



**CITY OF SHOREVIEW
AGENDA
ECONOMIC DEVELOPMENT AUTHORITY
Monday February 03, 2025
5:00 PM**

- 1. CALL TO ORDER**
- 2. APPROVAL OF AGENDA**
- 3. APPROVAL OF MINUTES**
 - 3.a [EDA Minutes - January 6, 2025](#)
- 4. FINANCES AND BUDGET**
 - 4.a [Acceptance of December 2024 Financial Reports](#)
- 5. GENERAL BUSINESS**
 - 5.a [City Support for Ramsey County Proposed Legislation to Expand HRA Authority for EDA Activities](#)
 - 5.b [Local Housing Trust Fund Grant Program](#)
 - 5.c [EDA Goals and Work Plan Priorities for 2025-2026](#)
 - 5.d [Monthly Staff Report: Project Updates and Information](#)
- 6. ADJOURNMENT**

Memorandum

TO: Economic Development Authority
FROM: Tom Simonson , Assistant City Manager and Community Development Director
DATE: February 3, 2025
SUBJECT: EDA Minutes - January 6, 2025
ITEM NUMBER: 3.a
SECTION: APPROVAL OF MINUTES

REQUESTED MOTION

To approve the EDA meeting minutes of January 6, 2025.

INTRODUCTION

The draft of the EDA meeting minutes from January 6, 2025 is presented to the board for review and approval.

DISCUSSION

The draft minutes from January 6, 2025 is attached.

RECOMMENDATION

Staff recommends the board review and approve of the official EDA meeting minutes from January 6, 2025.

ATTACHMENTS

[EDA Minutes - January 6, 2025](#)

**SHOREVIEW ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
January 6, 2025**

CALL TO ORDER

(NOTE: The terms of President Cory Springhorn and Board Member Sue Denkinger expired on December 31, 2024. They will be reappointed by the city council later this evening. It was determined Springhorn and Denkinger could participate in the meeting discussion but should not vote on action items. Board Member John Doan officiated the meeting as Acting President.)

Acting President John Doan called the meeting to order on January 6, 2025 at 5:01 p.m.

ROLL CALL

The following members were present: Acting President John Doan; Board Members Rachel Japuntich and Josh Wing.

Also in attendance:

Sue Denkinger, Mayor

Cory Springhorn, Councilmember

Paul Gardener, Councilmember-Elect

Shelly Myrland, Councilmember-Elect

Brad Martens, City Manager

Renee Eisenbeisz, Asst. City Manager

Tom Simonson, Asst. City Manager/Community Development Director

Niki Hill, AICP, Asst. Community Development Director

APPROVAL OF AGENDA

MOTION: by Wing, seconded by Japuntich, to approve the agenda as presented.

VOTE: **AYES - 3** **NAYS - 0**

ELECTION OF OFFICERS

MOTION: by Japuntich, seconded by Doan, to elect Cory Springhorn as President and Sue Denkinger as Vice President, contingent upon their reappointment to the EDA by the city council at its meeting later in the evening; and Josh Wing as Treasurer.

VOTE: **AYES - 3** **NAYS - 0**

8. Amazon - Community Development Supplies- \$18.04 - (Fund 240)
Date Paid: 10/10/24
9. Pioneer Press - Monthly Subscription -\$14.00 (Fund 240)
Date Paid: 10/25/2024
10. Kirstin Chatfield - October ED Consulting - \$1,250.00 - (Fund 240)
Date Paid: 11/7/24
11. Allen, Deanne - EDA Minutes - October - \$200 - (Fund 240)
Date Paid: 11/7/2024
12. Kimley-Horn Associates - Hodgson Road Drainage - \$4,996.56 - (Fund 240)
Date Paid: 11/26/24
13. Allen, Deanne - EDA Minutes - November - \$200 - (Fund 240)
Date Paid: 11/26/2024

VOTE: AYES - 3 NAYS - 0

GENERAL BUSINESS

TAX INCREMENT FINANCING POOLING RESOURCES ANALYSIS

Presentation by Asst. City Manager/Community Development Director Tom Simonson

Simonson stated that it is important from time to time for the EDA to review active tax increment districts and potential resources that could be available to assist with achieving goals. With two new at-large board members, it is helpful for their understanding to provide this background information.

In 2024, the legislature changed the Tax Increment Financing (TIF) law which impacts the way cities can utilize their TIF funds for pooling. Prior to the law change, cities could opt to keep TIF Districts open up to the maximum life of the District, even after the obligation to the developer or other in-district obligations had been met. This allowed cities to collect tax increment at the back end of the TIF District and use those funds for pooling resources to be used for other projects in the city. The law now requires the District be closed once District obligations have been met.

This has led to the city policy of retaining a higher percentage each year from the tax increment for additional development revenue. In order to preserve pooling, cities need to either utilize pooling dollars prior to the end of in-district obligations or account for it from the beginning of the TIF District and have it accrue over the life of the TIF District. This permits funds from TIF Districts to be pooled and used

anywhere within the City as long as statutory requirements are met, which vary depending on the type of TIF District and the year it was certified.

Municipal Development District No. 2 covers most of the city, which means that development funds can be used almost anywhere in Shoreview. Shoreview has established a fairly small number of 16 tax increment districts since the first for Deluxe in 1988. The city has adopted a policy to use TIF Districts when possible rather than direct tax dollars to best leverage resources to assist with major economic development, redevelopment, job creation and housing.

Simonson reviewed the 11 TIF Districts that are still active:

- TIF Districts 6, 8, 10, 11, 13, 14 and 15 are Redevelopment Districts with 25-year terms.
- TIF District 12 is a 12-year Business Retention and Expansion District allowed by special legislation.
- TIF Districts 4 and 16 are Housing Districts with 25-year terms. TIF District 4 reached its statutory limit but remains active due to the low/moderate income housing loans that were funded with TIF from this District.
- TIF District No. 1 is a Redevelopment District which reached its statutory maximum of 25 years but remains active due to a fund balance and an outstanding obligation of an inter fund loan from TIF District 8 and housing loans funded from this TIF District.

Most districts created have been for redevelopment, as the city has very little remaining vacant land to develop given the age of maturity.

Two have been established as Housing Districts, which require meeting certain thresholds of affordability. Scandia Shores was the first housing district created in the late 1990's. Once the city's obligation was met to support affordable senior housing units, the city elected to keep the District open for 5 additional years to collect the increments. Funds captured in the last 5 years from that District were approximately \$750,000 that have been used for affordable housing and the home loan program. The most recent Housing TIF District is Rice Street Crossing, which will provide 20% of the units affordable at 50% AMI.

Myrland asked what happens when a property within a district is sold. Simonson replied that if a development project in a TIF District were to be sold to a new property owner, that property would have to meet all the conditions of the original agreement. All agreements and obligations are assignable and remain in effect as long as the terms are met.

Every TIF District can utilize up to 10% of the tax increment generated for administrative costs. Once the actual TIF administration costs have been paid, the remaining tax increment can be spent on TIF eligible costs within the Municipal Development District either to assist the developer or make public improvements. Administrative costs are not overcharged in order to build up funds for eligible development costs.

Redevelopment Districts certified prior to 1990 have no pooling restrictions. They can be expended on any un-obligated TIF eligible expenses within the Development District. Shoreview has a single pre-1990 TIF District 1, the old Deluxe development. That District went beyond the Deluxe property and encompassed other properties. When the values of any of those properties increased or there were expansions, the city was collecting tax increment and was able to build up pooled resources. The city has utilized this funding source for a wide variety of projects over the years including Highway 96 improvements, Kowalski's, Trader Joe's, and public improvements for the Lakeview Terrace redevelopment. The funds from TIF 1 have diminished and the city must look for other revenue options from TIF pooling to support future goals.

Changes to the TIF pooling rules, make the city's best option in creating new TIF Districts is to provide 75% of the increment to the developer and retain 25% for pooling opportunities, whenever possible. The city has already implemented this 25% retention strategy with TIF Districts 10 (McMillan), 14 (Scannell Building 1) and 15 (Fairview). PaR Systems and Rice Street Crossings required higher percentages of increment for financial assistance.

An evaluation of the TIF Districts was completed by the city's development attorney, Mary Ippel from the Taft Law Firm. Recommendations from that report included assessing and monitoring the various TIF budgets to ensure the city can access its pooling dollars prior to any in-district obligations being met. Once the district obligation is met, parcels need to be removed from the TIF District and the District decertified. The analysis also identified restrictions and eligible uses of the funds, which depend on when the District was established, the type of District, and what level of funding assistance was needed for the development project. This information has been provided to the board.

TIF District 12 was created before the pandemic for the expansions of TSI and Mead Metals. Mead Metals eventually moved forward with their building project and is receiving tax increment reimbursements for eligible costs, but TSI has chosen not to pursue an expansion yet as their space needs are less than originally estimated. There is a "knock down rule" whereby if no action is taken within 5 years, the city has

to drop the property from the District. Paperwork was just filed with the county to remove the TSI parcels from TIF District 12. This would mean TSI would need to request a new TIF District for any future expansion project that meets state law and the city's policies.

TIF Districts 8, 10, 11 are outperforming their initial projections and will likely need to be decertified before their statutory end date because TIF obligations will be paid sooner than was projected. That's a good thing since the full value goes directly to the property tax rolls.

City staff and our consultant Kirstin Chatfield completed an analysis of the amount of pooling dollars available, both currently and projected in the future. Fund balances for the 11 active TIF Districts and the Temporary TIF Fund shows approximately \$2,014,972 in tax increment available at this time for pooling purposes to assist with projects. The majority of the existing available funds were transferred to a Temporary TIF Authority Fund, as allowed by a special state law to support economic development and job creation coming out of the pandemic. The Temporary TIF Fund must be spent by the end of 2025, otherwise any remaining balance goes back to the originating TIF District. Temporary Funds that have been obligated include:

\$800,000 - Fairview Health

\$750,000 - PaR Systems

\$142,485 - Rice Street Crossing

Total = \$1,692,485

This leaves only \$38,509 remaining in the Temporary TIF Fund to be spent by the end of 2025, or it will go back to TIF District 1.

TIF Districts 13, 14, 15, 16 use their statutory end dates for the calculation since tax increment collection has not commenced. Based on current projections, it is estimated that the city will have \$13,023,162 available for pooling over the next 25 years. This does not include the multifamily development on the Scannell property (District 14). The multifamily development will be totally separate and added to the analysis in the future.

Doan said the \$13 million is approximately \$500,000 a year, but asked if there is other increment in these projects. Simonson said that the city has a pay-as-you-go policy, which is a revenue note to the developer. If the project is built according to the TIF agreement, then the city pays the tax increment each year until the obligation is paid, based on the increment generated. If there is less increment

then the developer receives less reimbursement. Pay-as-you-go provides financial protection to the city and significantly reduces risk. Some cities over the years have provided bond financing up front to developers for projects that never went forward, which becomes a major financial risk to the city.

Simonson clarified that the pooled resources being discussed in future years are those increments beyond the dollars being redirected back to the project. In response to a question would the city have to wait to utilize pooled funds until they come in over the 25 years. Simonson said that would be the most conservative approach but if there was a major program initiative or redevelopment project that required large funding assistance there could be options to finance with future increments used to pay back. He cited the Shoreview Mall and Town Center as possible scenarios where public assistance beyond what may be available from a new TIF District could require additional pooled resources. That would be a policy discussion for the EDA and city council.

Tax increment finance assistance is based on a “but for” gap. In order to qualify for TIF, the developer must show the financing gap for the project that is the amount of TIF provided.

Recommended actions to preserve pooling flexibility under the new legislative change:

1. Evaluate all future TIF contributions using the 75/25% tax increment allocation between the development and the city's TIF utilization.
2. Examine existing TIF budgets to determine capacity for pooling. Then adjust any budgets prior to the date the in-district obligation is met to ensure pooling is maximized.
3. Monitor TIF Districts 8, 10, 11 for early termination.
4. Identify projects within the city that can benefit from pooling; redevelopment sites, public improvements, infrastructure replacement, etc.
5. Preserve the more flexible TIF pooling dollars for the complicated projects that don't have a traditional funding source or those with larger gaps that need additional public assistance.
6. Match the pooling source (10% administration or 15% redevelopment) with life projects. For instance, use the 15% for projects that qualify as a redevelopment and or renewal and renovation district and the 10% for projects that require more cost flexibility or public improvements.

Acting President Doan thanked staff for preparing this detailed analysis and noted it was very helpful in explaining the rules and potential resources.

EDA GOALS AND WORK PLAN PRIORITIES FOR 2025-2026

Simonson said that starting with the first meeting of the year the board will begin review of previous goals, accomplishments, and update priorities for the next two-year work plan.

Acting President Doan noted it is important for the EDA's goals to be supportive of the goals identified by the city council's strategic planning which will be held in February. Goals for 2025-2026 will be discussed at future meetings after the council's strategic planning meeting in February.

Simonson concurred by stating that the EDA and EDC will typically work on their updated goals but not finalized until after the council has their strategic planning session. It is the hope that a joint meeting of the three groups can be scheduled to discuss goals and priorities similar to what was done a year ago. Simonson then reviewed previously adopted goals and other discussion from the board about future goals.

Previous EDA economic development goals included:

- Scannell Properties moving forward on the Seven Lakes Plan
- Shoreview Corporate Center completed with Phase 3 constructed and 4100 office building fully leased
- Business retention and expansion:
 - Expansions of Mead Metals, Schoonover Bodyworks, and Wells Fargo
 - City continues to work with PaR Systems on expansion
- Business attraction:
 - City assisted Eagle Ridge and Scannell to attract office, high tech/med tech users, and good paying jobs
 - New businesses 4100 Lexington, which includes PTC software, Progressive, and two financial firms—that location is fully leased
 - City is working hard with Scannell to attract good companies to the Seven Lakes development. Two large companies, Fairview and PaR Systems, will both be locating in Seven Lakes. However, more work is needed to attract smaller companies in a multi-tenant building.

Wing commended staff for the work done on the Scannell development, which is amazing!

Wing asked if there are any redevelopment opportunities in the Rice Creek Corporate Park. Hill said some potential development could occur in Rice Creek Park with Wells Fargo subdividing their property. That application is expected as soon as February.

Acting President Doan said attention should be given to developing a program for small businesses in the community. The city was able to provide help during the pandemic, but there is not a program that focuses on small businesses.

Previous EDA housing goals included:

- Rice Street Crossing - close to moving ahead with development
- Purchase of forfeited property at 5931 Lexington and partnering with CAPRW on an affordable housing renovation project
- Rondo/Habitat for Humanity affordable housing land trust project making progress
- Adoption of inclusionary Housing Policy which addresses increasing affordable units in market rate development
- Continuing work on housing study strategies
- Home improvement loans improved marketing
- Continuing work with land trust model
- Preserve natural affordable housing - some language has been adopted to protect tenants, but more work is needed with Shoreview Hills
- Leveraging financial capacity for advancing goals with adoption of a Written Spending Plan to pool resources and setting aside \$500,000 for additional housing initiatives.

Other accomplishments by the EDA included: adding staff for housing code enforcement, increasing rental licensing fees, support for EDA intern, adoption of a policy to support housing reinvestment and maintenance.

Key strategic objectives of the EDA:

- Maintaining quality neighborhoods
- Preserving housing stock conditions
- Providing a variety of housing choices
- Supporting retention of business and expansion
- Supporting attraction of new business and services that benefit the community
- Fostering redevelopment of older commercial and industrial areas

Previous EDA feedback on future goals:

- Position city to be effective partner with redevelopment of Shoreview Mall
- Multifamily/townhome ownership opportunities

- Higher priority to provide information on non-profits to those in the community looking for help
- Explore offering financial packages to help with rehabilitation of housing
- Options to own affordable homes through land trusts or declaration format
- Awareness of legislative interest in increasing density that would impact neighborhoods
- Housing Study identified zoning changes to consider
- Information article in newsletter on housing demand and where people have lived who moved to new housing in Shoreview

Discussion of future EDA goals:

Simonson said that given the limited time remaining the board can discuss the additional goals and identify their top priorities or you could defer this discussion until the next meeting.

Denkinger stated this was a very good summary of past goals and accomplishments and she would prefer to take some time to think about new goals.

Acting President Doan asked how other board members would like to move forward and he suggested going around so each member could state their top goals that come to mind.

Audio recording of the meeting stopped at this time so the following is a summary from staff notes taken during the discussion

The EDA board identified the following issues and goals to be considered:

- Explore ways to modernize older industrial space or redevelopment to create more multi-use space with modern amenities that are sought by businesses (such as high bays, special flooring, technology, etc.)
- Support our smaller businesses by developing a small business loan program (the city has done well in supporting medium and large businesses; the small business emergency forgiveness loan program was a huge success)
- It's important to have a comprehensive list of goals, but there should be a focus on the top 3-4 priorities in economic development and housing
- Building awareness of our home loan programs, consider creating a package of programs to help residents or prospective residents with owning and updating older homes

- Is the housing stock updated or not - and if not, is it creating obstacles that keep people from buying – identify these challenges and explore ways the city can possibly improve existing programs or look at new programs
- Include the information to NeighborWorks and discuss ideas on how to better market housing programs to the community
- Incorporating the Shoreview Energy Action Plan into development and businesses
- Keep monitoring the Shoreview Mall property and continue to pursue ways to engage the current owner into considering a full redevelopment – serves as a critical anchor to support the Town Center vision that links the area to the Shoreview Commons
- Future opportunities for reinvestment and redevelopment of older commercial properties
 - Older industrial area between I-694 and County Road E, east of the Seven Lakes project
 - Cummins Power building at Victoria Street and I-694
 - Westinghouse property along Highway 96
- Homeownership – the city has seen high demand for multifamily rental housing, but consider homeownership projects with developers
- Trade-up housing - how do we support housing / resident retention, and keep them in the community
- Review options for those residents who want to age in their homes or provide additional housing opportunities for single-level living if possible with limited land available
- Ensure that redevelopment or major upgrades to older multifamily properties that are considered naturally occurring affordable housing (NOAH) do not put a burden on the residents

Acting President Doan noted the city council will be holding a strategic planning session in February, so the EDA goals should be consistent with the outcomes from the council goal-setting.

Simonson said that typically the update to the EDA work plan takes several meetings and is not finalized until after the council strategy session to ensure the goals match the council's vision and priorities.

Staff will take the comments provided by the board and return at the next meeting with a draft updated work plan that provides more details to the goals and priorities identified.

ADJOURNMENT

MOTION: by Japuntich, seconded by Wing, to adjourn the meeting at 6:32 p.m.

VOTE: **AYES - 3** **NAYS - 0**

Acting President Doan declared the meeting adjourned.

Memorandum

TO: Economic Development Authority
FROM: Niki Hill, AICP , Assistant Community Development Director
DATE: February 3, 2025
SUBJECT: Acceptance of December 2024 Financial Reports
ITEM NUMBER: 4.a
SECTION: FINANCES AND BUDGET

REQUESTED MOTION

To accept the monthly financial reports for EDA Fund 240 and HRA Fund 241; and approve the following payments of claims and purchases:

1. Urban Land Institute - Membership Renewal - \$830.00 (Fund 240) - Date Paid: 11/20/24
2. EDAM - Winter Gathering - \$40.00 (Fund 240) - Date Paid: 11/20/24
3. Pioneer Press - Monthly Subscription -\$14.00 (Fund 240) - Date Paid: 11/25/2024
4. EDAM - City Renewal - \$565.00 (Fund 240) - Date Paid: 11/25/24
5. Green Mill Pizza - EDA Meeting Supplies - \$190.07 (Fund 240) - Date - 12/11/2024
6. Churchill St - EDA Meeting Supplies - \$162.29 - (Fund 240) - Date 12/30/24
7. Kirstin Chatfield - December ED Consulting - \$937.50 - (Fund 240) - Date Paid: 12/12/24
8. Braun Intertec - Rice Street Crossing - \$1,508.45 - (Fund 240) - Date Paid: 12/12/24

INTRODUCTION

Staff is presenting to the EDA board the EDA and HRA financial reports from December 2024, as well as the most recent claims and purchases recommended for approval.

DISCUSSION

The monthly financial reports for the EDA Fund 240, and HRA Fund 241 are attached for your review. Home Loan Funds 305 and 307 have not had any reportable changes since the switch in servicer. We are working with Neighborworks on getting the loan payments sent to the city and are looking to get an update to the EDA by the next meeting.

RECOMMENDATION

It is recommended the EDA review and accept the monthly financial fund reports.

ATTACHMENTS

[Fund 240 - December 2024](#)

[Fund 241 - December 2024](#)

Shoreview EDA (Fund 240)
Balance Sheet
For the period ending December 31, 2024

Assets:

Cash and Investments	\$ (18,645.55)
Taxes Receivable	\$ 1,513.53
Due from Other Gov	\$ 407.06
Total assets	<u>\$ (16,724.96)</u>

Liabilities and Fund Balance:

Liabilities:

Accounts Payable	\$ (511.86)
Due to Other Governments	\$ 511.86
Deferred Revenue-Taxes	\$ 1,513.53
Total liabilities	<u>\$ 1,513.53</u>

Fund Balance:

\$ (18,238.49)

Total Liabilities and Fund Balance

\$ (16,724.96)

Fund 240

-

Shoreview EDA (Fund 240)
Operating Statement
For the period ending December 31, 2024

	<u>Budget</u>	<u>Actual</u>
Revenues:		
Property taxes	\$ 240,000.00	\$ 122,548.34
Total revenues	<u>\$ 240,000.00</u>	<u>\$ 122,548.34</u>
Expenditures:		
Employee wages	\$ 106,661.00	\$ 123,397.55
PERA contribution	\$ 6,666.00	\$ 9,255.57
FICA/Medicare contribution	\$ 7,897.00	\$ 9,247.92
Group insurance	\$ 8,637.00	\$ 10,575.14
Workers' compensation insurance	\$ 779.00	\$ 642.28
Supplies	\$ 7,000.00	\$ 3,773.01
Contractual fees	\$ 57,000.00	\$ 165,864.31
Travel expense	\$ 3,000.00	\$ 523.35
General liability insurance	\$ 2,132.00	\$ 6,076.59
Dues and Subscriptions	\$ 3,000.00	\$ 4,241.95
Training	\$ 4,000.00	\$ 1,056.89
Total expenditures	<u>\$ 214,772.00</u>	<u>\$ 335,067.22</u>
Net of Revenues & Expenditures	<u>\$ 25,228.00</u>	<u>\$ (212,518.88)</u>
Other Financing Sources (Uses):		
Transfer from General Fund	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 25,228.00</u>	<u>\$ (212,518.88)</u>
Fund equity balance January 1, 2024		<u>\$ 194,280.39</u>
Fund equity balance December 31, 2024		<u><u>\$ (18,238.49)</u></u>

Shoreview EDA (Fund 240)

Expenditure Detail

For the period ending December 31, 2024

Contractual Services

<u>Date</u> <u>Paid</u>	<u>Check</u> <u>Number</u>	<u>Payee</u>	<u>Description</u>	<u>Amount</u>
2/29/2024	6040	Wok Cuisine	EDA Meeting Supplies Jan	194.09
3/6/2024	6427	The Winkin Rooster	EDA Meeting Supplies March	151.20
3/21/2024	6425	Churchill St	Arden Hills Shoreview Business Council	432.58
4/1/2024	6426	Dos Hermanos Mexican Grill	EDA Meeting Supplies Jan	161.52
4/22/2024	6218	Paninos	EDA Meeting Supplies February	207.19
5/1/2024	6563	Xtreme	Community Development Clothing	494.00
5/6/2024	6684	Punch Neapolitan Pizza	EDA Meeting Supplies	114.37
5/6/2024	6685	Punch Neapolitan Pizza	EDA Meeting Supplies	43.69
5/16/2024	6628	Xtreme	Community Development Clothing	(19.00)
5/17/2024	6682	Green Mill Pizza	Dept Meeting Supplies	160.63
6/3/2024	6686	Siam Thai	EDA Meeting Supplies June	174.25
6/25/2024	6794	Taste of Scandinavia	EDC Meeting Supplies	90.93
7/18/2024	6887	The Winkin Rooster	EDA Meeting Supplies	138.61
7/31/2024	6884	Xtreme	Community Development Clothing	137.00
8/30/2024	6886	Mansettis Gramsie	EDA Meeting Supplies	169.68
9/4/2024	7044	Siam Thai	EDA Meeting Supplies September	167.45
9/17/2024	7157	Churchill St	Shoreview Arden hills Business council	317.65
10/7/2024	7303	Green Mill Pizza	EDA Meeting Supplies	68.62
10/14/2024	7307	Olivers	EDA Meeting Supplies	190.54
10/14/2024	7306	Olivers	EDA Meeting Supplies	25.65
12/11/2024	7304	Green Mill Pizza	EDA Meeting Supplies	190.07
12/30/2024	7308	Churchill St	EDC Meeting Supplies	162.29
Total Supplies				3,773.01
1/9/2024	575091	Audio Eye, Inc	2024 Audioeye Managed	10,585.00
1/16/2024	5800	Allen, Deanne	EDA minutes January 2	200.00
2/6/2024	575343	Braun Intertec	Geotechnical Evaluation	2,936.00
2/6/2024	575349	Commercial Partners Title	Rice Street Crossings	720.00
2/6/2024	575370	Kirstin Chatfield	January ED Consulting	3,750.00
2/26/2024	5937	Allen, Deanne	EDA meeting minutes	200.00
2/29/2024	575515	Braun Intertec	Geotechnical Evaluation	1,647.30
2/29/2024	575515	Braun Intertec	Environmental consulting	1,067.00
3/13/2024	575734	Kirstin Chatfield	January ED Consulting	10,562.50
3/26/2023	6069	Allen, Deanne	EDA meeting minutes	200.00
3/27/2023	575775	CBRE	Rice Street Crossings Appraisal	3,850.00
4/25/2024	576028	Kirstin Chatfield	March ED Consulting	937.50

Shoreview EDA (Fund 240)

Expenditure Detail

For the period ending December 31, 2024

Contractual Services

<u>Date</u>	<u>Check</u>	<u>Payee</u>	<u>Description</u>	<u>Amount</u>
<u>Paid</u>	<u>Number</u>			
5/2/2024	6125	Allen, Deanne	EDA meeting minutes	200.00
5/16/2024	576162	Braun Intertec	Environmental consulting	533.00
5/23/2024	576241	Kirstin Chatfield	April ED Consulting	1,000.00
5/23/2024	576225	Golden Shovel Agency	Economic Gateway & Gatekeeper Service	15,450.00
6/6/2024	576365	Kirstin Chatfield	May ED Consulting	2,500.00
6/7/2024	6343	Allen, Deanne	EDA meeting minutes	200.00
6/13/2024	576434	Braun Intertec	Geotechnical Evaluation	1,071.00
7/11/2024	6457	Allen, Deanne	EDA meeting minutes	200.00
7/23/2024	576914	Kirstin Chatfield	June ED Consulting	2,500.00
8/1/2024	6585	Allen, Deanne	EDA meeting minutes	200.00
8/29/2024	6608	Allen, Deanne	EDA meeting minutes	200.00
9/6/2024	577516	Kirstin Chatfield	July ED Consulting	3,062.50
9/26/2024	577730	Taft Stettinius & Hollister	Tax Financing Inquiries	2,800.00
9/26/2024	577730	Taft Stettinius & Hollister	TIF 11 - Greco	1,800.00
9/26/2024	577730	Taft Stettinius & Hollister	TIF 14 - March through May	8,600.00
9/26/2024	577730	Taft Stettinius & Hollister	TIF 14 - Sept through November	9,600.00
9/26/2024	577730	Taft Stettinius & Hollister	TIF 16 - Enclave	13,250.00
9/26/2024	577730	Taft Stettinius & Hollister	TIF 15 - March to May	29,000.00
9/26/2024	577730	Taft Stettinius & Hollister	TIF 14 - PAR Systems	24,000.00
10/3/2024	6899	Allen, Deanne	EDA meeting minutes	200.00
10/10/2024	577903	Kirstin Chatfield	August ED Consulting	2,875.00
10/10/2024	577903	Kirstin Chatfield	September ED Consulting	875.00
11/7/2024	578183	Kirstin Chatfield	October ED Consulting	1,250.00
11/7/2024	7047	Allen, Deanne	EDA meeting minutes	200.00
11/14/2024	578252	Kimley-Horn Associates	160596012.3 Hodgson road drainage	4,996.56
11/26/2024	7162	Allen, Deanne	Minutes 11/4	200.00
12/12/2024	578524	Kirstin Chatfield	November ED Consulting	937.50
12/12/2024	578499	Braun Intertec	Rice Street Crossing	1,508.45
Total Contractual Fees				165,864.31
3/21/2024	575728	Hill, Nicole	Conference Mileage Reimbursment	119.53
7/25/2024	576971	Hill, Nicole	EDAM Summer Conference	403.82
Total Travel Expense				523.35
1/5/2024	574984	North Risk Partners	2024 Insurance Agent Fee	162.99
3/4/2024	575668	League of Minnesota Cities	Liability Insurance Annual Installment	2,897.00

Shoreview EDA (Fund 240)
Expenditure Detail
For the period ending December 31, 2024

Contractual Services

<u>Date</u>	<u>Check</u>	<u>Payee</u>	<u>Description</u>	<u>Amount</u>
<u>Paid</u>	<u>Number</u>			
11/14/2024	578254	League of Minnesota Cities	Liability Insurance Annual Installment	2,868.00
12/12/2024	578541	North Risk Partners	2024/5 Insurance Agent Fee	148.60
Total General Liability Insurance				6,076.59

Shoreview EDA (Fund 240)

Expenditure Detail

For the period ending December 31, 2024

Contractual Services

<u>Date Paid</u>	<u>Check Number</u>	<u>Payee</u>	<u>Description</u>	<u>Amount</u>
1/31/2024	6217	Pioneer Press	Monthly Subscription	26.00
2/22/2024	6321	Pioneer Press	Monthly Subscription	26.00
4/12/2024	6564	Pioneer Press	Monthly Subscription	14.00
4/23/2024	6565	REDI	Annual Caylist/Listing Service	2,100.00
5/9/2024	6683	Pioneer Press	Monthly Subscription	14.00
6/6/2024	6792	Pioneer Press	Monthly Subscription	14.00
6/6/2024	6796	Finance & Commerce	Digital Subscription	329.00
7/5/2024	6793	Pioneer Press	Monthly Subscription	14.00
8/1/2024	6885	Pioneer Press	Monthly Subscription	14.00
8/12/2024	7046	Minneapolis St Paul Business Jourr	Renewal	200.00
8/29/2024	7043	Pioneer Press	Monthly Subscription	14.00
9/27/2024	7156	Pioneer Press	Monthly Subscription	14.00
10/25/2024	7305	Pioneer Press	Monthly Subscription	14.00
11/19/2024	7382	Twin Cities Business	Renewal	39.95
11/20/2024	7386	Urban Land Institute	ULI Membership Renewal	830.00
11/22/2024	7385	Pioneer Press	Monthly Subscription	14.00
11/25/2024	7384	EDAM	Renewal	565.00
Total Dues and Subscriptions				4,241.95
2/28/2024	6036	Ehlers	Ehlers Municipal Finance Conference	250.00
4/22/2024	6216	Ehlers	Ehlers Municipal Finance Conference	350.00
4/23/2024	6562	EDAM	EDAM Summer Conference	365.00
5/23/2024	576206	Amazon	EDA/training and pro develop	15.20
9/19/2024	577611	Amazon	Community Development Supplies	18.65
10/10/2024	577866	Amazon	Community Development Oct 24	18.04
11/20/2025	7383	EDAM	EDAM Winter Gathering	40.00
Total Training				1,056.89
9/12/2024	577585	Sams Lock & Key	4227 Nancy Place Lockout	125.00
12/12/2024	GJ		SHI/578557/SPLIT 230/240	287.66
Total Other				412.66
Total Contractual Services				181,948.76

Shoreview EDA (Fund 240)

Expenditure Detail

For the period ending December 31, 2024

Contractual Services

Date	Check	Payee	Description	Amount
Paid	Number			

Shoreview HRA (Fund 241)
Balance Sheet
For the period ending December 31, 2024

Assets:

Cash and Investments	\$ 621,356.54
Taxes Receivable	\$ 2,239.88
Total assets	<u>\$ 623,596.42</u>

Liabilities and Fund Balance:

Liabilities:

Damage Deposit	\$ 1,000.00
Deferred Revenue	\$ 5,618.90
Total liabilities	<u>\$ 6,618.90</u>

Fund Balance: \$ 616,977.52

Total Liabilities and Fund Balance \$ 623,596.42

Shoreview HRA (Fund 241)
Operating Statement
For the period ending December 31, 2024

	<u>Budget</u>	<u>Actual</u>
Revenues:		
Property taxes	\$310,000.00	\$ 431,027.74
Rental Licensing		\$ 135,260.00
Total revenues	<u>\$ 310,000.00</u>	<u>\$ 566,287.74</u>
Expenditures:		
Employee wages	\$ 223,891.00	\$ 188,172.79
PERA contribution	\$ 16,792.00	\$ 14,114.81
FICA/Medicare contribution	\$ 16,987.00	\$ 14,155.95
Group insurance	\$ 35,526.00	\$ 27,976.11
Workers' compensation insurance	\$ 1,173.00	\$ 1,331.70
Cell Phone	\$ 750.00	\$ 4,778.90
Supplies	\$ -	\$ 96.92
Contractual fees	\$ 50,000.00	\$ 61,710.89
Building & Structure	\$ 20,000.00	
Building & Structure	\$ -	\$ -
Total expenditures	<u>\$ 368,499.00</u>	<u>\$ 312,338.07</u>
Net of Revenues & Expenditures	<u>\$ (58,499.00)</u>	<u>\$ 253,949.67</u>
Fund equity balance January 1, 2024		<u>\$363,027.85</u>
For the period ending December 31, 2024		<u><u>\$ 616,977.52</u></u>

Shoreview HRA (Fund 241)

Expenditure Detail

For the period ending December 31, 2024

Contractual Services

<u>Date</u> <u>Paid</u>	<u>Check</u> <u>Number</u>	<u>Payee</u>	<u>Description</u>	<u>Amount</u>
3/1/24	6322	Mister Car Wash	402-19 car wash	40.80
3/12/24	6424	Mister Car Wash	402-19 car wash	38.66
7/11/24	576748	Amazon	Comm Dev Supplies June 2024	17.46
Supplies				\$ 96.92
1/1/24	574984	North Risk Partners	2024 Insurance Agent Fee	43.54
1/1/24	1159	CAPRW	910 & 902 County RD	(1,609.00)
1/31/24	575283	League of Minnesota Cities	2024 Prop/Liability 1st & 2nd Installment	368.09
1/31/24	18965		Correct allocation of P&L insurance invoice	12.91
2/29/24	6687	Propio LS	Interpretation Services	36.10
4/25/24	576049	WSB & Associates	March Code Enforcement	12,387.75
4/11/24	575907	League of Minnesota Cities	2024 Prop/Liability 3rd Installment	190.50
6/11/24	576540	WSB & Associates	April Code Enforcement	13,771.25
6/21/24	576540	WSB & Associates	February Code Enforcement	13,628.25
7/18/24	576858	League of Minnesota Cities	2024 Prop/Liability 3rd Installment	190.50
7/25/24	577051	WSB & Associates	Jan Code Enforcement	14,197.25
7/25/24	577051	WSB & Associates	May Code Enforcement	1,725.00
10/10/24	577949	Varin/Domestic Engineering	4227 Nancy Pl Hoarding clear	1,009.91
11/7/24	578182	Kimley-Horn Associates	Hodgson Road Drainage Study	5,647.14
12/12/24	578541	North Risk Partners	2024/25 Insurance Agent Fee	39.70
12/27/24	578677	League of Minnesota Cities	2024 Prop/Liability Dec Installment	72.00
Total Contractual Fees				\$ 61,710.89
1/30/24	6192	Verizon Wireless	Cellular Phone Service	41.24
2/10/24	6295	Verizon Wireless	Cellular Phone Service	145.86
3/10/24	6399	Verizon Wireless	Cellular Phone Service	122.49
4/10/24	6530	Verizon Wireless	Cellular Phone Service	2,817.77
5/10/24	6662	Verizon Wireless	Cellular Phone Service	95.66
6/10/24	6773	Verizon Wireless	Cellular Phone Service	142.47
7/10/24	7013	Verizon Wireless	Cellular Phone Service	322.59
8/10/24	7014	Verizon Wireless	Cellular Phone Service	376.22
9/10/24	7136	Verizon Wireless	Cellular Phone Service	370.32
10/10/24	Visa	Verizon Wireless	Cellular Phone Service	344.28
Cell Phone				\$ 4,778.90

Memorandum

TO: Economic Development Authority
FROM: Tom Simonson , Assistant City Manager and Community Development Director
DATE: February 3, 2025
SUBJECT: City Support for Ramsey County Proposed Legislation to Expand HRA Authority for EDA Activities
ITEM NUMBER: 5.a
SECTION: GENERAL BUSINESS

REQUESTED MOTION

To support the proposed legislation by Ramsey County to expand their HRA authority for EDA related activities.

INTRODUCTION

Officials from Ramsey County will be attending the EDA meeting to provide an update on their HRA program and proposed legislation to expand their HRA authority for EDA related activities. The EDA heard a presentation from the county last year on this potential action, and they wish to update cities on the proposal and are seeking support.

DISCUSSION

The bill being presented this legislative session would allow the county to use its HRA levy powers for EDA activities for business assistance where cities can choose to opt-in. Attached to this memorandum are several documents the county has updated from last year based on feedback based on feedback from cities, including:

- The draft bill at the Legislature that amends and expands the Ramsey County HRA powers for EDA activities
- A memo to you from assistant county attorney on the proposed legislation, which is optional for cities to participate
- A FAQ based on the feedback the county heard from cities and other partners in 2024

Josh Olson, Interim Director of Community & Economic Development will be at January 6 meeting of the EDA to present and discuss.

RECOMMENDATION

The response from the EDA board members who were present when the county introduced this legislative request last year was generally positive. Staff believes that this legislation, if enacted, giving Ramsey County broader authority as an HRA to assist and support business and economic development would provide Shoreview potential additional resources for our

business community.

Staff is recommending the EDA board adopt a motion of support and forward a recommendation to the city council as a whole to submit a resolution or letter of support to Ramsey County for the proposed legislative action.

ATTACHMENTS

[EDA.HRA - Legislation Draft](#)

[Ramsey County MEMORANDUM to City Leadership](#)

[RC EDA - FAQ](#)

1.1 A bill for an act

1.2 relating to local government; creating the Ramsey County Economic Development

1.3 Authority subject to limitations of powers to levy and collect taxes or special

1.4 assessments and subject to statutory options of cities and townships to elect to

1.5 withdraw participation; expanding the powers of the Ramsey County Housing and

1.6 Redevelopment Authority to include Ramsey County Economic Development

1.7 Authority powers subject to its limitations of powers to levy and collect taxes or

1.8 special assessments and subject to statutory options of cities and townships to elect to

1.9 withdraw participation; proposing coding for new law in Minnesota Statutes, chapter

1.10 383A.

1.11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.12 Section 1. **[383A.151] RAMSEY COUNTY ECONOMIC DEVELOPMENT**

1.13 **AUTHORITY.**

1.14 Subdivision 1. **Creation.** (a) There is created in the county of Ramsey a public body,

1.15 corporate and politic, known as the Ramsey County Economic Development Authority,

1.16 that has the powers contained in sections 469.090 to 469.108, except as to sections 469.101

1.17 subd. 19, 469.102, and 469.107, the powers of a housing and

1.18 redevelopment authority under sections 469.001 to 469.047, and the powers of a city under

1.19 sections 469.124 to 469.133. For purpose of applying chapter 469 to the county of Ramsey,

1.20 the county has all the powers and duties of a city, the county board has all the powers and

1.21 duties of a governing body, the chair of the county has all the powers and duties of a mayor,

1.22 and, with respect to the exercise of the powers under section 469.008, the area of operation

1.23 includes the area within the territorial boundaries of the county.

1.24 (b) Except as to 469.1082 subd. 5, Ssection 469.1082, does not apply to the county of

1.25 Ramsey.

1.26 Subd. 2. **Commissioners.** Notwithstanding the provisions of chapter 469 or other law

1.27 to the contrary, the Ramsey County Economic Development Authority shall consist of seven

- 1.22 commissioners. The county board shall appoint the commissioners and shall fill vacancies
1.23 in the office of any commissioner. Pursuant to Ramsey County Resolution No. 94-357,
1.24 dated July 26, 1994, the Ramsey County Board of Commissioners also constitutes the

2.1 Ramsey County Housing and Redevelopment Authority. The board may by resolution
2.2 appoint the sitting commissioners of the Ramsey County Housing and Redevelopment
2.3 Authority as commissioners of the Ramsey County Economic Development Authority, the
2.4 terms of each commissioner corresponding accordingly.

2.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of
2.6 Ramsey County and its chief clerical officer timely complete their compliance with Minnesota
2.7 Statutes, section 645.021, subdivisions 2 and 3.

2.8 Sec. 2. **[383A.152] RAMSEY COUNTY HOUSING AND REDEVELOPMENT**
2.9 **AUTHORITY; ADDITIONAL POWERS.**

2.10 The Ramsey County Housing and Redevelopment Authority, established pursuant to
2.11 Ramsey County Resolution No. 93-155, dated March 9, 1993, shall have the powers and
2.12 duties of the Ramsey County Economic Development Authority under section 383A.151
2.13 and shall retain all the powers of a housing and redevelopment authority under sections
2.14 469.001 to 469.047. For the purpose of applying chapter 469 to the county of Ramsey, the
2.15 county has all the powers and duties of a city, the county board has all the powers and duties
2.16 of a governing body, the chair of the county has all the powers and duties of a mayor, and,
2.17 with respect to the exercise of the powers under section 469.008, the area of operation
2.18 includes the area within the territorial boundaries of the county.

2.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of
2.20 Ramsey County and its chief clerical officer timely complete their compliance with Minnesota
2.21 Statutes, section 645.021, subdivisions 2 and 3.

MEMORANDUM

To: City Leadership

From: Scott Schwahn, Ramsey County Senior Assistant Attorney

Subject: Comments/Summary on Proposed Redlined Bill (Proposed Ramsey County EDA)

This memo is to address two of the main concerns certain cities had regarding the above-referenced proposed bill, and also to indicate specifically how those concerns were addressed pursuant to the attached redlined proposed bill.

At prior meetings, and in past correspondence with the County, the cities generally seemed to approve in principle the idea of Ramsey County creating an EDA. Without going into the details here, after much discussion there appeared to be an understanding that an EDA creation frees up funds Ramsey County could otherwise not access (particularly for small businesses), and that these funds would benefit the cities in a direct and proximate way.

However, they had concerns about unintended consequences. Those essentially boiled down to the following: 1.) Would the act of Ramsey County establishing an EDA give them new powers to tax under MN Statute 469, and if so, how could they be sure the County would not later certify an EDA levy to the County Auditor?, and 2.) Preserving opt out and withdrawal options.

The County agreed these were legitimate concerns, and revised the proposed bill accordingly. You will see this as follows:

1.) The redlined additions in the first paragraph indicate the intention of the County is NOT to create a new tax, and that it is limited from doing so, and the cities will preserve options and the ability to withdraw from participation.

2.) At Item 1.12 you will see "except as to Sections 469.101 subd. 19, 469.102, and 469.107" added. Those are statutory references (of the full extent) of taxing powers normally granted to an EDA. We removed all such powers. Therefore, this EDA would have not any taxing powers.

3.) At item 1.19 you will see "Except as to 469.1082 subd. 5" added. To further limit what the County can do under the new EDA, we stated any 469.1082 provisions normally granted would also not apply. You can review what 469.1082 entails, but in any event, whatever powers we would have under this statute, have also been removed. With one exception: 469.1082 subd. 5 refers to the cities ability to opt out or withdraw. We did not want to imply this also removed such options, and therefore made this exception to remove any doubt about their preserving option and/or withdrawal rights.

I am hoping this clarifies what the redlined additions are intended to do. If you have any questions, feel free to contact me.

--VERSION 1/23/2025--

Statutory Change Expanding Use of Ramsey County Housing & Redevelopment Authority (HRA)

Small businesses are the backbone of Ramsey County. It's critical to our region that we continue to invest in our business community in the wake of the pandemic. Ramsey County seeks to amend the HRA statutory language to expand authority to better support diversifying industries, communities, and emerging entrepreneurs as best as possible.

FREQUENTLY ASKED QUESTIONS

Why is Ramsey County not just revising its Housing and Redevelopment Authority to include business programming as an allowable use? Why is establishment of an economic development authority included in this legislation?

A: Ramsey County Housing and Redevelopment Authority is established under state statute. The state statute is narrowly worded to the support and funding of affordable housing and redevelopment projects and programs. Small business programming is defined as allowable uses with economic development authorities. Ramsey County does not currently have an economic development authority. Based on legal guidance, the proposed legislation expands the powers of the Ramsey County Housing and Redevelopment Authority through the establishment of an economic development authority.

Will this legislative change result in a new property tax to Ramsey County property owners?

A: No. This legislative change has no change on property taxes. This legislative change simply expands the list of eligible activities in which Ramsey County's Housing and Redevelopment Authority levy is used. The text change would additionally add programming for entrepreneurs and small businesses as an eligible use for the Ramsey County Housing and Redevelopment Authority levy.

What is the county seeking from Ramsey County cities? If the legislation is successful, what is required from Ramsey County cities?

A: The County does not require approval from Ramsey County cities for this proposed legislation. The County does however seek support from our cities for this legislation.

If the legislation is successful, cities within the existing Ramsey County Housing and Redevelopment Authority area of operation will have the choice whether to:

- **Opt-in:** A city that chooses to opt-in will receive the greatest flexibility of eligible programming. In addition to the current portfolio of affordable housing and redevelopment programming, business programming will be provided. City Councils will be asked to pass resolutions 'opting-in' by June 2025. With the first year of HRA levy funded business programming occurring in 2026.
- **Opt-out:** A city that chooses to opt-out will continue to receive the current portfolio of affordable housing and redevelopment programming.

The City of North Saint Paul is not to be a part of the Ramsey County Housing and Redevelopment Authority Area of Operation. There is no change to North Saint Paul as a result of this legislation.

Ramsey County Housing & Redevelopment Authority

What is the current levy of the Ramsey County Housing & Redevelopment Authority (HRA)?

A: The 2024 HRA Levy is \$12,595,222. HRA Levy spending maintains a directed parity of 50% of the levy spent within suburban Ramsey County and 50% within the city of Saint Paul.

How is the Ramsey County Housing and Redevelopment Authority levy currently used?

A: The Ramsey County HRA levy is in its third year of operation. Over the last two years, the general breakdown of HRA levy usage was (Avg. of 2022 & 2023):

Housing Programing	Redevelopment Programs	Administration
73%	17%	10%

Current suite of HRA levy programming

Housing Programs	Redevelopment Programs
Affordable Housing infrastructure Investments	Critical Corridors – Development + Infrastructure;
FirstHome Down payment assistance	Critical Corridors Suburban Commercial Corridor Initiative <i>*Suburbs only*</i>
Emerging & Diverse Developers Program	Critical Corridors Planning
	Site Assessment Grants

► [HRA 2024 Annual Report – Highlights](#) (3rd year of operation)

Final Report is currently in production with a final version published in Q1 2025. General highlights to include:

- Affordable Housing Investments. \$6.5M of HRA levy obligated to affordable housing projects in 2024.
- Emerging & Diverse Developers (EDD). Over 30 developers received technical assistance in 2024. County invested \$2.4 million (HRA Levy only) into projects led by EDD.
- FirstHome Down Payment Assistance. 46 closings in 2024.
- Critical Corridors. Assisted 9 qualifying applicants/projects with \$1.76 million in Housing & Redevelopment Authority levy funding for place-based investments in three core areas: pre-development planning, commercial corridor initiatives (suburban only) and development and infrastructure
- Site Assessment Grants. Supported 16 projects with site investigation in 2024.

► [HRA 2023 Annual Report – Highlights](#) (2nd year of operation)

- Affordable Housing Investments. \$6.15M of HRA levy obligated to affordable housing projects in 2023. Across all funding streams, County invested in the construction of 1,365 new and 767 preserved rental housing units in 2023. Of the total, 988 were classified as deeply affordable for residents earning at or below 30% Area Median Income.
- FirstHome Down Payment Assistance. Of the 27 closings, 25 were first-generation homebuyers.
- Emerging & Diverse Developers (EDD). EDD is a two-part program initiated in second half of 2023.
 - Part A is provides technical assistance and cohort group learning to strengthen the pipeline of local emerging and diverse developers in real estate. 48 developers received technical assistance in 2023.

- Part B is a solicitation for projects led by EDD. County invested \$3.1 million (across all funding) into projects led by EDD.
- Critical Corridors. Assisted 10 qualifying applicants/projects with \$2.1 million in Housing & Redevelopment Authority levy funding for place-based investments in three core areas: pre-development planning, commercial corridor initiatives (suburban only) and development and infrastructure
- Site Assessment Grants. Program initiated in late 2023. Supported one project in 2023.

► **HRA 2022 Annual Report – Highlights** (1st year of operation)

- Affordable Housing Investments. \$7.2M of HRA levy obligated to affordable housing projects in 2022. Across all funding streams, Ramsey County leveraged multiple funding sources in 2022 to bring dozens of affordable housing projects closer to realization and invested in the construction of 1,128 new rental housing units and preserved 1,029. Of the total, 571 are classified as deeply affordable for residents earning at or below 30% Area Median Income.
- FirstHome Down Payment Assistance. In Fall 2022, County relaunched its down payment assistance program to better align with market realities and offer first-time and first-generation homebuyers with down payment assistance. \$187,500 in down payment assistance loans disbursed in 2022.
- Critical Corridors. Established in the Fall 2022, 14 grants in its first round of solicitations, totaling roughly \$2.3 million in three core areas: pre-development planning, development and infrastructure, and commercial corridor initiatives.

Will this change result in Ramsey County shifting its focus from supporting the preservation and expansion of deeply affordable housing?

A: No. Ramsey County remains focused on the improving affordable housing infrastructure throughout the county. The MN Legislature made unprecedented investments in housing and housing infrastructure as part of the 2023 Legislative session. The Local Affordable Housing Aid (LAHA) or housing sales tax is estimated to bring resources comparable to that of the HRA levy. This additional funding for affordable housing allows for a slight adjustment of funding priorities of the HRA levy without deviating from the County’s primary focus on expanding and improving affordable housing infrastructure.

Who decides on funding priorities on HRA Levy?

A: Ramsey County HRA Board is responsible for establishing funding priorities and make final decisions regarding spending of HRA levy. While the County HRA outlines its priorities, it relies on city partners as well as community organizations and developers to ready important projects. Prior to the county’s funding in a project, projects are required obtain a municipal resolution in support in accordance with state statute.

EDA and business programming

What type of business activities does the County intend to do with this legislative change?

A: The County is responding to community requests for enhanced business programming. The small business support (EDA eligible activities) realized by this legislative flexibility would be a strong reelection of those local requests and would initially start at \$1.5 - \$2 million of our yearly HRA levy to ensure the bulk of resources are remain available and prioritized for housing programs and projects. Funding will continue to align with HRA levy spending directives where 50% of HRA levy spending occurs in suburban Ramsey County and 50% with the City of Saint Paul. Areas of need identified to strengthen the small business ecosystem are informed by the County’s involvement and engagement with cities, business support organizations and small businesses that include:

- Capacity building of small business support organizations to meet current and future needs

- ▶ More technical assistance/advisory services to better serve targeted geographies, communities and/or industries
- ▶ Additional flexible capital to enable greater business retention, expansion and attraction

Did the County attempt to form an EDA previously?

A: During the 2024 Legislative Session, Ramsey County introduced proposed legislation amending HRA statutory language and establishing an EDA to allow for business programming to be an eligible use of Ramsey County HRA levy funding. HF 3784 (Lee) / SF 4655 (Hawj) was later amended based on feedback from cities. A redlined version, including a memo from the County Attorney’s office describing the changes is available. The current draft version for the 2025 Legislative session of the bill reflects this city feedback in 2024.

In 2016, the County did submit legislation that would have created a Ramsey County EDA. The legislation was pulled by the County following community concerns around the creation of a new taxing authority. The county’s current legislation would not create a new taxing authority as it merely allows for additional eligible uses (i.e. business programming) of the County’s existing Housing and Redevelopment Authority.

Does Ramsey County provide business programming? If so, what programs? How much does it spend? And how does it pay for business programs?

A: Ramsey County provides limited business programming. The County funds the programming through the County’s general property tax levy. Current business programming totals \$345,000.

- ▶ Entrepreneur support: Open to Business – Provides no cost direct technical assistance and other forms of support to small business owners and aspiring entrepreneurs. This program was expanded countywide in 2019 in response to direct city requests for this program.
- ▶ Small Business Growth: Ramsey County has two cohort-based leadership programs geared for established businesses. Both programs are a partnership with Hennepin County.
 - CEO Next – Group learning leadership program for CEOs/founders of second stage businesses that are growth-minded (\$1M-50M in revenues, 10-99 employees, etc.)
 - CEO Now – Group learning leadership program for CEOs/founders of first stage businesses that are growth-minded (\$250K-2M in revenues, more than one employee, operating for two years, etc.) Newly established in 2024.
- ▶ Marketing & attraction programming: RamseyCountyMeansBusiness.com An online portal providing workforce and economic development resources throughout the county to current and prospective businesses and investors. This online portal went live in 2019 and was refocused during the pandemic as a central repository for covid business relief resources. A redesign of the portal is underway and will be live in early 2025.

How do other metro counties support business programming and how did they obtain authority to provide economic development activities?

A: Hennepin County received special legislation (MN Statute 383B.79) - *A multijurisdictional reinvestment program is authorized involving Hennepin County, the Hennepin County Housing and Redevelopment Authority, and one or more of the following political subdivisions: the cities of Minneapolis, Brooklyn Center, and other interested statutory or home rule charter cities in Hennepin County, the Minneapolis Park Board, the Three Rivers Park District, and any watershed district entirely or partially located in Hennepin County. The multijurisdictional program may include plans for housing rehabilitation and removals, industrial polluted land cleanup, water ponding, environmental cleanup, community corridor connections, corridor planning, creation of green space, acquisition of property, development and*

redevelopment of parks and open space, water quality and lakeshore improvement, development and redevelopment of housing and commercial projects, economic development, and job creation.

- ▶ Hennepin County utilizes Housing and Redevelopment Authority funding for a variety of economic development programs including their CEO Next and Elevate Business platform. Due to the broader nature of this statute, this has limited applicability to Ramsey County.

Dakota County has a Community Development Agency. Under MN Statute 383D.41, subdivision 7, *After December 31, 1999, the Dakota County Housing and Redevelopment Authority shall be known as the Dakota County Community Development Agency. In addition to the other powers granted in this section, the Dakota County Community Development Agency shall have the powers of an economic development authority.*

- ▶ A core focus of local Community Development Agencies (CDAs) is the ability to own and operate affordable housing. Ramsey County has expressed no interest in owning and operating affordable housing, so this the CDA statute has limited applicability to Ramsey County.

Washington County has a Community Development Agency. In 2016, Washington County successfully sought special legislation to amend their Housing & Redevelopment Authority and created a Community Development Agency. Under MN Statute 383D.41, section 2, subdivision 2a, *Request to handle economic development, housing, or redevelopment duties. The governing body of a statutory or home rule charter city or township with an existing municipal economic development authority may request the Washington County Community Development Agency to handle the economic development, housing, or redevelopment duties of the authority and, in such an event, the Washington County Community Development Agency shall act and have exclusive jurisdiction for economic development, housing, or redevelopment duties in the statutory or home rule charter city or township pursuant to the provisions of the Economic Development Authorities Act, Minnesota Statutes, sections 469.090 to 469.1081.*

- ▶ A core focus of local Community Development Agencies (CDAs) is the ability to own and operate affordable housing. Ramsey County has expressed no interest in owning and operating affordable housing, so this the CDA statute has limited applicability to Ramsey County.

Scott County and Carver County each have a Community Development Agency. CDA's provide the most diverse array of eligible programing for housing, redevelopment and economic development uses.

Other questions:	
JENNIFER O'ROURKE Director of Government Relations 651-366-7276 jennifer.orourke@ramseycounty.us	JOSH OLSON Director of Community & Economic Development 651-295-0370 josh.olson@ramseycounty.us

Memorandum

TO: Economic Development Authority
FROM: Niki Hill, AICP , Assistant Community Development Director
DATE: February 3, 2025
SUBJECT: Local Housing Trust Fund Grant Program
ITEM NUMBER: 5.b
SECTION: GENERAL BUSINESS

REQUESTED MOTION

To authorize staff to submit the "intent to apply" application for the Housing Trust Fund Grant.

INTRODUCTION

The Minnesota Local Housing Trust Fund Grant Program was established in 2021 to incentivize local governments to create Housing Trust Funds by providing state funding to encourage investment in affordable housing.

DISCUSSION

In 2025, eligible entities may apply for a 100% Housing Trust Fund match of up to \$150,000 (pending availability). Any additional funding over \$150,000 up to \$300,000 will be matched at 50%.

The grant funds:

- Must be used for households at or below 115% of state median income
- May be used for
 - Development, rehabilitation or financing of housing
 - Downpayment assistance
 - Rental assistance
 - Homebuyer counseling services
 - Administrative expenses, up to 10% of grant
- Must be used within five years

RECOMMENDATION

To discuss the grant program and authorize staff to prepare and submit the intent to apply for the Housing Trust Fund Grant Program.

ATTACHMENTS

[Local Housing Trust Fund Program Guide](#)



Local Housing Trust Fund Grants Program

Program Guide

January 23, 2025



The Minnesota Housing Finance Agency does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services.

An equal opportunity employer.

This information will be made available in alternative format upon request.

Table of Contents

Chapter 1 – Introduction	1
1.01 Values Statement	1
1.02 Local Housing Trust Fund Grants Program Overview	1
1.03 Program Guide	1
1.04 Definition of Terms.....	1
1.05 Authorizing Statute	2
Chapter 2 – Eligibility Criteria	2
2.01 Eligible Entities	2
2.02 Eligible Funds for Match.....	2
2.03 Eligible Uses.....	2
Chapter 3 – Contracting Party Requirements.....	3
3.01 Contracting Party Requirements.....	3
3.02 Subgrantees.....	3
3.03 Monitoring and Evaluation of Contracting Parties and Subgrantees	4
Chapter 4 – Record Keeping and Reporting	4
4.01 Record Keeping	4
4.02 Reporting.....	5
Chapter 5 – Grant Invoicing, Payment and Reporting Schedule	5
Appendix A – Terms	6
Appendix B - Legal Addendum.....	7
1.01 Conflict and Control	7
1.02 Fraud	7
1.03 Misuse of Funds	7
1.04 Conflict of Interest.....	7

1.05 Assistance to Employees and Affiliated Parties 9

1.06 Suspension 10

1.07 Disclosure and Reporting 10

1.08 Electronic Signatures..... 10

1.09 Fair Housing Policy 10

1.10 Minnesota Government Data Practices..... 12

1.11 Prevailing Wage..... 12

Chapter 1 – Introduction

1.01 Values Statement

All Minnesotans live and thrive in a stable, safe and accessible home they can afford in a community of their choice. To achieve the concept of One Minnesota where everyone thrives, we will reorient how we work and expand who has a voice at the table and who participates in and benefits from the housing economy.

We will:

- Center the people and places most impacted by housing instability at the heart of our decision making,
- Listen and share the power we have,
- Honor, respect and strengthen communities, and
- Be inclusive, equitable, just and antiracist in our actions.

1.02 Local Housing Trust Fund Grants Program Overview

In 2021, the Minnesota Legislature allocated money to create Minnesota Housing’s Local Housing Trust Fund Grants Program. The purpose of the Program is Local Housing Trust Fund Grants to incentivize local governments to create or fund [Local Housing Trust Funds](#) by providing a portion of matching state funds to encourage investment in affordable housing across Minnesota.

Minnesota Housing created this guide, which outlines the requirements of Local Housing Trust Fund Grants, as well as the steps necessary to apply for and receive the matching grant funds.

1.03 Program Guide

This Program Guide, including subsequent changes and additions, is incorporated into the Grant Contract Agreement executed between the Contracting Party and Minnesota Housing. It is incorporated into such Grant Contract Agreement by reference and is a part thereof as fully as if set forth in the Grant Contract Agreement at length. If there are any conflicts between the terms of this Program Guide and the Grant Contract Agreement, the Grant Contract Agreement controls.

1.04 Definition of Terms

Please refer to Appendix A for definitions of capitalized terms used in this Program Guide.

1.05 Authorizing Statute

[Minnesota Session Laws, 2021 First Special Session, chapter 8, article 1, section 3, subdivision 17](#) and [Minnesota Session Laws, 2023 Legislative Session, chapter 37, article 1, section 2, subdivision 21](#) appropriated funds for the Local Housing Trust Fund Grants Program. All Local Housing Trust Funds that receive grants under the program must meet the definition of a Local Housing Trust Fund under [Minnesota Statute 462C.16](#).

Chapter 2 – Eligibility Criteria

2.01 Eligible Entities

The following entities are eligible to apply for the Local Housing Trust Fund Grants Program:

- Cities
- Counties
- Collaborations between cities and/or counties that have established a local housing trust fund through a joint powers agreement under [Minnesota Statute 462C.16, subdivision 2](#).
- Tribal governments

Eligible entities must have an existing Local Housing Trust Fund at the time of application as defined by Minnesota Statute 462C.16, or as otherwise authorized by law.

2.02 Eligible Funds for Match

Eligible entities may request matching funds for New Public Revenue committed to the Local Housing Trust Fund from any source other than the state or federal government. Entities may be eligible to receiving matching funds up to 100% of New Public Revenue up to \$150,000 and, depending on funding availability, additional funds in the amount of 50% of new public revenue above \$150,000 but no more than \$300,000.

For purposes of this program, New Public Revenue is defined as local income that is committed to the Local Housing Trust Fund on or after June 29th, 2021.

2.03 Eligible Uses

Grant Proceeds may be used for:

1. Administrative expenses, up to 10% of the Local Housing Trust Fund Program grant;
2. Grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing;
3. Match for other funds from federal, state, or private resources for housing projects; or
4. Down payment assistance, rental assistance, and home buyer counseling services.

All funds must be used for households at or below 115% of the State Median Income.

Chapter 3 – Contracting Party Requirements

3.01 Contracting Party Requirements

Contracting Parties must adhere to the Grant Contract Agreement requirements which include, but are not limited to, the activities listed below. If there are any conflicts between this Program Guide and the Grant Contract Agreement, the Grant Contract Agreement controls.

- Execute one or more Grant Contract Agreements with Minnesota Housing outlining the scope of work to be performed. The Contracting Party may also be responsible for completing the proposal, budget, work plan and/or other exhibits to the Grant Contract Agreement(s).
- Maintain financial records for a minimum of six years after the Grant Contract Agreement(s) ends that document the use of all Grant Proceeds awarded. Minnesota Housing, at its sole discretion, may request to review the accounting and documentation of such records at as part of a site visit or at other times.
- Complete and submit all invoices and required reports on time in a manner determined by Minnesota Housing.
- Have a written conflict of interest policy and take necessary steps to prevent individual and organizational conflicts of interest. All suspected, disclosed, or discovered conflicts of interest must be reported to Minnesota Housing in a timely manner.
- Comply with applicable Grant Contract Agreement and bidding requirements noted in the Grant Contract Agreement.
- Comply with all affirmative action and non-discrimination requirements noted in the Grant Contract Agreement.
- Comply with all applicable state statutes, rules and policies.

3.02 Subgrantees

If utilizing subgrantees, Contracting Parties are expected to enter into Grant Contract Agreements with subgrantees prior to disbursing Grant Proceeds to them. At a minimum, Contracting Parties must impose on subgrantees the same obligations that Minnesota Housing requires of Contracting Parties under the Grant Contract Agreement. In addition, Contracting Parties must ensure that any communication received from Minnesota Housing is relayed to subgrantees. Contracting Parties remain responsible for compliance with all requirements of this Program Guide and the Grant Contract Agreement and for performance of any subgrantees. If there are any conflicts between the terms of this Program Guide and the Grant Contract Agreement, the Grant Contract Agreement controls. Minnesota Housing must approve the use of a subgrantee prior to executing a Grant Contract Agreement with the subgrantees.

3.03 Monitoring and Evaluation of Contracting Parties and Subgrantees

Minnesota Housing will review Contracting Parties' financial reports and progress reports which must be provided according to the timeline outlined in the Grant Contract Agreement. Minnesota Housing may request additional documentation such as, but not limited to, invoices, employee payroll reports and/or timecards, and receipts to verify the information provided in the financial report.

For Contracting Parties with Grant Contract Agreements of \$50,000 or greater, Minnesota Housing will conduct at least one monitoring visit of Contracting Parties during the grant period and complete a financial reconciliation of Contracting Party's expenditures to verify adherence to Grant Contract Agreement and program requirements. The monitoring visit consists of an administrative review of the Contracting Party's policies, procedures and governance, and a program review of the grant activities, staffing and Contracting Party's evaluation of the grant. Approximately one month prior to the monitoring visit, Minnesota Housing will submit a document request for items to be reviewed as part of the monitoring visit and financial documents to be reviewed as part of the financial reconciliation.

Minnesota Housing may request information of subgrantees as part of this monitoring visit. Following the monitoring visit, Minnesota Housing staff will notify the Contracting Party if follow up is required. Upon timely completion of follow-up items, Minnesota Housing staff will issue a monitoring review summary letter including areas of concern, recommendations and requirements. Grant Administrators are expected to monitor subgrantees by these same standards during the grant term.

Chapter 4 – Record Keeping and Reporting

4.01 Record Keeping

Contracting Parties and subgrantees are responsible for maintaining records that document the use of all Grant Proceeds. Contracting Parties must save copies of all books, records, program files, documents and accounting procedures related to the grant in a secure and organized format. Contracting Parties must maintain these documents for a minimum of six years from the end of the Grant Contract Agreement. Minnesota Housing reserves the right to review all records during this six-year period, and records must be made available to Minnesota Housing upon request.

Documents to save and retain include, but are not limited to:

- Executed Grant Contract Agreement
- Reports submitted by the Contracting Party to Minnesota Housing
- Invoices and supporting invoice documentation (receipts, proof of payment, employee payroll, etc.)
- Documentation submitted by any subgrantees
- Written approvals from Minnesota Housing Local Housing Trust Fund Grants Program Grant Manager

4.02 Reporting

Contracting Parties must submit a progress report, financial report and invoice in a format required by Minnesota Housing. These progress reports must be submitted annually as outlined in the Grant Contract Agreement. Contracting Parties must also submit a final report outlining proposed and achieved outcomes and complete expenditures.

Chapter 5 – Grant Invoicing, Payment and Reporting Schedule

Contracting Parties should reference the Grant Contract Agreement exhibits for the invoice template, the financial report template and the items to be covered in the progress report.

Contracting Parties are required to submit a progress report, financial report and invoice approximately annually until all grant funds have been expended. Exact dates will be determined upon Grant Contract Agreement execution. Contracting Parties should reference their Grant Contract Agreement for exact dates and any additional requirements.

Appendix A – Terms

Table 1: Definitions of capitalized terms used in this Program Guide.

Term	Definition
Affiliated Assistance	Loans, grants, or other awards from the Contracting Party to directors, officers, agents, consultants, employees and/or their families, elected or appointed officials of the State of Minnesota as well as to Minnesota Housing employees and/or their families.
Data Practices Act	References the Minnesota Government Data Practices Act (Minn. Stat. Ch. 13)
Grant Contract Agreement	The Grant Contract Agreement executed between Minnesota Housing Finance Agency and the Contracting Party for the 2023 Local Housing Trust Fund Grants Program Grant.
Contracting Party	Recipient(s) in a Grant Contract Agreement with Minnesota Housing to receive Local Housing Trust Fund Grants Program Proceeds.
Grant Proceeds	Funds distributed under the 2023 Local Housing Trust Fund Grants Program.
Local Housing Trust Fund	Local Housing Trust Fund as defined in Minnesota Statute 462C.16.
Minnesota Housing	The Minnesota Housing Finance Agency
New Public Revenue	For purposes of this program, New Public Revenue is defined as local income that is committed to the Local Housing Trust Fund on or after June 29, 2021.
State Median Income	The most recent total median family income for Minnesota issued by the federal Department of Housing and Urban Development (HUD).

Appendix B - Legal Addendum

1.01 Conflict and Control

In the event of any conflict between the terms of this Addendum and the document to which it is attached, the terms of this Addendum will govern and control.

1.02 Fraud

Fraud is any intentionally deceptive action, statement or omission made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the communication channels described in section 1.07.

1.03 Misuse of Funds

A contracting party that receives funding from Minnesota Housing promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the recipient to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the recipient must use Minnesota Housing funds as agreed, and the recipient must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a recipient; or (2) a recipient cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the contract.

Any recipient (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the communication channels described in section 1.07.

1.04 Conflict of Interest

A conflict of interest – Actual, Potential or Appearance of a Conflict of Interest – occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A Potential Conflict of Interest or Appearance of a Conflict of Interest exists even if no unethical, improper or illegal act results from it.

- **Actual Conflict of Interest**: An Actual Conflict of Interest occurs when a person’s decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.
- **Potential Conflict of Interest**: A Potential Conflict of Interest may exist if a person has a relationship, affiliation or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations or interests.
- **Appearance of a Conflict of Interest**: The Appearance of a Conflict of Interest means any situation that would cause a reasonable person, with knowledge of the relevant facts, to question whether another person’s personal interest, affiliation or relationship inappropriately influenced that person’s action, even though there may be no Actual Conflict of Interest.

A conflict of interest includes any situation in which one’s judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a Partner, Family Member, Relative, Friend, Business or other Outside Interest with which they are involved. Such terms are defined below.

- **Business**: Any company, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit-making activities.
- **Family Member**: A person’s current and former spouse; children, parents, and siblings; current and former children-in-law, parents-in-law, and siblings-in-law; current and former stepchildren and stepparents; grandchildren and grandparents; and members of the person’s household.
- **Friend**: A person with whom the individual has an ongoing personal social relationship. “Friend” does not generally include a person with whom the relationship is primarily professional or primarily based on the person being a current or former colleague. “Friend” does not include mere acquaintances (i.e., interactions are coincidental or relatively superficial). Social media friendships, connections, or links, by themselves, do not constitute friendship.
- **Outside Interest**: An Outside Interest may occur when an individual, their Family Member or their Partner has a connection to an organization via employment (current or prospective), has a financial interest or is an active participant.
- **Partner**: A person’s romantic and domestic partners and outside Business partners.
- **Relative**: Uncle or aunt; first or second cousin; godparent; godchild; other person related by blood, marriage or legal action with whom the individual has a close personal relationship.

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party’s responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict

- Asking the contracting party to submit an organizational conflict of interest mitigation plan
- Terminating the contracting party’s participation

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all conflicts of interest through one of the communication channels described in section 1.07.

A contracting party should review its contract and request for proposals (RFP) material, if applicable, for further requirements.

1.05 Assistance to Employees and Affiliated Parties

Any party entering into a contract with Minnesota Housing for the purpose of receiving an award or benefit in the form of a loan, grant, combination of loan and grant or other funding is restricted in issuing a loan, grant, combination of loan and grant or other funding to a recipient (“Affiliated Assistance”) who is also: (1) a director, officer, agent, consultant, employee or Family Member of an employee of the contracting party; (2) an elected or appointed official of the State of Minnesota; or (3) an employee of Minnesota Housing, unless each of the following provisions are met:

- The recipient meets all eligibility criteria for the program;
- The assistance does not result in a violation of the contracting party’s internal conflict of interest policy, if applicable;
- The assistance does not result in a conflict of interest as outlined in section 1.04;
- The assistance is awarded utilizing the same costs, terms and conditions as compared to a similarly situated unaffiliated recipient and the recipient receives no special consideration or access as compared to a similarly situated unaffiliated recipient; and
- The assistance is processed, underwritten and/or approved by staff/managers who are independent of the recipient and independent of any Family Member of the recipient. Family Member is defined in section 1.04.

A contracting party need not disclose Affiliated Assistance to Minnesota Housing. However, the contracting party must document and certify, prior to the award, that the Affiliated Assistance meets each of the provisions outlined above. This documentation must be included in the Affiliated Assistance file and must be made available to Minnesota Housing upon request. Affiliated Assistance that does not meet each of the provisions outlined above will be considered a violation of Minnesota Housing conflict of interest standards and must be reported by the contracting party through one of the communication channels outlined in section 1.07.

1.06 Suspension

By entering into any contract with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the contract) has not been suspended from doing business with Minnesota Housing. Please refer to Minnesota Housing’s website for a list of [suspended individuals and organizations](#) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing, then select Suspensions from the menu).

1.07 Disclosure and Reporting

Minnesota Housing promotes a “speak-up, see something, say something” culture whereby internal staff must immediately report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation through one of the communication channels listed below. External business partners (e.g., administrators, grantees or borrowers) and the general public are strongly encouraged to report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation using these same communication channels.

- Minnesota Housing’s Chief Risk Officer at 651.296.7608 or 800.657.3769 or by email at MHFA.ReportWrongdoing@state.mn.us;
- Any member Minnesota Housing’s [Servant Leadership Team](#), as denoted on Minnesota Housing’s current organizational chart (Go to mnhousing.gov, scroll to the bottom of the screen and select About Us, select Servant Leadership Team); or
- [Report Wrongdoing or Concerns \(mnhousing.gov\)](#) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing).

1.08 Electronic Signatures

Minnesota Housing will use and accept e-signatures on eligible program documents subject to all requirements set forth by state and federal law and consistent with Minnesota Housing policies and procedures. The use of e-signatures for eligible program documents is voluntary. Questions regarding which documents Minnesota Housing permits to be e-signed should be directed to Minnesota Housing staff.

1.09 Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of Title VI of the Civil Rights Act of 1968; the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988; and the Minnesota Human Rights Act. Housing providers and other entities involved in real-estate related transactions are expected to comply with the applicable statutes, regulations and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements. Housing providers and other entities involved in real-estate related transactions must comply with all non-discrimination requirements related to the provision of credit, as well as access to services.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in the making or purchasing of loans for purchasing, constructing or improving a dwelling, or in the terms and conditions of real-estate related transactions;
- Discriminate in the brokering or appraisal of residential property;
- Discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Discriminate in the extension of personal or commercial credit or in the requirements for obtaining credit;
- Engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- Make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Refuse to grant a reasonable accommodation or a reasonable modification to a person with a disability;
- Deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires those in the business of buying and selling dwellings to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Under certain circumstances, applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a Housing Choice Voucher or other form of tenant-based rental assistance.

1.10 Minnesota Government Data Practices

Minnesota Housing, and any party entering into a contract with Minnesota Housing, must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by Minnesota Housing under the contract, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the contracting party under the contract. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to in this section by either the contracting party or Minnesota Housing. If the contracting party receives a request to release the data referred to in this section, the contracting party must notify Minnesota Housing. Minnesota Housing will give the contracting party instructions concerning the release of the data to the requesting party before the data is released. The contracting party's response to the request shall comply with applicable law.

1.11 Prevailing Wage

Under certain circumstances, awards of Minnesota Housing funds may trigger state prevailing wage requirements under [Minnesota Statutes Chapter 177 or Minnesota Statutes Section 116J.871](#). In broad terms, Minnesota Statutes Chapter 177 applies to an award of \$25,000 or greater for housing that is publicly owned. [Minnesota Statutes Section 116J.871](#) applies to awards for non-publicly owned housing that meet the following conditions: (1) new housing construction (not rehabilitation of existing housing); (2) a single entity receives from Minnesota Housing \$200,000 or more of grant proceeds or \$500,000 of loan proceeds; or (3) allocations or awards of low-income housing tax credits, for which tax credits are used for multifamily housing projects consisting of more than ten units.

Minnesota Statutes Section 116J.871 sets out several exceptions to the applicability of prevailing wage including (1) rehabilitation of existing housing; (2) new housing construction in which total financial assistance at a single project site is less than \$100,000; and (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units.

Entities receiving funding from Minnesota Housing as described in this section shall notify all employers on the project of the recordkeeping and reporting requirements in Minnesota Statutes Section 177.30, paragraph (a), clauses (6) and (7). Each employer shall submit the required information to Minnesota Housing.

Questions related to submission of required information to Minnesota Housing may be directed to:
mhfa.prevalingwage@state.mn.us.

All questions regarding state prevailing wages and compliance requirements should be directed to that agency as follows:

Division of Labor Standards and Apprenticeship
State Program Administrator
443 Lafayette Road N, St. Paul, MN 55155
651.284.5091 or dli.prevwage@state.mn.us

[If a contractor or subcontractor fails to adhere to prevailing wage laws, then that contractor or subcontractor could face civil and/or criminal liability.](#)

Memorandum

TO: Economic Development Authority
FROM: Tom Simonson , Assistant City Manager and Community Development Director
DATE: February 3, 2025
SUBJECT: EDA Goals and Work Plan Priorities for 2025-2026
ITEM NUMBER: 5.c
SECTION: GENERAL BUSINESS

REQUESTED MOTION

No formal action is required at this time - if is recommending the EDA board agree by consensus to preliminary strategic goals and priorities to incorporate into a work plan for 2025-2026 pending the results and review of the city council strategic goals.

INTRODUCTION

Each year, the economic development authority reviews and updates their major goals and work plan priorities for the coming two-year cycle. The board began this exercise at the January meeting by reviewing past goals and accomplishments, and identifying potential new initiatives and priorities. Staff is recommending the EDA continue this discussion at the February meeting.

DISCUSSION

The goals and work plan priorities of the EDA encompasses all areas that fall within the mission and role of the board including business and economic development, redevelopment, business outreach, partnerships, housing programs and initiatives, and financial resources. The overall strategies and actions are done under the approval of the city council and in collaboration with the economic development commission.

The following is a summary of the discussion from our meeting on January 6, 2025.

Previous EDA economic development goals included:

- Scannell Properties moving forward on the Seven Lakes Plan
- Shoreview Corporate Center completed with Phase 3 constructed and 4100 office building fully leased
- Business retention and expansion
 - Expansions of Mead Metals, Schoonover Bodyworks, and Wells Fargo
 - City continues to work with PaR Systems on expansion
- Business attraction:
 - Assisted Eagle Ridge and Scannell to attract office, high tech/med tech jobs
 - New businesses at 4100 - PTC software, Progressive, and two financial firms
 - City working with Scannell to attract good companies to Seven Lakes project

Previous EDA housing goals included:

- Rice Street Crossing - close to moving ahead with development
- Purchase of forfeited property at 5931 Lexington and partnering with CAPRW
- Rondo/Habitat for Humanity affordable housing land trust project
- Adoption of Inclusionary Housing Policy and added to municipal code
- Continuing work on housing study strategies
 - Home improvement loans improved marketing
 - Continuing work with land trust model
 - Preserve natural affordable housing - language adopted to protect tenants
- Leveraging financial capacity for advancing goals with adoption of a Written Spending Plan to pool resources and setting aside \$500,000 for additional housing initiatives

Other accomplishments by the EDA included:

- Added staff for housing code enforcement, increasing rental licensing fees, support for EDA intern, adoption of a policy to support housing reinvestment and maintenance.

Key strategic objectives of the EDA:

- Maintaining quality neighborhoods
- Preserving housing stock conditions
- Providing a variety of housing choices
- Supporting retention of business and expansion
- Supporting attraction of new business and services that benefit the community
- Fostering redevelopment of older commercial and industrial areas

EDA board identified the following issues and goals:

- Explore ways to modernize older industrial space or redevelopment to create more multi-use space with modern amenities that are sought by businesses (such as high bays, special flooring, technology, etc.)
- Support our smaller businesses by developing a small business loan program (the city has done well in supporting medium and large businesses; the small business emergency forgiveness loan program was a huge success)
- Important to have a comprehensive list of goals, but there should be a focus on the top 3-4 priorities in economic development and housing
- Building awareness of our home loan programs, consider creating a package of programs to help residents or prospective residents with owning and updating older homes
- Is the housing stock updated or not - and if not, is it creating obstacles that keep people from buying – identify these challenges and explore ways the city can possibly improve existing programs or look at new programs
- Include the information to NeighborWorks and discuss ideas on how to better market housing programs to the community
- Incorporating the Shoreview Energy Action Plan into development and businesses
- Keep monitoring the Shoreview Mall property and continue to pursue ways to engage the current owner into considering a full redevelopment – serves as a critical anchor to support the Town Center vision that links the area to the Shoreview Commons
- Future opportunities for reinvestment and redevelopment of older commercial properties including older industrial area between I-694 and County Road E, east of Seven Lakes, the underutilized Cummins Power building at Victoria Street and I-694, and Westinghouse property along Highway 96
- Homeownership – the city has seen high demand for multifamily rental housing, but consider homeownership projects with developers

- Trade-up housing - how do we support housing / resident retention, and keep them in the community
- Review options for those residents who want to age in their homes or provide additional housing opportunities for single-level living if possible with limited land available
- Ensure that redevelopment or major upgrades to older multifamily properties that are considered naturally occurring affordable housing (NOAH) do not put a burden on the residents

RECOMMENDATION

No action is required at this time - staff is seeking continued board discussion of updated goals and priorities to incorporate into EDA work plan for 2025-2026.

ATTACHMENTS

Memorandum

TO: Economic Development Authority
FROM: Tom Simonson , Assistant City Manager and Community Development Director
DATE: February 3, 2025
SUBJECT: Monthly Staff Report: Project Updates and Information
ITEM NUMBER: 5.d
SECTION: GENERAL BUSINESS

REQUESTED MOTION

No action required - information and discussion purposes only.

INTRODUCTION

Staff would like to provide the EDA board updates on current business, development, and housing related developments and projects. A monthly report is attached for your review.

DISCUSSION

The staff monthly report is attached for your review.

RECOMMENDATION

For review and discussion purposes - no formal action requested.

ATTACHMENTS

[EDA Monthly Report - February 2025](#)

Memorandum

To: Economic Development Authority Board

From: Tom Simonson
Community Development Director and Assistant City Manager

Date: January 31, 2025

Re: Monthly Report

Economic Development Authority

- The economic development authority will be meeting on Monday, February 3 starting at 5pm in the council chambers. The agenda will include a presentation and discussion from Ramsey County representatives on the bill being presented at the State Legislation that would expand their current HRA authority to also allow for EDA related activities to assist businesses. The council is seeking support from cities that wish to opt into the program, if the legislation is passed. Also on the agenda is continuing discussion of updated EDA goals and priorities, as well as information on the Housing Trust Fund Grant Program that staff is recommending the submission of an application seeking funds.
- The economic development authority (EDA) met on January 6, with the first meeting of the year serving as the annual business meeting, as required by statute and establishing by-laws. The agenda included the following discussion items:
 - Elected the following officers to serve for 2025:
 - Cory Springhorn - president
 - Sue Denkinger - vice president
 - Josh Wing – treasurer
 - Mayor Sue Denkinger and council member Cory Springhorn were both reappointed to new six-year EDA terms through December 31, 2030 (so long as they serve on city council)
 - Reviewed and discussed background on active tax increment financing districts, and the opportunities and restrictions on the use of pooled resources to achieve goals and initiatives.
 - Began the annual strategic planning process for updating EDA major goals and work plan priorities for 2025-2026.

Planning Commission

- Recent city council actions involving the planning commission include:
 - Reappointed Steve Solomonson to a new three-year term through January 31, 2028
 - Reappointed Nicole Westadt to a new three-year term through January 31, 2028
 - Appointed Craig John as the chair and Nicole Westadt as vice chair for the next year
- Special thanks to Chris Anderson for his outstanding service as chair of the planning commission for the past few years. Chris led us through an incredibly busy time including some rather challenging development projects. Fortunately, we will continue to benefit from his valuable insights as a commissioner.
- The planning commission met on January 28, with the following items on the agenda:
 - Public hearing for a request to amend the existing conditional use permit to allow car rentals at the Amoco gas station site at 3854 Lexington Avenue. The current conditional use permit allows limited car sales, but does not include car rentals. The request is to allow up to 10 vehicles to be rented. (*Applicant withdrew request upon being notified that current code only allows a maximum of 5 vehicles for rent.*)
 - Public hearing in consideration of a text amendment revising regulations for land disturbance/grading permits (city initiated).
 - Public hearing for a text amendment adding language defining solar energy system and residential standards (city initiated).
 - Minor subdivision to adjust a lot line to transfer land from 720 Timber Lane to 725 Timber Lane.
- The commission will continue their work on updates to the development ordinance by holding a workshop with the planning staff on February 11. Also on the agenda is continued discussion of roles and responsibilities of the planning commission.

Economic Development Commission

- The EDC held their first business meeting of the new year on January 21, with the following items discussed:

- o The commission recognized long-time member Josh Wing for over 16 years of service on the EDC including several stints as chair. His experience will be missed on the commission, but fortunately he will continue to assist the city as a board member on the EDA.
- o Elected Megan Larson as chair and Ritesh Patel as vice chair for this year.
- o Staff reviewed the new laws and licensing regulations regulating cannabis businesses. Assistant city manager Renee Eisenbeisz attended the meeting to talk about what is required by the city and the local regulations we have established.
- o A representative from Xcel Energy attended the meeting to present more information on the Partners in Energy program. This is in follow-up to the December meeting when the city's natural resources manager, Krista Billerbeck, discussed this initiative that Shoreview has participated in over the past year with Xcel Energy, and the potential opportunities to engage the local business community in promoting resources and program benefits available to them.
- At their next meeting on February 18, the commission will be interviewing 6 applicants for 2 current vacancies.

Development Updates

Aloma Apartments

The city issued a certificate of occupancy for the Aloma Apartments project. The high-end luxury apartment building is the third and final phase of apartments built in the Shoreview Corporate Center in a partnership between Eagle Ridge Partners and Greco Properties. The Aloma brings 200 additional apartments, adjacent to the Emrik SV and Loden SV apartments, including 20 affordable units. In total, the three buildings total 610 apartments including 44 affordable units that were financially supported by the city.



Seven Lakes

Major progress continues on the construction at the Seven Lakes redevelopment of the former Deluxe corporate campus by Scannell Properties. Work on two of the large office/industrial buildings has advanced to interior improvements - a 150,000 square foot multi-tenant building that will serve as the new Twin Cities location for the global company Carlisle Fluid Technologies and another 150,000 square foot building that will be fully occupied by Fairview Health Services for pharmaceutical and other medical operations.

The third large office/manufacturing building that will be fully occupied by Shoreview-based PAR Systems is also making good progress with exterior wall up.

A final phase plan for an apartment building is expected to be submitted this winter for approval and construction to start later this year. This project will be located at the southwest corner of the campus near the south water tower and across from the fire station.

Below are recent photographs showing the progress being made at Seven Lakes. The exterior photo shows the building for PAR Systems, and the interior photos are showing work on the building for Fairview.



Gramsie Junction (Tyme Properties)

Significant progress is being made on the construction of the apartment building project at the northwest corner of Hodgson and Gramsie Roads. The residential development will include 53 apartments and 21 row-style townhomes (work on the townhomes has not started). The rental housing project will target low/moderate income residents.



Code Enforcement

There were 13 new code enforcement cases opened in December, 2024. The following table summarizes code enforcement activity for the month, and shows the city investigated 222 cases for all of last year.

Year	Total Cases	New Cases	Citations Issued
2024	222	13	0

December code enforcement categories:

- Parking/storage of vehicles - 3
- General property maintenance - 2
- Refuse - 2
- Sign - 1
- Grading - 1
- Building without a permit - 1
- Environmental – 3

Rental Licensing

General Dwelling: At the end of each calendar year, all property owners are required to renew their licenses by December 31, 2024. At the end of the calendar year, 577 GDU properties renewed on time, 18 properties canceled their licenses, and 12 properties are currently on hold. This brings the total of potential active licenses to 589 for the 2025 year. The rental program will inspect approximately 276 licenses for the 2025 year.

General Dwelling Rentals Year by Year Comparison			
2021	2022	2023	2024
513	509	535	589
N/A	-0.78%	5.11%	10.09%


Multi-Family: The city currently has twelve (12) MFU (Multi-Family Units) complexes which contain approximately two thousand one hundred thirty-two (2,132) dwelling units total. Approximately 1/3 of the dwelling units within each of the MFU complexes have been inspected for compliance with the City’s housing and property maintenance code for 2024. These MFU inspections are coordinated with the Lake Johanna Fire Department Fire Marshal who inspects the common areas of these complexes to ensure Fire Code standards are being met.

As of December 31, 2024, all of the properties have been inspected. Corrections for each property were due by the end of the calendar year with 11/12 properties sending their completed work orders on time. The city has received no communication from the outstanding property’s management as of yet.

Hoarding/sanitary: Housing staff is currently acting on two hoarding conditions at homes in the community. There are four other recent cases that will be re-inspected in the next several weeks.

Building Permit Activity

The city reached an all-time record in construction valuation for a single year, with a total of nearly \$120 million. The department also processed 2,361 building related permits in 2024.

 Monthly Building Permit Activity Current Year To Previous Year Dec-24								
	December 2024 Permits	December 2024 Valuation	2024 YTD Permits	2024 YTD Valuation	December 2023 Permits	December 2023 Valuation	2023 YTD Permits	2023 YTD Valuation
Dwellings	2	\$1,219,566	9	\$5,430,386			4	\$4,021,625
Townhomes			0	\$0			0	\$0
Additions	1	\$25,000	12	\$953,000			11	\$1,474,930
Garages			2	\$170,000			3	\$140,937
Miscellaneous	45	\$750,659	1002	\$20,626,740	56	\$733,029	1499	\$25,075,175
Apartments			1	\$10,200,000			1	\$44,102,096
Offices			0	\$0			0	\$0
Retail			0	\$0			0	\$0
Industrial/Warehouse			3	\$34,813,930			0	\$0
Public buildings			2	\$2,134,056			0	\$0
Commercial Additions			0	\$0			0	\$0
Commercial Alter			28	\$45,427,942	3	\$1,084,513	30	\$22,264,023
HVAC	63		698	\$0	43		695	\$0
Plumbing	36		604	\$0	41		579	\$0
TOTAL	147	\$1,995,225	2361	\$119,756,054	143	\$1,817,542	2822	\$97,078,786