48,930	$65,240	$81,550	$97,860	$130,480	$195,650
8	$52,080	$69,440	$86,800	$104,160	$138,880	$208,300

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

Maximum Gross Rents by Bedroom Size

AMI	Studio	1 bedroom	2 bedroom	3 bedroom
30%	$690	$739	$888	$1,026
40%	$921	$986	$1,183	$1,368
50%	$1,151	$1,233	$1,479	$1,710
60%	$1,381	$1,479	$1,776	$2,052
80%	$1,842	$1,973	$2,368	$2,736

Maximum rent tables are published annually by Minnesota Housing: *https://www.mnhousing.gov/rental-housing/post-selection/rent---income-limits.html*

Affordable rent based on sample occupations and their average salaries

- Affordable Rent is considered a household spending equal to or less than 30% of household income on housing.

Occupation	Median Salary	Affordable Rent
Fast Food Workers	$35,247	$881
Retail Salesperson	$35,954	$899
Cooks, Restaurant	$40,883	$1,022
Laborers	$46,914	$1,173
Customer Service Representatives	$48,692	$1,217
Chef / Head Cook	$62,913	$1,573
Elementary School Teacher	$77,347	$1,934
Electrician	$98,645	$2,466
Nurse	$103,822	$2,596
Veterinarian	$126,992	$3,175

Salaries are from *MN DEED data (2025)*. Salaries are for the 7 County Metro region and rent is calculated based on those salaries.

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

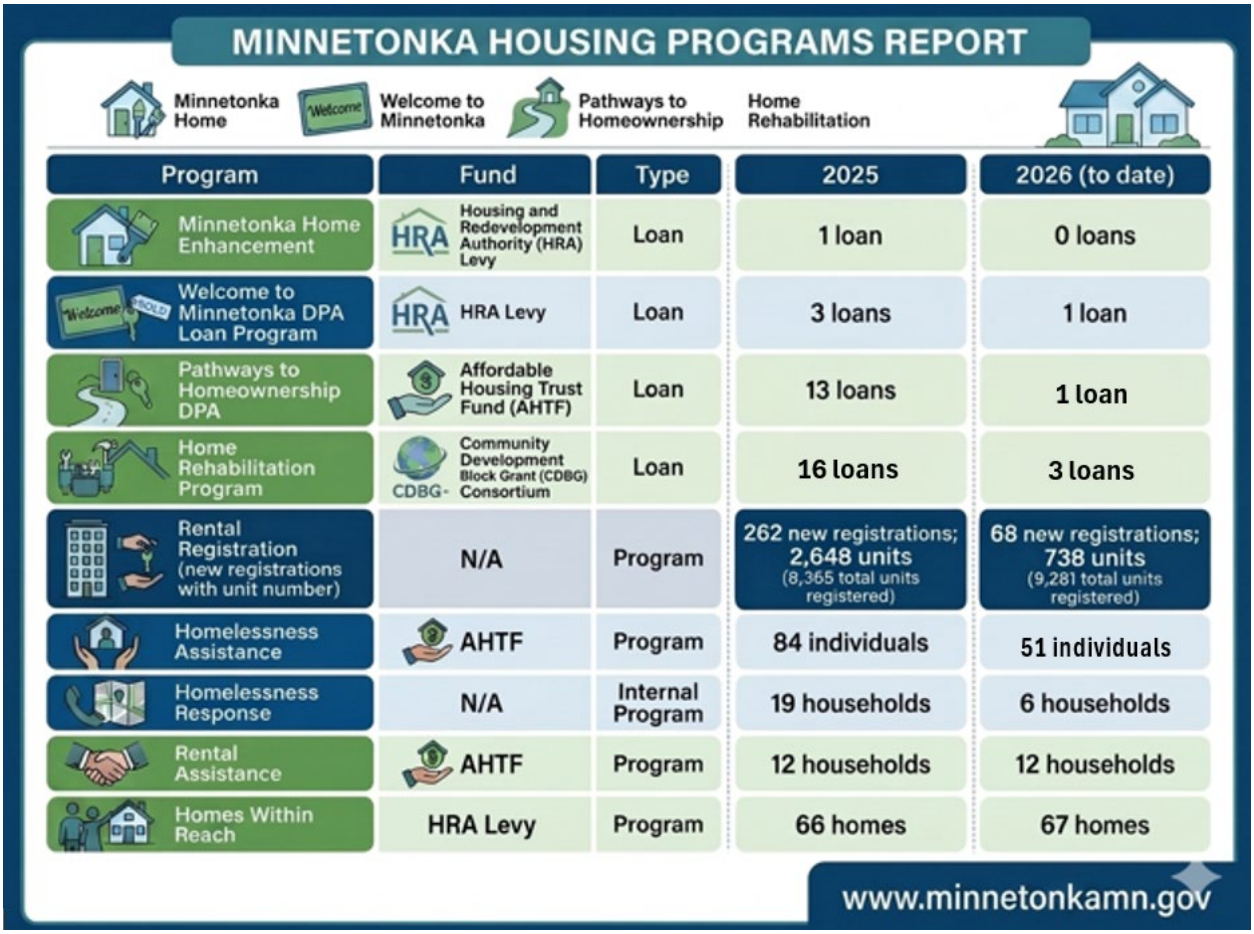
Term	Definition
Affordable Housing Trust Fund	In 2020, the City Council established an Affordable Housing Trust Fund (AHTF), dedicating funds to preserve and create affordable housing.
Community Development Block Grant (CDBG)	A program through HUD assisting state and local governments with a variety 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
Local Affordable Housing Aid (LAHA)	Local Affordable Housing Aid helps metropolitan local governments develop and preserve affordable housing within their jurisdictions to keep families from losing housing and to help those experiencing homelessness find housing. This program is funded through state sales tax.
Metropolitan Council	A regional policy-making body, planning agency and provider of services to guide growth in the Twin Cities metropolitan area

Term	Definition
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

Supplemental Program Data

Housing

The chart below summarizes housing program utilization for 2025 and the current totals for 2026.



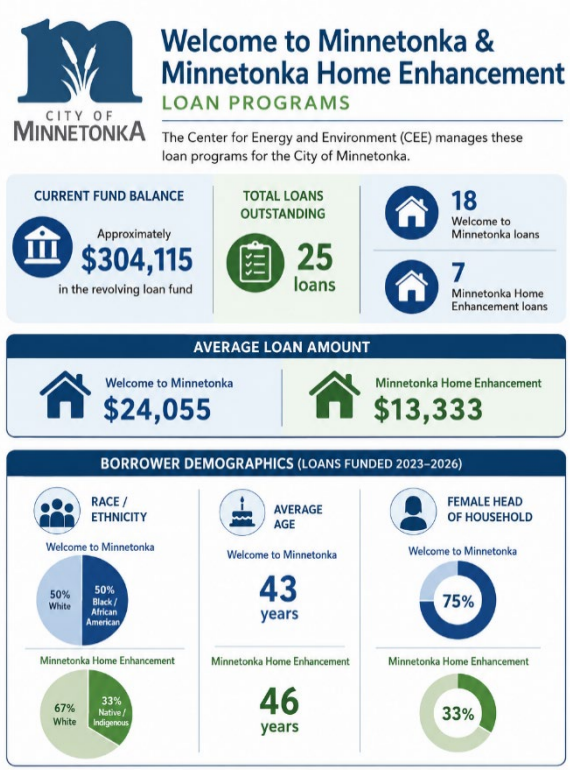
All graphics in this report were generated by AI, but factually verified and edited by city staff.

Program Stats/Demographics

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 $304,115 for these programs, with 25 loans outstanding.
    - 18 Welcome to Minnetonka loans outstanding
    - 7 Minnetonka Home Enhancement loans outstanding

- The average loan amount for the Welcome to Minnetonka Program is $24,055, and the Minnetonka Home Enhancement average loan amount is $13,333.
- Other Demographics for the loans funded in 2023-2026:
    - Race:
        - Welcome to Minnetonka: 50% White, 50% Black/African American
        - Minnetonka Home Enhancement: 67% White, 33% Native/Indigenous
    - Average Age:
        - Welcome to Minnetonka: 43
        - Minnetonka Home Enhancement: 46
    - Female Head of Household:
        - Welcome to Minnetonka: 75%
        - Minnetonka Home Enhancement: 33%



Housing Improvement Areas

- The city issued bonds in 2019 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.
- Villas at Chasewood was the most recent HIA project that was finalized in December 2025. Repairs were completed on 21 buildings (188 units). The final total project cost was $10,801,400.
    - In 2026, the loan will be repaid through the housing fee collected on the annual property tax statements.
    - There were 50 prepayments (27%) of the fee.

Emergency Rental Assistance

- The Minnetonka Rental Housing Assistance Program provides housing assistance payments to help prevent eviction and homelessness and maintain housing stability for eligible renters and homeowners. 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 in 2020, $50,000 in 2023, and an additional $100,000 in 2026.
    - Since 2024, 28 households have been assisted.
- In June 2025, the city was awarded $150,000 in funding from Minnesota Housing for additional rental assistance dollars for the homeless transitional unit at the Vale.

Rental Registration Program

- The rental registration program went into effect in 2024. Staff sends out certificates of registration to all registrants.
    - In 2025, there were a total of 615 submissions to the registry (8365 units).
    - As of July 2026, there are a total of 630 active registrations (9281 units).
        - 607 are long-term rentals (9256 units)
        - 23 are short-term rentals (25 units)

The table below shows the number of active registered properties by unit type.

Unit Type	Number of active registered properties	Number of active registered units
Apartment	49	8043
Condo	214	454
Single-Family	260	266
Unit in Single-Family	21	26
Townhome	86	492

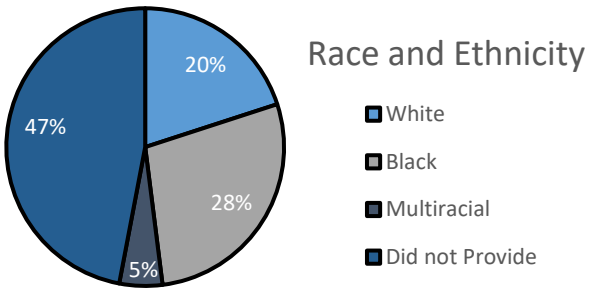
Homelessness Response

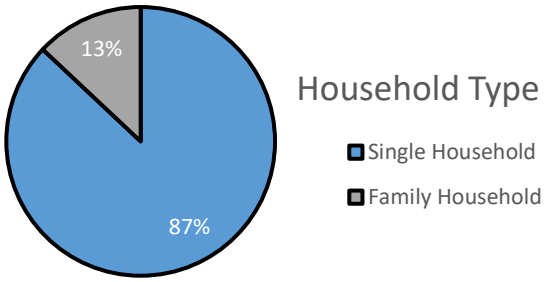
The Emergency Homelessness Response Assistance Program provides temporary relief for households experiencing a housing crisis or homelessness. Through a partnership with His House Foundation, the program finances casework, temporary housing, and first-month rent deposits. The overall goal is to provide resources and assist with long-term housing solutions.

- Since 2022, the program has assisted 226 individuals in Minnetonka out of a housing or homelessness crisis.
- In 2026, the council approved $50,000 for the program and extended the contract for an additional 2 years.
- All funds have been distributed to His House Foundation. No additional funds have been approved for 2026.

2025 Homelessness Response Demographics

- Race and Ethnicity:
    - 20% identified as White
    - 28% identified as Black
    - 5% identified as Multiracial
    - 47% did not provide race or ethnicity information
- Singles vs Families:
    - 87% of households were singles
    - 13% of households were families



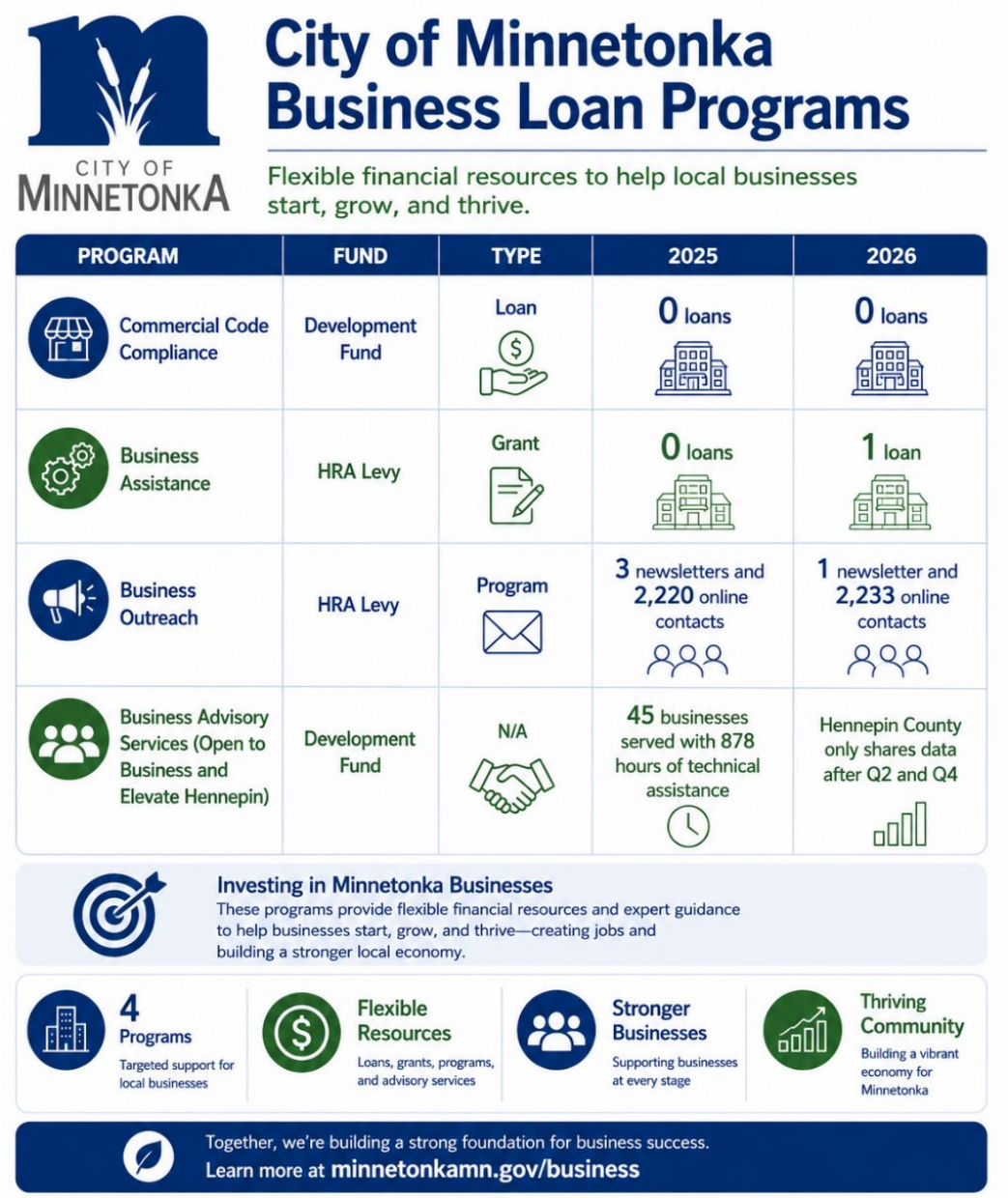


The police and community development departments continue to use the map-based, shared reporting system to identify and respond to homeless situations. The cases are directed to city departments and non-profit partners to provide assistance and resources, rather than requiring a police response as the only option.

Year	Number of Cases tracked by Dashboard
2023	23
2024	13
2025	19
2026	6

Business

The chart below summarizes the utilization of business programs for 2025 and the current totals for 2026.



Links and Resources:

Housing

- Housing Story Map
- Housing Dashboard
- Housing Resource List

Business

- Minnetonka Business Financing Assistance Programs
- 2025 Commercial Real Estate Market Analysis
- 2025 Business Survey Results

Economic Development Advisory Commission
Agenda Item 5.B
Meeting of August 13, 2026

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

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

Recommended Action
Informational

Background
See attached staff report.

ATTACHMENTS:
Staff Report

Economic Development and Housing Updates

Transit Updates

- Hennepin County launched a new transit website and interactive map this summer that brings together information about every transit provider in the county.
- Minnetonka City Council approved a one-year extension to the Transit Cooperation Agreement with Metro Transit. Conversations continue with SouthWest Transit and Metro Transit about microtransit service in 2027.

METRO Green Line Extension (Southwest LRT)

- A new drone video of the METRO Green Line Extension was released this summer.
- This fall, Metro Transit will announce the 2027 opening date for the line.

Business Updates

Business Outreach

- *Thrive Minnetonka* has released two corporate spotlight videos, of Stratasys and Fireaway. The third video will be released later this year.
- Three businesses were featured during the joint City Council/Planning Commission/EDAC/Sustainability Commission bus tour: YUM! restaurant, Packard Culligan, and Abbott.
- Staff visited businesses along Cedar Lake Road and Minnetonka Boulevard to discuss construction impacts and resources available to them.
- The next Minnetonka Business Network meeting is scheduled for September 16, 2026, at Westdale Floral.
- The Fall 2026 issue of Thrive Minnetonka will be online and mailed to businesses during late October.

Development Updates

The tables below provide an overview of some of the projects underway in the city.

Housing Projects	Location	Status
Amani Construction	5432 Rowland Rd	Construction underway, 2 buyers selected – closing date in September
The Ensley	15407/15409 Wayzata Blvd	CO Issued, residents moving in
Minnetonka Mills (Habitat)	3521 Baker Road	Site work and construction underway
The Bellamy	10701 Bren Rd	CO Issued
Marsh Run 3	11800 Wayzata Blvd	Site development permit issued
English Rose	Hopkins Crossroad	Two, 10-resident car homes approved by CC

Housing Projects	Location	Status
Expanded Ventures	5900 Rowland Rd	Concept plan reviewed at June 22 council meeting

Misc. Projects	Location	Status
Hopkins West Middle School	3830 Baker Rd	Under Review, parking lot and site, dome
Former Opus Building	10350 Bren Rd	Demo Underway
Endeavor	10700 Bren Road W	Concept Plan reviewed at June 8 council meeting
Xcel Energy	Multiple locations	Replacing several poles, council approved on 7/13
Cargill	2301 Crosby Rd	Demo complete, site work remaining

Business Projects	Location	Status
Wells Fargo	Plymouth Rd	Chipotle and Jersey Mike's now open!
7 Brew Coffee	Hwy 7/CR101	Under construction
Kwik Trip	9800 Mtka Blvd	Concept plan reviewed at June 8 city council meeting

Zoning Code Project Update

The ongoing zoning code rewrite project seeks to restructure the existing code for greater clarity, more efficient administration, and development results that better reflect the city's long-term vision.

At the end of May, staff and community workgroups reviewed several draft ordinance sections, including: (1) proposed zoning districts; (2) dimensional standards for each district, such as lot size, building setbacks, and building height; and (3) permitted uses in each district. The goal is to have a complete draft ordinance ready for public review and comment by late summer.

Information about the zoning ordinance update project is available on Minnetonka Matters.

Housing Updates

Short-Term Rental Ordinance

At its June 8, 2026 meeting, the City Council adopted a short-term rental ordinance requiring short-term rental properties to be homesteaded and registered with the City. The short-term rental requirement will be effective starting January 1, 2027.

- The ordinance:
  - Defines a short-term rental as a residential rental property providing tourist or transient guest occupancy for a period of less than thirty (30) consecutive days for a fee or other consideration;
  - Continues to require short-term rentals to register with the city; and

- Requires that to be eligible for the registry, short-term rentals must be homesteaded. This means only property owners who occupy their homes as their primary residence may rent that property (wholly or partially) as a short-term rental.

Homeless Initiative – Encampment Policy Update

At its June 8, 2026 meeting, the city council adopted an encampment policy. The policy provides a procedure for encampments on city property.

July 20, 2026 – City Council Study Session

Evictions

Staff presented initial research on eviction data in Minnetonka. This research was prompted by the council expressing concerns about eviction rates in the city and its interest in learning more about drafting an eviction ordinance. The city currently follows state statute, which requires that all landlords in Minnesota issue a 14-day written notice before filing for eviction for non-payment of rent or other unpaid financial obligations. However, cities are allowed to enact stronger provisions locally.

Staff presented data from the Hennepin County dashboard, which uses state court records of eviction filings to summarize countywide eviction data focused primarily on eviction judgments for non-payment of rent. Over the past few years, eviction rates have remained low, and staff continues to monitor evictions in Minnetonka. The city's homeless prevention and rental assistance programs help keep people housed.

The council was interested in having staff do more in-depth research into an ordinance. The main two questions posed to staff were how much an ordinance would help the community, and whether an ordinance would make an impact on eviction numbers in Minnetonka. In addition, the council was curious about what the non-renewal numbers looked like in the city.

They were open to doing a 30-day eviction notice ordinance. Over the next few months, staff will start research on a 30-day eviction notice ordinance for non-payment of rent and bring back an ordinance at the October 26, 2026 council meeting for introduction.

Identification of Expiring Indexed Units

Staff presented information on expiring affordable ownership (indexed) units in the city. One ownership development is reaching the end of its restrictive covenant in 2026. Staff has already notified the owners of the expiration date and provided them with information to continue the affordability of their units. Staff also mentioned there were a few rental developments with expiring covenants, and staff was already talking with those ownership groups to maintain that affordability in the future.

During the council discussion, the main questions posed were: Are the index units in the city already naturally occurring affordable housing (NOAH)? And if they are NOAH, is reaching out to owners of expiring affordable covenants needed if the market is keeping them affordable? Staff will continue to research and answer these questions, as well as see if there is something that the city could offer residents to continue the affordability of their units.

Manufactured homes

Staff continues to research the process for manufactured housing in Minnetonka as a new affordable housing tool. There is a Habitat for Humanity project in Wisconsin that staff plans to attend the grand opening of in the Fall to learn more.

During the study session, a few council members mentioned tiny homes as an option for affordable housing, as well as how manufactured homes work into the zoning conversation related to density.

Housing GIS Story Map

This is a link to the city's housing story map that provides a more interactive visual aid for accessing information about the city's housing efforts.

Upcoming Events

- Sept. 10, 2026 – EDAC Meeting