

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF BROOKLYN PARK

**Monday, April 14, 2008
7:00 p.m.**

**City Council Chambers
5200 – 85th Avenue North**

President Steve Lampi, Vice President Mike Trepanier & Treasurer Rich Gates
Commissioners Terry Gearin, Jeff Lunde, Mark Mata & Jeanette Meyer
Executive Director Robert Schreier & Secretary Theresa Freund

If due to a disability, you need auxiliary aids or services during an EDA Meeting, please provide the City with 24 hours notice by calling 424-8000. TDD 493-8392 or FAX 493-8391

A G E N D A Meeting #4

1. CALL TO ORDER
2. OPEN FORUM 7:00 – 7:15 p.m. Provides an opportunity for the public to address the EDA on items, which are not on the agenda. Open Forum will be limited to 15 minutes (if no one is in attendance for the Open Forum, the Regular Meeting may begin), and it may not be used to make personal attacks, to air personality grievances, to make political endorsements, or for political campaign purposes. Commissioners will not enter into a dialogue with citizens. Questions from the EDA will be for clarification only. Open Forum will not be used as a time for problem solving or reacting to the comments made but, rather, for hearing the citizen for informational purposes only.
3. AGENDA ITEMS:
 - A. Roll Call – Theresa Freund
 - B. Approval of Agenda
 - C. Consider Approving Resolution of Support for DEED Contamination Investigation Application – Amy Baldwin
 - D. Consider Awarding a Contract for the Demolition of the Huntington Pointe – Kim Berggren
 - E. Consider Establishing the Brooklyn Park Owner-Occupied Home Improvement Loan Program and approving Home Improvement Loan Guidelines – Jason Aarsvold
 - F. Consider Approving Consulting Agreement with the Center for Energy & Environment for Origination of Loans under the Brooklyn Park Owner-Occupied Home Improvement Loan Program – Jason Aarsvold
 - G. Consider Approving Loan Servicing Agreement with Community Reinvestment Inc. for the Brooklyn Park Owner-Occupied Home Improvement Loan Program – Jason Aarsvold
 - H. Consider Approving Non-Subordination Policy for the Brooklyn Park Owner-Occupied Home Improvement Loan Program– Jason Aarsvold
 - I. Consider a Term Sheet for Towns Edge Village West Town Home Loan – Jason Aarsvold

J. Consider Authorizing the use of an Interfund Loan to an Authority Tax Increment District to be Created at a Later Date – Kim Berggren

K. Consider Approving EDA Meeting Minutes

4. OTHER BUSINESS

A. Communications

1. Status Report
2. Huntington Pointe Update
3. Village Creek

B. Discussion Items

1. Update on Clubhouse Restaurant Renovations
2. Master Redevelopment Plan Update

C. Legal Matters

1. Grand Rios

5. ADJOURNMENT

The Brooklyn Park Economic Development Authority's Agenda Packet is posted on the City's website.

To access the agenda packet go to www.brooklynpark.org

The Next Scheduled EDA Meeting is May 12, 2008 at 7:00 P.M.



REQUEST FOR EDA ACTION

Meeting Date:	04/14/2008
Agenda No:	3.C
Prepared by:	Amy Baldwin
Presented by:	Amy Baldwin

ITEM:

CONSIDER APPROVING APPLICATION, AUTHORIZING CONTRACT SIGNATURE AND COMMITTING LOCAL MATCH FOR THE DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT CONTAMINATION CLEANUP AND INVESTIGATION PROGRAM FOR 4409 85TH AVENUE NORTH

PROPOSED MOTION

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION 2008-____ APPROVING APPLICATION, AUTHORIZING CONTRACT SIGNATURE AND COMMITTING LOCAL MATCH FOR THE DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT CONTAMINATION CLEANUP AND INVESTIGATION PROGRAM FOR 4409 85TH AVENUE NORTH.

OVERVIEW

A resolution of support has been requested by L. J. Fischer and Associates related to an application to the Department of Employment and Economic Development Contamination Cleanup and Investigation Grant Program for the property at 4409 85th Avenue North. This is one of the privately owned sites impacted by contamination related to the former Brooklyn Park Dump, which is listed on the Minnesota Permanent List of Priorities. The grant being applied in this funding round is for investigation costs; a second application to the program is anticipated that would be specifically for the clean up costs. The owner also plans on submitting an application to the Hennepin County Environmental Response Fund for investigation fund; a resolution of support will be brought before the City Council on April 21 related to that application.

If grant funding is received during this grant award round, it is anticipated that the additional investigation will be completed during the summer or fall of 2008. The purpose of this investigation is to fully identify the environmental impacts attributable to the Brooklyn Park Dump in order to determine response actions necessary to facilitate the sale and development of the site. The estimated cost of the investigation and preparation of the response action plan is \$75,000; this amount will be split between the two grant applications and the owner's contribution.

The owner of the property has hired Paramount Real Estate Corporation to market and sell the property. The attached concept plan indicates the construction of two office-warehouse buildings of approximately 33,000 square feet each. These buildings would be constructed according to Brooklyn Park's architectural guidelines for the zoning district.

Although the resolution indicates the commitment of a local dollar match, there is no financial implication to the EDA or to the City resulting from this application as the property owner is providing the local dollar match required with the application funding.

PRIMARY ISSUE TO CONSIDER

- N/A

ADDITIONAL INFORMATION

- Resolution
- Location Map
- Conceptual Development Plan

ANALYSIS OF ISSUES

N/A

RECOMMENDATION

The Executive Director of the Economic Development Authority recommends approval.

**THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK**

RESOLUTION #2008

**RESOLUTION APPROVING APPLICATION, AUTHORIZING CONTRACT
SIGNATURE AND COMMITTING LOCAL MATCH FOR THE DEPARTMENT OF
EMPLOYMENT AND ECONOMIC DEVELOPMENT CONTAMINATION CLEANUP
AND INVESTIGATION PROGRAM FOR 4409 85TH AVENUE NORTH**

BE IT RESOLVED that the Brooklyn Park Economic Development Authority of the City of Brooklyn Park has approved the Contamination Cleanup and Investigation grant application submitted to the Department of Employment and Economic Development (DEED) on May 1, 2008, for the 4409 85th Avenue North site.

BE IT FURTHER RESOLVED that the Brooklyn Park Economic Development Authority of the City of Brooklyn Park act as the legal sponsor for project contained in the Contamination Cleanup and Investigation Grant Program to be submitted on May 1, 2008, and that the Executive Director of the Economic Development Authority is hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of the Brooklyn Park Economic Development Authority.

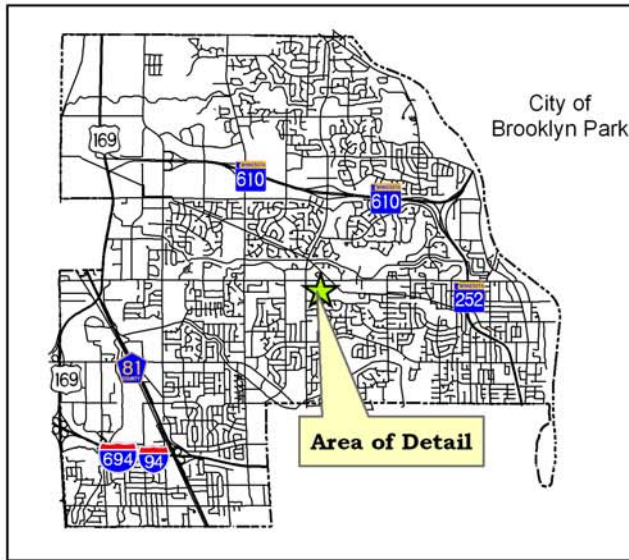
BE IT FURTHER RESOLVED that the Brooklyn Park Economic Development Authority has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that the sources and amounts of the local match identified in the application are committed to the project identified.

BE IT FURTHER RESOLVED that the Brooklyn Park Economic Development Authority has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

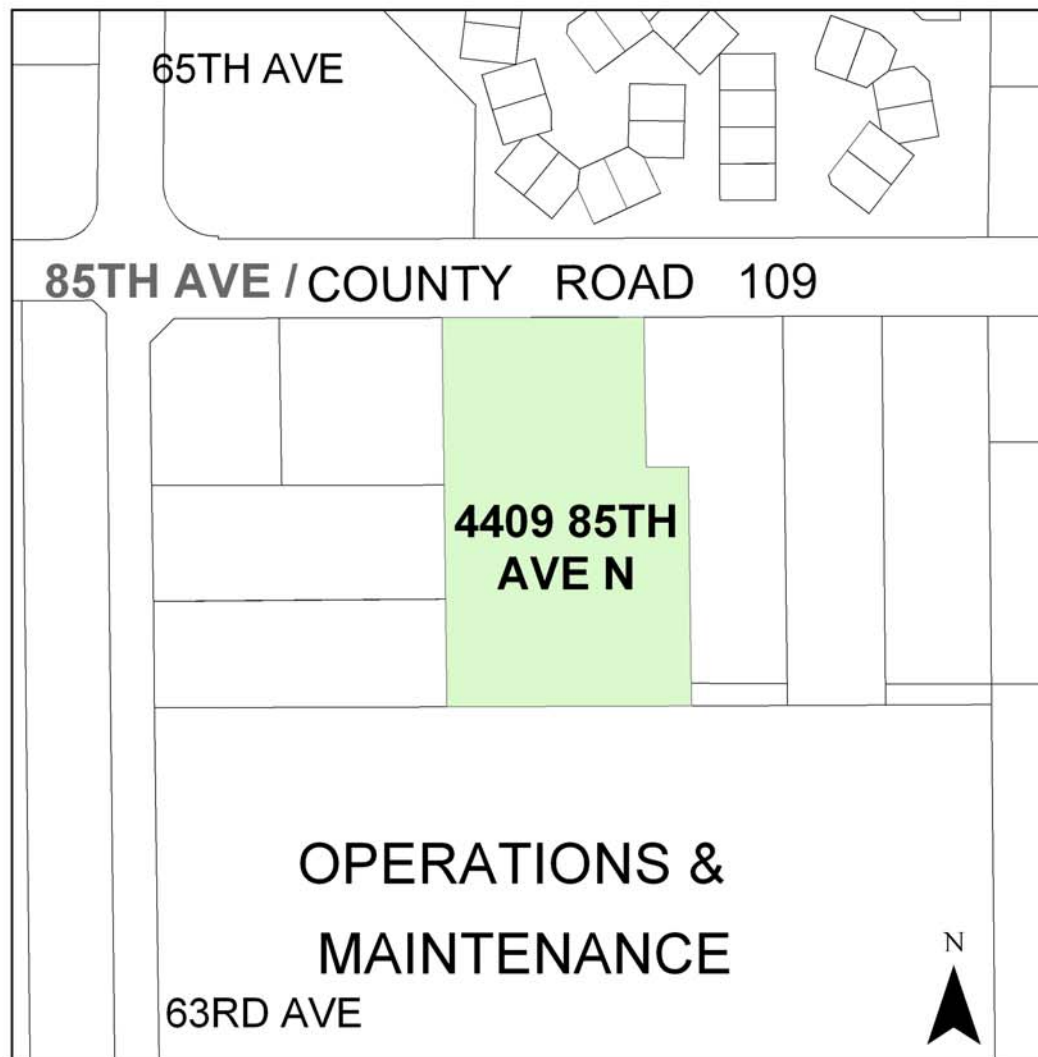
BE IT FURTHER RESOLVED that upon approval of its application by the state, the Brooklyn Park Economic Development Authority may enter into an agreement with the State of Minnesota for the above-referenced project, and that the Brooklyn Park Economic Development Authority certifies that it will comply with all applicable laws and regulation as stated in all contract agreements.

NOW, THEREFORE BE IT FINALLY RESOLVED that Executive Director of the Economic Development Authority is hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant.



Map Location: 4409 85th Avenue N

Created by:
City of Brooklyn Park, Economic Development
March 31, 2008



CADD USER: Rick Gustner FILE: M:\CAD\2327101\SITE PLAN.DWG PLOT SCALE: 1:1 PLOT DATE: 3/27/2008 4:20 PM

RLG M:\cad\2327101\Site Plan.dwg Plot at 0 03/27/2008 16:06:50

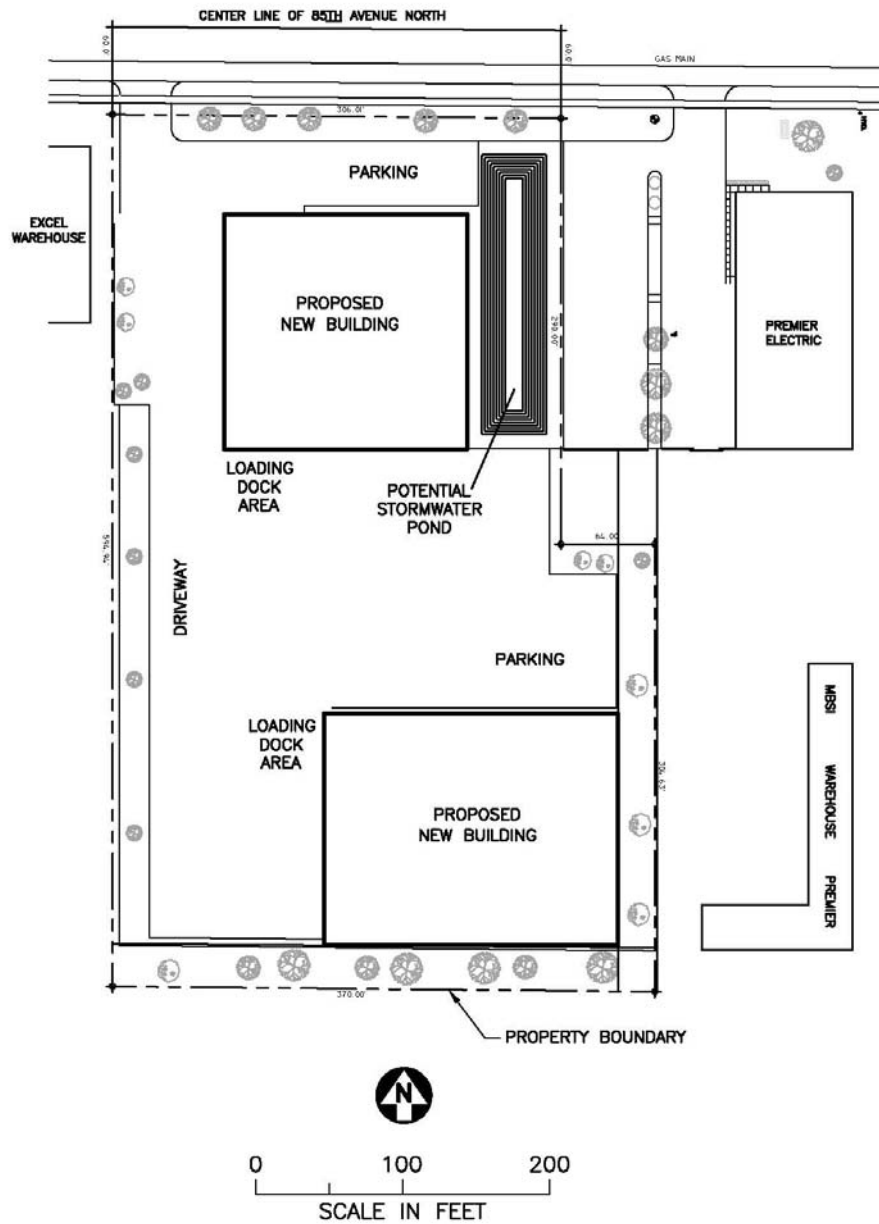


Figure 4
CONCEPTUAL DEVELOPMENT PLAN
4409 85th Avenue N
Brooklyn Park, MN



REQUEST FOR EDA ACTION

Meeting Date:	04/14/08
Agenda No:	3.D
Prepared by:	Kim Berggren
Presented by:	Kim Berggren

ITEM:

CONSIDER ACCEPTING THE BID AND AWARDING THE CONTRACT TO RAMSEY EXCAVATING IN THE AMOUNT OF \$502,710.00 FOR DEMOLITION OF 7479 BROOKLYN BOULEVARD NORTH (HUNTINGTON POINTE APARTMENTS)

PROPOSED MOTION

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION 2008-__ ACCEPTING THE BID AND AWARDING THE CONTRACT TO RAMSEY EXCAVATING IN THE AMOUNT OF \$502,710.00 FOR DEMOLITION OF 7479 BROOKLYN BOULEVARD NORTH (HUNTINGTON POINTE APARTMENTS).

OVERVIEW

In July 2007, the EDA acquired the Huntington Pointe Apartments site. The EDA authorized the acquisition as a strategy for reducing the number of apartments in the area in accordance with the recommendations from the 2004 Apartment Housing Enhancement and Dispersal (AHEAD) Task Force and the 2005 Stable Neighborhood Action Plan (SNAP). In November, the EDA approved a contract with Peer Engineering, an environmental consulting firm, to assist the EDA with demolition of the complex following environmental regulations. Peer Engineering completed the required additional asbestos testing and hazardous materials reports, and prepared the demolition specifications for this project. Peer has also assisted staff in evaluating bids from contractors.

This demolition contract will require the successful bidder to remove all buildings (9, 34-unit apartment buildings and 14 accessory structures), the swimming pool, parking lots, sidewalks, lighting and any other improvements on the site. In addition, the contract includes remediation of environmental issues, including asbestos, lead-based paint, petroleum, and other hazardous materials. After demolition, rough grading will be completed and trees on the site will be preserved wherever possible. Successful completion of the contract includes seeding the site.

PRIMARY ISSUE TO CONSIDER

- What was the bidding process?
- What funds will be used to pay for demolition?
- Are items from the site being salvaged?

ADDITIONAL INFORMATION

- Resolution

ANALYSIS OF ISSUES

- **What was the bidding process?**

Phone calls were made to nine reputable demolition contractors to inform them of the bid request and notice was published in the Sun Post on March 13, 2008. Demolition specifications were obtained by 27 contractors and a pre-demolition meeting was held on March 24, 2008. A total of 12 bids were received by the bid opening on April 1, 2008, at 2 pm. Bids ranged from \$502,710 to \$1,268,937. Most of the bids received were lower than the engineer's recent estimate of \$1,000,000.

The results of the bidding process are as follows:

	Bidder	Bid Amount
1	Ramsey Excavating	\$ 502,710.00
2	Landwehr construction	\$ 507,435.00
3	Rachel Contracting	\$ 539,626.00
4	Wickenhauser Excavating Inc	\$ 542,810.00
5	Carl Bolander and Sons	\$ 647,280.00
6	Veit	\$ 738,908.00
7	Belair	\$ 756,373.97
8	Doboszenski and Sons	\$ 821,705.00
9	Frattalone	\$ 895,929.00
10	Dore and Associates	\$ 907,550.00
11	Total Construction and Equipment	\$ 1,070,600.00
12	Dennis Fehn	\$ 1,268,937.00

Peer Engineering Inc. assisted staff in reviewing and analyzing the bids and checking references. Peer recommends that the EDA enter into a contract with Ramsey Excavating, the lowest bidder, to complete the Huntington Pointe apartments demolition work for an amount of \$502,710. Staff concurs with this recommendation.

The successful bidder will start work once the contract can be finalized, likely by the end of April. It is estimated that this work will take about 120 days to complete. Preliminary work will include obtaining the appropriate approvals from the Minnesota Pollution Control Agency, disconnecting utilities, and asbestos remediation inside the buildings. Thus, it will likely take a month or two before demolition of exterior structures begins.

- **What funds will be used to pay for demolition?**

Previous estimates of project costs included \$750,000 for site preparation and demolition, \$50,000 for soil remediation, and up to \$1.63 million for asbestos abatement. EDA funds were budgeted for the project in accordance with these estimated expenses. As proposed at this time, for a total cost of \$502,710, Ramsey Excavating would complete site preparation, demolition, and environmental clean-up. Budgeted EDA funds (mostly from TIF Districts #17 and #15) will be used to pay the majority of the demolition costs; however, per the purchase agreement, the seller (Dominium) is paying for some of the environmental clean-up as follows:

- The seller escrowed \$100,000 to pay for lead-based paint abatement. According to the U.S. Department of Housing and Urban Development (HUD), Dominion remains responsible for rendering the property lead-based paint free. The escrowed funds are available to cover costs incurred as a result of lead-based paint abatement. Unspent escrowed funds, if any, will be returned to Dominion.
- The seller reduced the purchase price by \$100,000, providing a credit to assist with asbestos abatement and soil remediation costs. Costs incurred related to the handling of asbestos-containing materials and soil remediation will be determined by the contractor and paid for using the credited funds. Unspent credited funds, if any, will be returned to Dominion.

- **Are items from the site being salvaged?**

In accordance with previous practices, staff pursued selling materials from the complex directly to interested parties, rather than granting all salvage rights to the demolition contractor. A notice of sale of fixtures and equipment was placed in the Sun Post on February 14, 2008, and letters were sent to area apartment owners and managers requesting offers. An open house was held on the site on February 19, and several offers were received. Staff accepted the highest offers, as listed below, for a total of \$41,900.

○ John Roder, Sabre Enterprises	\$33,000	Appliances, mechanical systems, other
○ Jim Soderberg, Soderberg Apartments	\$800	Lighting
○ Boyd Kneen, Utility Energy Systems	\$6,000	Propane tank and blending equipment
○ Steve Schnarr, Electric Fire & Security	\$2,000	Fire alarm, entry, and access systems
○ Brenda McDonald, Dominion Mgmt.	\$100	3 used computers

RECOMMENDATION

The Executive Director of the Economic Development Authority recommends approval.

**THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK**

RESOLUTION #2008-

**ACCEPTING THE BID AND AWARDING THE CONTRACT TO RAMSEY
EXCAVATING IN THE AMOUNT OF \$502,710.00 FOR DEMOLITION OF 7479
BROOKLYN BOULEVARD NORTH (HUNTINGTON POINTE APARTMENTS)**

WHEREAS, pursuant to an advertisement for bids for the following project:

Demolition of 7479 Brooklyn Boulevard North (Huntington Pointe Apartments).

WHEREAS, bids were received, opened and tabulated and the following bids were received complying with the advertisement:

	Bidder	Bid Amount
1	Ramsey Excavating	\$ 502,710.00
2	Landwehr construction	\$ 507,435.00
3	Rachel Contracting	\$ 539,626.00
4	Wickenhauser Excavating Inc	\$ 542,810.00
5	Carl Bolander and Sons	\$ 647,280.00
6	Veit	\$ 738,908.00
7	Belair	\$ 756,373.97
8	Doboszinski and Sons	\$ 821,705.00
9	Frattalone	\$ 895,929.00
10	Dore and Associates	\$ 907,550.00
11	Total Construction and Equipment	\$ 1,070,600.00
12	Dennis Fehn	\$ 1,268,937.00

WHEREAS, the Executive Director recommends award of contract to Ramsey Excavating as the lowest responsible bidder.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority (EDA) of the City of Brooklyn Park, that the President and the Executive Director are hereby authorized and directed to enter into a contract with Ramsey Excavating in the name of the EDA for demolition of 7479 Brooklyn Boulevard North (Huntington Pointe Apartments) in accordance with the plans and specifications thereof approved by the EDA.



REQUEST FOR EDA ACTION

Meeting Date:	04/14/08
Agenda No:	3.E
Prepared by:	Marjorie Mangine
Presented by:	Jason Aarsvold

ITEM:

CONSIDER ESTABLISHING THE BROOKLYN PARK OWNER-OCCUPIED HOME IMPROVEMENT LOAN PROGRAM AND APPROVING HOME IMPROVEMENT LOAN PROGRAM GUIDELINES

PROPOSED MOTION

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION 2008-____ ESTABLISHING THE BROOKLYN PARK OWNER-OCCUPIED HOME IMPROVEMENT LOAN PROGRAM AND APPROVING HOME IMPROVEMENT LOAN PROGRAM GUIDELINES

OVERVIEW

In early 2007 the City Council established a comprehensive set of goals for improving the city including: *Having neighborhoods that are clean, safe, well-maintained and offer a mix of housing throughout the city.* As a result, EDA staff developed the Neighborhood and Housing Investment Program. One of the strategies identified in the Neighborhood and Housing Investment Program is the creation of an Owner-Occupied Home Improvement Loan Program.

The proposed Owner-Occupied Home Improvement Loan Program will provide the financial resources necessary to keep city neighborhoods stable and preserve and enhance the housing stock, property values and tax base. The goal is to increase the number of residents making improvements to their homes by offering lower-interest rate loans.

EDA staff researched other cities' programs, questioned their staff, and worked with the Center for Energy and Environment to develop loan guidelines appropriate for Brooklyn Park. The attached guidelines establish a framework for the Brooklyn Park Owner-Occupied Home Improvement Loan Program.

If approved, staff will begin to roll out the new loan program immediately and begin making home improvement loans as soon as possible.

PRIMARY ISSUES TO CONSIDER

- What are the key Owner-Occupied Home Improvement Loan Program guidelines?
- What makes the EDA loan program more attractive than others available to Brooklyn Park homeowners?
- How is the loan program funded?

ADDITIONAL INFORMATION

- PROPOSED RESOLUTION
- PROGRAM GUIDELINES
- INCOME GUIDELINES
- LOAN ANALYSIS PROJECTION

ANALYSIS OF ISSUES

- **What are the key Owner-Occupied Home Improvement Loan Program guidelines?**

The loan program is not intended to be the sole source of home rehabilitation funds available to Brooklyn Park homeowners but is designed to supplement existing loan programs available from Minnesota Housing Finance Agency (MHFA), the Center for Energy & Environment (CEE), and other housing resources or private lenders.

The loans will be written for a minimum of \$5,000 to a maximum of \$25,000 with the term of the loan generally one year per thousand dollars borrowed. The maximum term of a loan is 15 years but the loan does become due if the property is sold, or there is a transfer of property title. Loan applications will be processed on a first-come, first-served basis until program funds are exhausted. All loans will be secured with a mortgage in favor of the City of Brooklyn Park. The borrowers will pay all filing fees.

Loans carrying an interest rate of 4% will be made available to qualifying households with incomes less than 80% of area median income (AMI), and 5% loans will be available to households with incomes between 80% and 115% of AMI. Funds available for new loans are based upon the program balance at any given time.

Area median income (AMI) is a HUD term defining household income specific to geographic areas. Each year new figures are published and used to determine household eligibility for various government supported programs. For 2008, the AMI for the metro area is \$80,900 for a household of four, which means in order for a household of four to be less than 80% AMI the total household income must be less than \$61,500. Households at 115% AMI must earn less than \$93,100.

Eligible properties are owner-occupied single family and owner-occupied duplex properties. Owner-occupants of condominiums and townhouses will be eligible for the program for their unit's interior repairs. Construction of new decks, porches, and such may be allowed and will be considered case by case. Recreation or luxury improvements (lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.) are not eligible. Borrowers will pay all filing fees and related closing costs. Servicing costs will be paid from program income.

Applicants must have the ability to repay the loan and their debt-to-income ratio must be 50%, or less. Loan-to-value ratio of all loans secured by the property, including the new loan, must not exceed 100% of the property value. Property value is to be determined by Hennepin County's most recent taxable market value, a current independent appraisal, or a Realtor® appraisal based upon recent sales.

Borrowers must be current on all mortgage payments and property taxes and may not have any outstanding judgments, defaulted government loans, collections, or liens. CEE has the right to evaluate and prioritize improvements to be made to assure the integrity of the housing is maintained before any additional changes or enhancements are made.

- **What makes the EDA loan program more attractive than others available to Brooklyn Park homeowners?**

The program's incentive of the low interest rates of 4% and 5% is intended to encourage city homeowners to proceed sooner with home repairs and improvements they may otherwise have been putting off because of higher rates offered by other lending sources. In addition, unlike other programs which offer only loan funds, the EDA loan program is offering Remodeling Advisor Services to homeowners and will serve households up to 115% AMI thereby reaching a greater number of households.

An important component of the EDA loan program is that it offers Remodeling Advisor Services where an unbiased rehabilitation specialist assesses the general condition of the home, makes recommendations for necessary repairs and scope of work, and offers suggestions and options for improvements.

- **How is the loan program funded?**

The EDA budgeted \$400,000 in 2008 to be dedicated to the Owner-Occupied Home Improvement Loan Program in the first year. The EDA will annually measure the program's success and may want to dedicate additional funds to the program over the next several years. The attached financial analysis depicts the possible loan funding for future years. The EDA can dedicate funds through the EDA levy and/or fund balance from the 50-year plan reserve.

To make 4% interest rate loans, staff is proposing to leverage Minnesota Housing Community Fix-Up Fund dollars for the principal amount of the loan and then use CDBG dollars to "buy-down" the interest rate. The current Minnesota Housing Community Fix-up Fund rate offered is 6 %. This option would be available to income-qualified (below 80% AMI) homeowners, and allows the EDA to get more dollars into rehabilitation without using EDA general fund dollars.

RECOMMENDATION

The Executive Director of the Economic Development Authority recommends approval.

**THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK**

RESOLUTION #2008-

**ESTABLISHING THE BROOKLYN PARK OWNER-OCCUPIED HOME
IMPROVEMENT LOAN PROGRAM AND APPROVING HOME
IMPROVEMENT LOAN PROGRAM GUIDELINES**

WHEREAS, the Authority wishes to establish the Brooklyn Park Owner-Occupied Home Improvement Loan Program (the "Program") and has developed policies and procedures for the implementation thereof (the "Program Guidelines") as attached hereto.

NOW, THEREFORE, BE IT RESOLVED, by the Brooklyn Park Economic Development Authority Board of Commissioners as follows:

1. That the Brooklyn Park Owner-Occupied Home Improvement Loan Program is hereby established and the Program Guidelines are hereby approved.
2. That the Authority staff is authorized and directed to take such actions as are necessary and convenient to implement the Program.

City of Brooklyn Park Owner-Occupied Home Improvement Loan Program

Program Overview and Guidelines

The City of Brooklyn Park Economic Development Authority (EDA) has made loan funds available to homeowners for exterior and interior home improvements to preserve and enhance the structural quality, livability and value of the community's housing stock. The Home Improvement Loan Program provides low interest loans and the funds available for new loans are based upon the program balance at any given time. The program is not intended to be the sole source of home rehabilitation funds available to Brooklyn Park homeowners but is designed to supplement existing loan programs available from Minnesota Housing Finance Agency (MHFA), the Center for Energy & Environment (CEE), and other housing resources or private lenders.

Terms of the EDA Revolving Loan Program

1. **Loan Amount:** Minimum loan amount of \$5,000 and maximum of \$25,000.
2. **Interest Rate/Income Limit:** 4% loans may be available to households with incomes less than 80% of AMI, and 5% loans will be available to households with incomes between 80% and 115% of Area Median Income (AMI) using HUD income guidelines. Annual household income shall be calculated based on current gross income projected forward 12 months.
3. **Loan Term:** Generally, one year per thousand dollars borrowed. The maximum term of the loan is 15 years. The loan is due on sale or transfer of property title.
4. **Loan Security:** The loan will be secured with a mortgage in favor of the City of Brooklyn Park. Borrowers will pay all filing fees.
5. **Eligible Properties:** All properties must be located within the geographical boundaries of the City of Brooklyn Park. Owner-occupied single family and owner-occupied duplex properties are eligible. Owner occupants of condominiums and townhouses will be eligible for this program for their individual unit's interior repairs. Replacement windows will be considered if not covered by the owner's association.
6. **Eligible Improvements:** Interior and exterior repairs and improvements are eligible. Decks, porches, retaining walls, garage(s), landscaping and fences can be repaired or replaced. Construction of new structures may be allowed and will be considered case by case.

CEE has the right to evaluate and prioritize improvements to be made to assure the integrity of the housing is maintained before any additional enhancements are made.

7. **Ineligible Improvements:** No recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.), furniture, skylights, non-permanent (built-in) appliances, and funds for working capital, debt service or refinancing existing debts are allowed. CEE will refer to City Staff whenever eligibility of an improvement project is questionable.
8. **Debt - to - Income Ratio:** Applicants must have the ability to repay the loan. Applicants who have a debt to income ratio in excess of 50% will be denied loan financing.
9. **Loan - to - Value Ratio:** The ratio of all loans secured by the property, including the new loan, must not exceed 100% of the property value.
10. **Underwriting Decision:** Applicants must have acceptable credit history and can not have had a bankruptcy in the last two years. Property owners must be current on all mortgage payments and property taxes. Borrower may not have any outstanding judgments, defaulted government loans, collections, or liens, and generally no more than two 30-day lates on the credit report. Any 60-day late requires a documented and reasonable explanation. CEE may approve or deny a loan based on a credit report, income verification and other criteria as outlined above.
11. **Loan Servicing:** Community Reinvestment Fund Inc (CRF) will be responsible for loan servicing.

General Program Conditions

Application Processing: Applications will be processed on a first-come, first-served basis until program funds are exhausted. Applicants must provide a completed application, proof of income, property tax statement, and required bids at the time of application. Loan services include assistance with collection and evaluation of bids.

Start of Work: All borrowers must have their application approved by CEE prior to beginning any work. Do not purchase any project materials or let your contractor(s) begin any work until your application has been approved by CEE.

Work by Owner: Work may be approved to be performed on a “sweat equity” basis. Loan funds cannot be used to compensate for labor, only for materials. CEE must determine that the owner has the ability to complete the work within the program timeline and in a workmanlike manner. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a Brooklyn Park Building Department permit must be obtained by the borrower.

Work Completion: All work must be completed within 120 days of the loan closing. Exceptions by CEE may be allowed on a case-by-case basis.

Custody of Funds: Funds will remain in the custody of CEE until payment for completed work. CEE may request a wire transfer of funds from the Brooklyn Park Finance Director, or Assistant Finance Director up to two times a month as needed for loan program expenditures.

Disbursement Process: Payment to the contractor (or owner in sweat equity situations) will be made upon completion of work. In the event a permit is not required for the project, an installation verification inspection will be performed by CEE to verify the completion of the work. The following items must be received prior to final disbursement of funds:

1. Final invoice or proposal from contractor (or materials list from supplier)
2. Final approved inspection by City of Brooklyn Park Building Official (or CEE if appropriate)
3. Completion certificate(s) signed by borrower and contractor
4. Lien waiver(s) for entire cost of work
5. Evidence of abatement of any required building permit(s).

The above items must be provided to CEE in order to process the invoice for payment. Lien waiver(s) must be provided before any funds will be released.

Total Project Cost: It is the borrower's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. In the event the final invoice exceeds the original loan amount, the borrower must obtain the additional funds. CEE can direct borrowers to additional financing sources.

Contractors / Permits: Except when labor is to be provided by borrower, the borrower must provide a minimum of 2 bids for each improvement project. All contractors must be properly licensed by the State of Minnesota when required. All required City permits must be obtained by the contractor. It is the contractor's responsibility to arrange all inspections and final approval by the City building department of all open permits

Remodeling Advisor Services: Upon request, CEE will provide participants a project-specific visit to discuss proposed improvement projects. A fee of \$150.00 for the Remodeling Advisor Service is to be paid from the EDA Home Improvement Loan Program, up to a program maximum of \$4,500. One paid Remodeling Advisor Service per homeowner is allowable.

Loan Costs: The EDA will pay the loan origination fees for the borrower from the EDA Home Improvement Loan Program Administrative fund. Borrowers will pay all filing fees and related closing costs. Servicing costs will be paid from Program Income.

HUD 2008 INCOME GUIDELINES

Income Limits, Maximum Gross Rents, & Estimated Purchase Prices

Form Revised 4/2/09

Income Limits (4)		MSA Median Income = 80,900							
		(EFFECTIVE)							
% of Median	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person	
30%	17,000	17,650	19,400	21,850	24,500	27,300	29,200	31,100	
50%	28,800	29,400	32,060	36,400	40,800	45,650	48,850	51,800	
55%	31,130	32,340	35,585	40,040	44,495	48,880	53,515	56,980	
60%	33,960	35,280	38,820	43,680	48,540	52,440	56,380	62,160	
65%	36,790	38,220	42,055	47,320	52,585	57,040	61,345	67,340	
80%	43,060	44,700	48,200	55,350	61,600	68,000	73,800	78,860	
100%	56,630	60,575	64,720	72,810	80,900	87,372	93,844	106,798	
110%	62,293	66,743	71,192	80,091	88,990	92,550	103,228	117,457	
120%	67,956	72,810	77,664	87,372	97,080	100,963	112,513	128,146	

Maximum Gross Rents (1)

LIHTC (2)		EFF		1 BR		2 BR		3 BR		4 BR		5 BR		6 BR		7 BR		8 BR	
% of Median	1 person	1.5 person	2 person	3 person	4 person	4.5 person	5 person	6 person	7 person	8 person	9 person	10 person	11 person	12 person	13 person	14 person	15 person	16 person	17 person
30%	425	441	485	545	606	613	655	683	730	764	778	813	853	893	934	974	1,014	1,054	1,094
FMR (8)	593	659	809	848	1,011	1,051	1,093	1,138	1,183	1,228	1,273	1,318	1,363	1,408	1,453	1,498	1,543	1,588	1,633
50%	708	736	809	810	1,011	1,020	1,083	1,138	1,183	1,228	1,273	1,318	1,363	1,408	1,453	1,498	1,543	1,588	1,633
55%	778	809	893	1,001	1,112	1,122	1,202	1,253	1,303	1,353	1,403	1,453	1,503	1,553	1,603	1,653	1,703	1,753	1,803
60%	848	882	971	1,082	1,214	1,224	1,311	1,367	1,417	1,467	1,517	1,567	1,617	1,667	1,717	1,767	1,817	1,867	1,917
65% (4)	920	956	1,051	1,183	1,315	1,325	1,420	1,480	1,530	1,580	1,630	1,680	1,730	1,780	1,830	1,880	1,930	1,980	2,030
80%	1,078	1,118	1,230	1,384	1,538	1,550	1,660	1,728	1,788	1,848	1,908	1,968	2,028	2,088	2,148	2,208	2,268	2,328	2,388
100%	1,416	1,517	1,618	1,820	2,023	2,103	2,194	2,346	2,508	2,669	2,831	2,993	3,155	3,317	3,479	3,641	3,803	3,965	4,127
110%	1,667	1,689	1,780	2,002	2,225	2,314	2,403	2,591	2,759	2,927	3,095	3,263	3,431	3,599	3,767	3,935	4,103	4,271	4,439
120%	1,699	1,620	1,942	2,184	2,427	2,524	2,621	2,815	3,009	3,203	3,397	3,591	3,785	3,979	4,173	4,367	4,561	4,755	4,949

Estimated Purchase Prices (5)

LIHTC (2)		EFF		1 BR		2 BR		3 BR		4 BR		5 BR		6 BR		7 BR		8 BR	
% of Median	1 person	1.5 person	2 person	3 person	4 person	4.5 person	5 person	6 person	7 person	8 person	9 person	10 person	11 person	12 person	13 person	14 person	15 person	16 person	17 person
30%	57,400	59,600	65,500	73,700	81,800	82,700	88,400	92,100	98,500	104,900	108,600	114,300	118,000	123,700	127,400	133,100	136,800	142,500	146,200
50%	95,500	99,200	109,200	122,800	136,500	137,700	147,500	153,700	164,200	174,800	180,600	192,300	198,100	209,800	215,600	227,300	233,100	244,800	250,600
55%	105,000	109,100	120,100	135,100	150,100	151,400	162,200	169,100	180,600	192,300	204,000	215,700	227,400	239,100	250,800	262,500	274,200	285,900	297,600
60%	114,600	119,100	131,000	147,400	163,800	165,200	177,000	184,400	197,000	209,800	222,600	235,400	248,200	261,000	273,800	286,600	299,400	312,200	325,000
65%	124,100	129,000	141,900	159,700	177,400	179,000	191,700	199,800	213,400	227,000	240,600	254,200	267,800	281,400	295,000	308,600	322,200	335,800	349,400
80%	145,300	150,800	166,000	186,800	207,500	209,200	224,100	233,300	249,400	265,400	281,400	297,400	313,400	329,400	345,400	361,400	377,400	393,400	409,400
100%	191,100	204,700	218,400	245,700	273,000	283,900	294,800	316,700	338,600	360,500	382,400	404,300	426,200	448,100	470,000	491,900	513,800	535,700	557,600
110%	210,200	225,200	240,200	270,300	300,300	312,300	324,300	348,300	372,400	396,400	420,400	444,400	468,400	492,400	516,400	540,400	564,400	588,400	612,400
120%	229,300	245,700	262,100	294,800	327,500	340,700	353,800	380,000	406,200	432,400	458,600	484,800	511,000	537,200	563,400	589,600	615,800	642,000	668,200

(1) Maximum Gross Rents, including contract rents and tenant paid utilities, based on 30% of gross household income.

(2) For Low-Income Housing Tax Credit (LIHTC) projects from 1990 on, rent calculations assume 1.5 period, 1 per. = QBR or 6M.

(3) FMR=Fair Market Rent 3/2007

(4) HOME Program Rents - 65% Rent Limit (effective April 2006)

(5) Estimated Purchase Prices assume 30 year fixed rate FHA mortgage financing at 6.0%, with 55% of purchase price financed. Price is based on 33% of monthly income for mortgage payment, taxes, insurance and mortgage insurance. All figures rounded to nearest \$100. To determine affordability at the time of project closing, the current 30 yr. mortgage interest rate, if different than 6.0%, should be utilized to determine the applicable purchase prices.

(6) Income limits for 50%, 60%, 65%, & 80% of median income are rounded to nearest \$50, all other limits are not.

Loan Analysis Projections

Program Year	Contribution	Starting Fund Balance	Loan Details		Other Expenses		Income	
			Number of Loans	Total Loan Amount	Advisor Visits	Net Payments	Interest on Fund Bal.	Ending Fund Balance
1	\$ 400,000	\$ 400,000	10	\$ 150,000	\$ 4,500	\$ 7,483	\$ 9,944	\$ 262,927
2	\$ 400,000	\$ 662,927	20	\$ 300,000	\$ 4,500	\$ 32,788	\$ 16,053	\$ 407,268
3	\$ 200,000	\$ 607,268	20	\$ 300,000	\$ 4,500	\$ 68,429	\$ 14,900	\$ 386,097
4	\$ 200,000	\$ 586,097	20	\$ 300,000	\$ 4,500	\$ 104,138	\$ 14,799	\$ 400,535
5	\$ 100,000	\$ 500,535	20	\$ 300,000	\$ 4,500	\$ 140,206	\$ 12,743	\$ 348,983
6	\$ 100,000	\$ 448,983	20	\$ 300,000	\$ 4,500	\$ 175,847	\$ 11,715	\$ 332,045
7	\$ 100,000	\$ 432,045	20	\$ 300,000	\$ 4,500	\$ 211,488	\$ 11,742	\$ 350,776
8	\$ -	\$ 350,776	20	\$ 300,000	\$ 4,500	\$ 247,129	\$ 9,810	\$ 303,215
9	\$ -	\$ 303,215	20	\$ 300,000	\$ 4,500	\$ 282,771	\$ 8,904	\$ 290,390
10	\$ -	\$ 290,390	20	\$ 300,000	\$ 4,500	\$ 318,412	\$ 9,056	\$ 313,358
11	\$ -	\$ 313,358		\$ -		\$ 331,176	\$ 14,587	\$ 659,121
12	\$ -	\$ 659,121		\$ -		\$ 305,445	\$ 24,726	\$ 989,293
13	\$ -	\$ 989,293		\$ -		\$ 269,804	\$ 34,239	\$ 1,293,336
14	\$ -	\$ 1,293,336		\$ -		\$ 233,825	\$ 42,952	\$ 1,570,113
15	\$ -	\$ 1,570,113		\$ -		\$ 198,027	\$ 50,836	\$ 1,818,976
16	\$ -	\$ 1,818,976		\$ -		\$ 162,386	\$ 57,873	\$ 2,039,235
17	\$ -	\$ 2,039,235		\$ -		\$ 126,745	\$ 64,039	\$ 2,230,018
18	\$ -	\$ 2,230,018		\$ -		\$ 91,103	\$ 69,307	\$ 2,390,428
19	\$ -	\$ 2,390,428		\$ -		\$ 55,462	\$ 73,650	\$ 2,519,540
20	\$ -	\$ 2,519,540		\$ -		\$ 19,821	\$ 77,039	\$ 2,616,400
TOTAL	\$ 1,500,000		190	\$ 2,850,000		\$ 3,382,484	\$ 628,916	

Assumptions		
Loan default rate		3%
Average loan amount	\$15,000	
Loan interest rate		5%
Loan term		10 yrs
Fund interest rate		3%



REQUEST FOR EDA ACTION

Meeting Date:	April 14, 2008
Agenda No:	3.F
Prepared by:	Marjorie Mangine
Presented by:	Jason Aarsvold

ITEM:

CONSIDER APPROVING CONSULTING AGREEMENT WITH THE CENTER FOR ENERGY AND ENVIRONMENT FOR ORIGINATION OF LOANS UNDER THE BROOKLYN PARK OWNER-OCCUPIED HOME IMPROVEMENT LOAN PROGRAM

PROPOSED MOTION

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION 2008-_____ TO APPROVE CONSULTING AGREEMENT WITH THE CENTER FOR ENERGY AND ENVIRONMENT FOR ORIGINATION OF LOANS UNDER THE BROOKLYN PARK OWNER-OCCUPIED HOME IMPROVEMENT LOAN PROGRAM

OVERVIEW

The purpose of this action is to form a consulting agreement between the EDA and the Center for Energy and Environment (CEE) to originate the home improvement loans of the EDA's Owner-Occupied Home Improvement Loan Program. CEE is an independent non-profit organization that has provided services to metropolitan area cities for nearly 20 years.

The EDA does not have the capacity to administer the home improvement loan program. Therefore staff is proposing to enter into a contract with CEE. CEE has successfully originated over 20,000 rehabilitation loans totaling over \$100 million including loans made over the past 12 years in Brooklyn Park. The professional services of the CEE staff will be paid with funds generated by the loan program.

PRIMARY ISSUES TO CONSIDER

- What are key provisions of the consulting agreement for the loan originations and what are the costs?
- How and why was the consultant chosen?
- How will this consulting agreement be funded?

ADDITIONAL INFORMATION

- PROPOSED RESOLUTION
- ORIGINATION AGREEMENT

ANALYSIS OF ISSUES

- **What are key provisions of the consulting agreement for the loan originations and what are the costs?**

The consulting agreement proposed by CEE is to provide a comprehensive service plan for the origination and closing of the EDA's home improvement loans. CEE proposed services include marketing of the program and assisting homeowners through the application process and the collection and evaluation of bids. CEE will

prepare all loan documents and complete the loan closing. Monthly reports provided to the EDA by CEE will document all transactions and closings.

The costs of the program will be a \$550.00 fee paid to CEE for each loan closed. An Installment Verification fee of \$70.00 will be paid to CEE for verifications performed by a CEE housing technician whenever the project does not require an inspection by a city inspector. When CDBG funds are used to provide a discounted interest rate, the EDA will be assessed a \$125.00 fee to cover administrative costs. When homeowners take advantage of the Remodeling Advisor Service visit, CEE will be paid \$150.00.

- **How and why was the consultant chosen?**

CEE has a proven track record having been in operation for nearly 20 years. CEE is the principal lender for Minnesota Housing Finance Agency's (MHFA) home loan programs and administers loan programs for a number of metropolitan cities including in 31 Minneapolis neighborhoods. CEE has made loans in Brooklyn Park neighborhoods for over 10 years using Minnesota Housing Finance Agency funds.

- **How will this consulting agreement be funded?**

The cost of the consulting agreement will be paid from the funds dedicated to the Owner-Occupied Home Improvement Loan Program. The administrative costs of running the program were built into the financial projections for the program and program income will be adequate to support the loan program costs.

RECOMMENDATION

The Executive Director of the Economic Development Authority recommends approval.

**THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK**

RESOLUTION #2008-

**RESOLUTION APPROVING CONSULTING AGREEMENT WITH THE
CENTER FOR ENERGY AND ENVIRONMENT FOR ORIGINATION OF
LOANS UNDER THE BROOKLYN PARK OWNER-OCCUPIED HOME
IMPROVEMENT LOAN PROGRAM**

WHEREAS, the Authority has established the Brooklyn Park Owner-Occupied Home Improvement Loan Program (the "Program") and policies and procedures for the implementation thereof (the "Program Guidelines"); and

WHEREAS, the Authority wishes to enter into an origination agreement with the Center for Energy and Environment, a Minnesota nonprofit corporation ("CEE"), for the origination of Program Loans in accordance with the Program Guidelines and in the form attached hereto (the CEE Agreement"); and

NOW, THEREFORE, BE IT RESOLVED, by the Brooklyn Park Economic Development Authority Board of Commissioners as follows:

1. That the CEE Agreement is hereby approved, subject to such minor changes as may be approved by the Executive Director of the Authority.
2. That the Executive Director of the Authority is authorized and directed to execute and deliver the CEE Agreement.
3. That the Authority staff is authorized and directed to implement the terms of the Agreement as provided therein.

CONSULTING AGREEMENT

This CONSULTING AGREEMENT ("Agreement") is made as of this _____ day of _____ 2008 by and between the BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY (the "Authority"), with offices at 5200 85TH Avenue North, Brooklyn Park, Minnesota, 55443, and CENTER FOR ENERGY AND ENVIRONMENT, with offices at 212 3rd Avenue North, Suite 560, Minneapolis, Minnesota 55401 ("CEE").

RECITALS

- A. The Authority has a need for certain professional services and desires to retain CEE to provide said services, all subject to the terms and conditions contained in this Agreement.
- B. CEE is qualified to provide the desired professional services and desires to provide said services for the Authority, all subject to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained in this Agreement, the parties agree as follows:

1. Services/Scope of Work

CEE shall administer the Brooklyn Park Owner-Occupied Home Improvement Loan Program (the "Program") on behalf of the Authority through the origination of rehabilitation loans in accordance with the policies and procedures set for in Exhibit A attached hereto and made a part hereof (the "Program Policies"). Nothing contained herein shall prevent or impede the ability of the Authority to amend the Program Policies. All services delivered by CEE under the Program shall be coordinated through the Authority's designated Program manager and through Community Reinvestment Fund, Inc., which will service such loans.

2. Compensation

- 2.1 The Authority shall compensate CEE for services provided under this agreement according to the following schedule:

Loan Origination \$550.00

The Authority shall pay CEE an Origination Fee for each rehabilitation loan closed. The Origination Fee shall compensate CEE for assisting borrowers with loan applications, preparation of loan documents, loan closing and other direct costs of processing loans. Mortgage filing costs shall be paid by the borrower. The form of all loan documents used in the administration of the Program shall be approved by the Authority and CEE shall provide a transcript of all original closing documents including the loan note and mortgage as documentation of the loan closing.

Discount Loan Administration Fee \$125.00

The Authority shall pay CEE an Administrative Fee for each loan closed using the Authority's CDBG funded Scattered Site Rehabilitation Program. CEE shall provide a copy of the loan note and MHFA Origination Certificate as documentation of loan closing.

Remodeling Advisor Visit \$150.00

The Authority shall pay CEE a fee for each Remodeling Advisor Visit performed, not to exceed one visit for each Program loan, and not to exceed a program total of 30 Remodeling Advisor Visits.

Installation Verification \$70.00

The Authority shall pay CEE a fee for each Installation Verification completed, not to exceed three visits for each Program loan. The Installation Verification shall be performed by a CEE housing technician whenever the project does not require a building permit.

- 2.2 CEE shall invoice the Authority no more than twice a month for the amount of the loan(s) originated, as well as applicable loan origination, remodeling advisor, and installation verification fees. The Authority shall pay CEE within 30 days of receipt of the invoice.

3. Authority's Obligations

- 3.1 If requested by CEE, the Authority shall make reasonable efforts to respond promptly to requests from CEE for information and approvals regarding the services to be provided under this Agreement.
- 3.2 If requested by CEE, the Authority shall make reasonable efforts to obtain information and or permission for access from clients which may be necessary for CEE to provide the services under this Agreement.

4. CEE's Obligations

- 4.1 CEE represents that the services to be provided under this Agreement are reasonable in scope and that CEE has the experience and ability to provide the services.
- 4.2 CEE shall use its best efforts to provide services under this Agreement in a professional manner consistent with the care and skill used by reputable members of CEE's profession.
- 4.3 CEE, and all of its employees or agents, shall comply with all statutes, ordinances, rules, regulations and other laws applicable to the provision of services under this Agreement.
- 4.4 CEE shall secure all permits and licenses required for performance of the services under this Agreement.
- 4.5 CEE shall not engage in discriminatory employment practices against any employee or applicant for employment and shall in all respects comply with all federal, state and local laws, regulations and orders. CEE shall comply with the provisions of Minnesota Statutes Chapter 13 (Government Data Practices) that are applicable to the Authority and shall not disseminate any information concerning loan requests of the borrowers without the prior written approval of the Authority. All Data Practices requests shall be promptly referred to the Authority, which shall be solely responsible for determining compliance with the law. Failure to comply with the provisions hereof shall be deemed a material default under this Agreement.

5. Term and Termination

- 5.1 Unless earlier terminated as provided in the following paragraphs, this Agreement shall become effective on _____, 2008 and continue through December 31, 2008.

5.2 This Agreement may be terminated by either party, for any reason or no reason, immediately upon written notice to the other party. In the event this Agreement is terminated prior to the expiration of the term set forth in paragraph 5.1, the Authority shall compensate CEE for all services delivered up to the date of termination and CEE shall provide the Authority with such information as the Authority may request regarding the status of the Authority Funded Program.

5.3 Any termination of this Agreement shall not release CEE from its obligations under sections 7 and 8 of this Agreement.

6. Insurance

During the term of this Agreement, CEE will obtain and maintain insurance in the amounts listed below:

General Liability	\$2,000,000	Aggregate Limit
Automobile Liability	\$1,000,000	Combined Single Limit
Excess Liability	\$1,000,000	Aggregate Limit
Workers Compensation		Statutory Limit

7. Liability and Indemnification

CEE shall indemnify, defend and hold harmless the Authority and its officers, directors, employees and agents from and against any and all claims, damages, losses, injuries and expenses (including attorneys' fees and damages for death, personal injury and property damage) which the Authority may incur as a result of any act or omission by CEE in providing services under this Agreement.

8. Confidentiality

Unless otherwise agreed by the Authority in writing, CEE shall maintain in confidence and not disclose to any third party any information obtained regarding the Authority and/or any of the Authority's clients for which CEE is providing services; provided, however, that this obligation to maintain confidentiality shall not apply to:

- a) Information in the public domain at the time of disclosure;
- b) Information which becomes part of the public domain after disclosure through no fault of CEE; or
- c) Information which CEE can demonstrate was known by it prior to the date of this Agreement.

Notwithstanding the foregoing, CEE shall be entitled to disclose the documents or client information covered by this paragraph to governmental authorities to the extent CEE reasonably believes it has a legal obligation to make such disclosures and to the extent CEE reasonably deems to be necessary; provided, however, that if CEE believes that any such disclosure is required by law, it shall provide advance notice to the Authority to provide the Authority with a reasonable opportunity to attempt to obtain an injunction or other protective order preventing such disclosure.

9. Relationship of Parties

CEE will provide services as an independent contractor under this Agreement. Neither CEE, nor any of its employees or agents, shall be considered employees of the Authority for any purpose, and neither shall CEE be eligible for any compensation or benefits which the Authority may provide to its employees from time to time. CEE shall be solely responsible for all employment and other taxes applicable to providing services hereunder, and the Authority will not withhold any taxes or contributions from the compensation payable to CEE under this Agreement.

10. Notices

All notices, requests, demands and other communications required to be given in writing under this Agreement shall be given to the other party in person or by mail as provided in this section. If delivered personally, notice shall be deemed to have been duly given on the date of delivery. If delivered by mail, such notice shall be sent via first class U.S. mail, postage prepaid, to the address set forth at the beginning of this Agreement or such other address as a party may otherwise request by written notice, and notice shall be deemed duly given three (3) business days after mailing.

11. Assignment

This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns; provided, however, that neither party shall assign or transfer in any manner, this Agreement or any portion hereof without the prior written consent of the other party, and any attempt to assign or transfer without prior written consent shall be void and of no effect.

12. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

13. Miscellaneous

13.1 Headings and captions used in this Agreement are for convenience only and shall not affect the meaning of this Agreement.

13.2 This Agreement contains the entire agreement of the parties and supersedes all prior agreements, discussions and representations, written or oral, concerning the subject matter hereof.

13.3 No waiver by the Authority of any term or condition of this Agreement or any document referred to herein shall, whether by conduct or otherwise, be construed as a waiver or release of any other term or condition of this Agreement.

13.4 This Agreement may only be amended in a written agreement signed by both parties.

13.5 Except as expressly set forth in Section 11, the rights and benefits under this Agreement shall inure solely to the benefit of the Authority and CEE, and this Agreement shall not be construed to give any rights, benefits or causes of action to any third party.

13.6 The invalidity or partial invalidity of any provision of this Agreement shall not invalidate the remaining provisions, and the remainder shall be construed as of the invalidated portion shall have never been a part of this Agreement.

13.7 This Agreement may be signed in any number of counterparts, each of which shall be deemed an original and one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

City of Brooklyn Park Economic Development
Authority

By: _____

Its: _____

Print Name: _____

Date: _____

By: _____

Its: _____

Print Name: _____

Date: _____

CENTER FOR ENERGY & ENVIRONMENT

By: _____

Its: _____

Date: _____

Tax ID #: 41-1647799



REQUEST FOR EDA ACTION

Meeting Date:	April 14, 2008
Agenda No:	3.G
Prepared by:	Marjorie Mangine
Presented by:	Jason Aarsvold

ITEM:

CONSIDER APPROVING LOAN SERVICING AGREEMENT WITH COMMUNITY REINVESTMENT FUND INC. FOR THE BROOKLYN PARK OWNER-OCCUPIED HOME IMPROVEMENT LOAN PROGRAM

PROPOSED MOTION

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION 2008-_____ TO APPROVE LOAN SERVICING AGREEMENT WITH COMMUNITY REINVESTMENT FUND, INC FOR THE BROOKLYN PARK OWNER-OCCUPIED HOME IMPROVEMENT LOAN PROGRAM

OVERVIEW

The purpose of this action is to enter into an agreement between the EDA and Community Reinvestment Fund Inc. (CRF) for servicing of the loans of the EDA's Owner-Occupied Home Improvement Loan Program. CRF is a non-profit company based in Minneapolis that works with community lenders throughout the country.

PRIMARY ISSUES TO CONSIDER

- What are the key provisions of the loan servicing agreement?
- How and why was the loan servicer chosen?
- How will the loan servicing agreement be funded?

ADDITIONAL INFORMATION

- RESOLUTION
- LOAN SERVICING AGREEMENT

ANALYSIS OF ISSUES

- **What are the key provisions of the loan servicing agreement?**

CRF will provide a full package of necessary services to assure all servicing aspects of the Owner-Occupied Home Improvement Loan Program are covered. Services will include: care and custody of each loan file; monthly loan billing; collection of payments; remitting loan payments to the EDA; and mortgage satisfactions. CRF will provide an updated monthly report to the EDA listing all loan program activity and financial reconciliation for each outstanding loan.

- **Why was the loan servicer chosen?**

CRF has serviced loans for community lenders throughout the country since 1988. The Center for Energy and Environment (CEE), the proposed loan originator for the EDA Home Improvement Loan Program and CRF have been operating a successful business relationship since the mid-90s and CEE highly regards CRF as a qualified, hassle-free and efficient loan servicing company.

- **How will the loan servicing agreement be funded?**

The cost of the consulting agreement will be paid from the total amount of funds dedicated to the Owner-Occupied Home Improvement Loan Program. The administrative costs of running the program were built into the financial projections. Program income will be adequate to support the loan program costs.

RECOMMENDATION

The Executive Director of the Economic Development Authority recommends approval.

**THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK**

RESOLUTION #2008-_____

**RESOLUTION APPROVING LOAN SERVICING AGREEMENT WITH
COMMUNITY REINVESTMENT FUND INC. FOR THE BROOKLYN
PARK OWNER-OCCUPIED HOME IMPROVEMENT LOAN PROGRAM**

WHEREAS, the Authority has established the Brooklyn Park Owner-Occupied Home Improvement Loan Program (the "Program") and policies and procedures for the implementation thereof (the "Program Guidelines"); and

WHEREAS, the Authority wishes to enter into a servicing agreement with the Community Reinvestment Fund, Inc., a Minnesota nonprofit corporation, for the servicing of Program Loans in accordance with the Program Guidelines and in the form attached hereto (the "CRF Agreement"); and

NOW, THEREFORE, BE IT RESOLVED, by the Brooklyn Park Economic Development Authority Board of Commissioners as follows:

1. That the CRF Agreement is hereby approved, subject to such minor changes as may be approved by the Executive Director of the Authority.
2. That the Executive Director of the Authority is authorized and directed to execute and deliver the CRF Agreement.
3. That the Authority staff is authorized and directed to implement the terms of the Agreement as provided therein.

LOAN SERVICING AGREEMENT

THIS AGREEMENT entered into as of this ____ day of _____, 2008 between Community Reinvestment Fund, Inc., a Minnesota nonprofit corporation ("Servicer") and the Brooklyn Park Economic Development Authority, a public body corporate and politic (the "Authority")

WITNESSETH

that in consideration of their mutual undertakings and payments provided herein, the parties recite, covenant and agree as follows:

WHEREAS, the Servicer is engaged in the servicing of loans and represents that it is qualified and authorized to perform the services described herein; and

WHEREAS, the Authority has established the Brooklyn park Owner-Occupied Home Improvement Loan Program (the "Program") and has entered into an Agreement with the Center for Energy and Environment ("CEE") for the origination of rehabilitation loans (the "Loans"); and

WHEREAS, the Authority wishes to retain Servicer to perform the duties set forth herein in connection with the Loans.

NOW THEREFORE, Servicer and the Authority agree as follows:

Section 1. Scope. Authority retains Servicer as Authority's agent to employ commercially reasonable and prudent practices to collect all scheduled payments on the Loan, including the protection of the security for the Loans. Servicer shall adhere to the collection procedures set forth on Exhibit A attached hereto and shall consult with and follow the instructions of the Authority on all non-routine collection matters. Servicer shall perform all of its services and duties hereunder at its own expense and without cost or charge to the Authority except as expressly provided herein.

Section 2. Term and Termination. This Agreement shall commence on the date first written above and shall terminate upon (a) payment in full of the principal and interest on all Loans delivered to Servicer and/or the classification of all Loans as inactive pursuant to Section _ hereof, (b) upon 30 days written notice of termination delivered to Servicer by the Authority or (v) upon 90 days written notice of termination delivered to the Authority by Servicer. Prior to the effectiveness of any termination, Servicer shall deliver to the Authority all of the Authority's funds, an appropriate accounting and such reports, documents and other information as requested by the Authority, or any person or entity designated by the Authority, and shall use its best efforts to effect the orderly and efficient transfer of servicing to the Authority or a new servicer designated by the Authority. At termination, the Authority shall immediately pay Servicer for all Fees earned.

Section 3. Delivery of New Loans. As Loans are originated under the Program, the Authority or CEE shall deliver to the borrower at closing a letter stating that Servicer will service the Loan, showing the address to which payments are to be mailed or delivered (the "Servicing Letter") and shall provide to the borrower the first payment coupon. At least 10 days prior to the first loan payment date the Authority or CEE shall transfer the loan file to Servicer, including the original promissory note (the "Promissory Note"), a copy of the mortgage securing the Loan (the "Mortgage") and a copy of the Servicing Letter.

Section 4. Duties of Servicer. Servicer shall, at all times and with respect to all Loans transferred pursuant to Section 3, perform as follows:

- (a) *Care and Custody of Loan Files.* Servicer shall maintain complete and current information, notices, documents, correspondence and loan service comments relating to each Loan. Servicer shall retain custody of each Promissory Note and Mortgage and shall take all reasonable precautions to safeguard information regarding the Loan and to minimize the risk of loss from fire, natural disaster or electronic data system failures. Servicer shall keep duplicate records of all electronic information in its possession pertaining to the Loans and shall store such records in a site remote from its main offices. In the event of a natural disaster or catastrophic failure of Servicer's electronic data system, Servicer shall have a period not to exceed 45 days from the date of such catastrophe to recover or reconstruct the same.
- (b) *Billing.* Servicer will deliver to each borrower a billing for the monthly amount due on each Loan. The billing may take the form of a coupon book and shall set forth the amount of monthly payments due and the due date, and shall otherwise conform to all applicable state and federal laws. On or before January 31st of each year, Servicer shall provide to each borrower a statement showing the interest paid during the preceding year and the principal balance at the end of that year.
- (c) *Collecting Loan Payments.* The Servicer shall collect monthly payments from the borrowers as further specified in Exhibit A. In the event that the amount paid is not sufficient to pay in full the monthly payment when due from the borrower, then the Servicer shall diligently collect or use its best efforts to collect each such monthly payment when due, or as soon thereafter as possible. If payments are received by the Servicer in excess of all amounts due from the borrower, then such excess amounts shall be applied by the Servicer as provided in the applicable Promissory Note and Mortgage.
- (d) *Remitting Loan Payments to the Authority.* In accordance with procedures set forth herein or provided in writing by the Authority from time to time, Servicer shall remit or cause to be remitted to the Authority no later than the tenth business day of each month the amount of payments received for principal and interest.
- (f) *Mortgage Satisfactions.* Servicer shall deliver satisfactions to each borrower, with a copy to the Authority, as applicable Loans are retired in the normal course of business. The obligation to record such satisfactions shall reside with the borrower.
- (g) Reporting. On or before the 10th of each month, Servicer shall submit a report to the Authority that includes the following information:
 - (i) Loan principal and interest payments received by Servicer during the prior calendar month;
 - (ii) A trial balance with reconciliation showing the outstanding principal balance of all Loans;
 - (iii) A summary of delinquency statistics;
 - (iv) A summary of amounts being remitted to the Authority separated by Loan principal and interest payments; and
 - (v) A detailed break out of all Fees earned and retained by Servicer, as more specifically described in Section 4.
 - (vi) A report showing activities undertaken by Servicer in connection with all past due Loans, as required by Exhibit A, and indicating which Loans are to be deemed inactive.

- (h) Insurance. During the term of this Agreement Servicer shall maintain in force either insurance or fidelity bond in the amount of at least \$3,000,000 covering employee dishonesty and shall annually provide the Authority with evidence thereof reasonably acceptable to the Authority.

Section 5. Inactive Loans. Inactive Loans are loans which have been transferred back to the Authority after failed collection efforts, as described in Exhibit A, with respect to which the Authority has directed the Servicer to forebear or defer. Servicer shall have no further responsibility with respect to Inactive Loans nor shall Fees be paid Servicer with respect thereto.

Section 6. Servicing Compensation. The Authority shall compensate Servicer in accordance with the Fee schedule presented below. In addition to the Fees described herein, Servicer may impose and retain a Late Fee on delinquent Loans provided the amount of such Late Fee has been approved by the Authority as not unreasonably exceeding the cost of handling the delinquent Loans. Set-Up, Pay-Off, Late and Monthly Services Fees are collectively known as the "Fees."

<u>Type of Loan</u>	<u>Set-Up Fee</u>	<u>Payoff Fee</u>	<u>Monthly Servicing Fee</u>
Amortizing Loans	\$15.00	\$25.00	\$6.00
Deferred	\$15.00	\$25.00	\$1.00

Servicer may deduct from each remittance described in Section 4(d) Fees earned during the preceding month with respect to all active Loans. If the amounts collected during the preceding month are insufficient to pay Fees due Servicer, Servicer shall invoice the Authority for such shortfall amount and the Authority shall forthwith pay such amount to Servicer. The Authority has the right to withhold or recover payment of servicing compensation if, in its judgment, based on reasonable methods of verification, it finds that Servicer is not complying with the collection procedures in Exhibit A.

Section 7. Nature of Agreement. Servicer acknowledges that this Agreement does not constitute a joint venture and that Servicer is acting as an independent contractor and not as an employee of the Authority.

Section 8. Indemnity. Servicer shall indemnify, defend and hold harmless the Authority and its officers, directors, employees and agents from and against any and all claims, damages, losses, injuries and expenses (including attorneys' fees and damages for death, personal injury and property damage) which the Authority may incur as a result of any act or omission by Servicer in providing services under this Agreement.

Section 9. Civil Rights; Equal Employment Opportunity. The Servicer shall comply with all applicable provisions of Minnesota Statutes, Section 181.59.

Section 10. Assignment of Rights. The Servicer may not assign its rights under this Loan Servicing Agreement without the prior written consent of the Authority.

ACCEPTED AND AGREED TO:

The Brooklyn Park Economic Development Authority
(Authority)

Community Reinvestment Fund, Inc.
(Servicer)

By: _____

By: _____

Robert Schreier
Its Executive Director

Its _____

DATED: _____, 2008

DATED: _____, 2008

EXHIBIT A
Servicer Standard Collection Procedures

1. If a payment is not received on the due date, the Servicer shall send borrower a collection letter ("Letter 1") requesting the payment on or about 15 days after the due date but no later than 30 days after the due date.
2. If the past due payment is not received within one week after letter 1 has been postmarked, the Servicer shall send a second collection Letter ("Letter 2") to the borrower not later than the last day of the month subsequent to the month in which the payment was due.
3. If the payment is not received within one week after Letter 2 has been postmarked, the Servicer will attempt to contact the borrower by telephone and request payment.
4. If the borrower is contacted by telephone and the matter cannot be resolved, Servicer may advise the borrower by letter what options are available to resolve the matter.
5. If Servicer and borrower agree to a written collection schedule, the collection schedule shall generally provide that the loan payments will commence no later than one month from the date of the collections schedule agreement.
6. If a borrower who has been repeatedly delinquent in the past, unless the delinquencies usually have been cured before a second collection letter is forwarded, Servicer will immediately attempt to contact the borrower by telephone to request payment.
7. Servicer will send borrower a letter within a week after the telephone call notifying the borrower that, in the future, the note or notes will be accelerated if payments are late.
8. If the borrower cannot be contact by telephone as described in paragraph 3, or an interview cannot be completed as described in paragraph 4, or an agreement is not reached as described in paragraph 5, then Servicer shall send a final notice and attempt to contact the borrower by telephone within three days of sending the final notice of delinquent account.
9. If the Servicer does not receive payment within ten days of the third and final notice, Servicer shall send borrower a notice of acceleration which details the charges involved in foreclosure proceedings and gives the borrower 30 days in which to cure the default.
10. If the Servicer does not receive payment by the deadline named in the acceleration notice, Servicer shall meet with the Authority to discuss the default and the action that must be taken. At that time, Servicer will present to the Authority a detailed report of collection efforts so the Authority may determine how it will handle further action. The loan will be removed from the trial balance, declared Inactive and the file will be transmitted to the Authority.
11. Upon the completion of any bankruptcy or estate proceedings (or if servicing should be suspended or other action taken during the pending of such proceedings), Servicer shall advise the Authority within two weeks of any uncollected balance on the note which should be written off, removed from the trial balance, declared Inactive and the file transmitted to the Authority.

12. If, in Servicer's judgment, it is more likely to collect payment of any loan if it deviates from the collection standards described herein, Servicer will notify the Authority of its intention to deviate from the collection standards and provide an alternative collection plan and the Authority shall approve the same.



REQUEST FOR EDA ACTION

Meeting Date:	4/14/08
Agenda No:	3.H
Prepared by:	Marjorie Mangine
Presented by:	Jason Aarsvold

ITEM:

CONSIDER APPROVAL OF NON-SUBORDINATION POLICY FOR THE BROOKLYN PARK OWNER-OCCUPIED HOME IMPROVEMENT LOAN PROGRAM

PROPOSED MOTION

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION 2008-_____ GRANTING APPROVAL OF NON-SUBORDINATION POLICY FOR THE BROOKLYN PARK OWNER-OCCUPIED HOME IMPROVEMENT LOAN PROGRAM

OVERVIEW

The EDA's Owner-Occupied Home Improvement Loan Program was designed to be available to as many Brooklyn Park homeowners as possible yet be a prudent, and risk-free a program as possible for continued success over time. EDA loans made through this program are "subordinate" to a borrower's primary mortgage, or mortgages. This means that the EDA gets paid last in the event the homeowner defaults on their primary mortgage(s). This arrangement is typical with most home improvement loan programs.

Staff is recommending the EDA adopt a Non-Subordination Policy for the Owner-Occupied Home Improvement Loan Program in order to protect the EDA's investment. A subordination request would most likely be made by a borrower when refinancing an existing mortgage, or if wanting to add more debt to the property. A Non-Subordination Policy will require the borrower to pay off the EDA loan in full before proceeding with any refinancing action.

PRIMARY ISSUES TO CONSIDER

- What is the rationale for a Non-Subordination Policy?

ADDITIONAL INFORMATION

- PROPOSED RESOLUTION
- NON-SUBORDINATION POLICY

ANALYSIS OF ISSUES

- What is the rationale for a Non-Subordination Policy?

The intention for the loan program is to evolve into a self-sustaining revolving loan fund. All loans are expected to be repaid and program policies were written with forethought to issues such as ratios of debt-to-value and loan-to-value and property values so as to create assurance that homeowners will be able to repay the home improvement loan. A Non-Subordination Policy will serve the best intent of the program and allow program funds to be re-captured on an ongoing basis.

RECOMMENDATION

The Executive Director of the Economic Development Authority recommends approval.

**THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK**

RESOLUTION #2008-

**RESOLUTION APPROVING NON-SUBORDINATION POLICY FOR
THE BROOKLYN PARK OWNER-OCCUPIED HOME IMPROVEMENT
LOAN PROGRAM**

WHEREAS, the Authority has established the Brooklyn Park Owner-Occupied Home Improvement Loan Program (the "Program") and policies and procedures for the implementation thereof (the "Program Guidelines"); and

WHEREAS, loans made under the Program ("Program Loans") will be evidenced by a promissory note from the borrower and secured by a mortgage upon the property to be rehabilitated (the "Authority Mortgage"); and

WHEREAS, the priority of each Authority Mortgage will be determined as of the loan closing date but it shall be the policy of the Authority, in accordance with the attached Non-Subordination Policy (the "Policy"), that no subsequent or further subordination will be entertained; and

NOW, THEREFORE, BE IT RESOLVED, by the Brooklyn Park Economic Development Authority Board of Commissioners as follows:

1. That the Program Non-Subordination Policy is hereby adopted.
2. That the Authority staff is authorized and directed to implement the terms of the Policy.

**NON-SUBORDINATION POLICY
OWNER-OCCUPIED HOME IMPROVEMENT LOAN PROGRAM**

The Brooklyn Park Economic Development Authority (EDA) has established an Owner-Occupied Home Improvement Loan Program in order to actively promote neighborhood revitalization and the preservation of the housing stock in the City of Brooklyn Park. The intention of the Owner-Occupied Home Improvement Loan Program guidelines is to make the loans widely available to eligible homeowners up to 115% of AMI. The Non-Subordination Policy will protect the EDA assets and work to assure the re-capture of the loan funds.

1. The EDA will financially support the Owner-Occupied Home Improvement Loan Program through the making of loans, evidenced by a promissory note from the borrower and secured by a mortgage upon the rehabilitated property. The priority of the EDA mortgage will be established at closing and the EDA will not subsequently entertain subordination requests.
2. The Loan Administrator shall make each loan applicant aware of the Non-Subordination Policy. The Loan Administrator shall obtain from each applicant a signed acknowledgment of this Policy.
3. A Satisfaction of Mortgage will be granted when a loan is paid in full. A document satisfying the lien will be prepared by the Economic Development Authority. It will be the responsibility of the property owner to record the Satisfaction with the Division of Property Records and Taxation for the County of Hennepin.
4. The EDA will provide all services reasonable and necessary to ensure the Owner-Occupied Home Improvement Loan Program does not result in different or separate treatment because of race, color, religion, sex, or national origin.



REQUEST FOR EDA ACTION

Meeting Date:	4/14/08
Agenda No:	3.I
Prepared by:	Kaydee Kirk
Presented by:	Jason Aarsvold

ITEM:

CONSIDER APPROVING TERM SHEET FOR TOWN HOME LOAN AGREEMENT WITH TOWNS EDGE VILLAGE WEST ASSOCIATION, INC.

PROPOSED MOTION

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION 2008-____ APPROVING TERM SHEET FOR TOWN HOME LOAN AGREEMENT WITH TOWNS EDGE VILLAGE WEST ASSOCIATION, INC.

OVERVIEW

Since November 2007 the City has had discussions with the Towns Edge Village West (TEVW) town home association board to address comprehensive property improvements as part of a major renovation the association would like to undertake in 2008. The proposed improvements are significant and the association has positioned itself well by creating and implementing a plan in recent years to build up reserves for these projects. TEVW has already pledged \$140,000 in their reserves for the improvements. The association is requesting EDA Town Home Loan Program funding in the amount of \$537,625 to help facilitate the full scope of the improvements.

PRIMARY ISSUES TO CONSIDER

- What are the property improvements?
- What are the costs?
- What is the proposed financing and source of financing?
- Does the TEVW application meet the EDA's guidelines for financing?
- How are the Town Home Program loans secured?
- What is the next step?

ADDITIONAL INFORMATION

- Resolution
- Location map
- TEVW Loan Application
- VIP Properties letter on TEVW delinquency plan
- Term Sheet

ANALYSIS OF ISSUES

- **What are the property improvements?**

The proposal for the major improvements to Towns Edge Village West includes siding, garage doors, concrete driveways, gutters, privacy fencing, electrical fixtures and posts, sidewalk repair, a sprinkler addition, unit numbers, an association sign/monument, and paint for the fencing. These property improvements are part of a major renovation the association would like to undertake this year.

- **What are the costs?**

The total cost for the improvements is estimated to be \$677,625 based on initial quotes as outlined in Table 1. TEVW is requesting a loan from the EDA in the amount of \$537,625 and intends to use \$140,000 from their existing reserves.

Table 1

Towns Edge Village West - Property Improvements (estimated)			
<i>Sources</i>		<i>Uses</i>	
Towns Edge Village West Reserves	\$ 140,000.00	Siding	\$ 319,000.00
EDA Town Home Loan	\$ 537,625.00	Garage Doors	\$ 29,940.00
		Concrete Driveways	\$ 139,250.00
		Gutters	\$ 31,900.00
		Privacy Fencing	\$ 49,858.00
		Electrical Fixtures & Posts	\$ 36,666.00
		Sidewalk Repair (for drainage)	\$ 22,000.00
		Sprinkler/Irrigation Addition	\$ 27,216.00
		Unit Numbers	\$ 2,200.00
		Association Sign/Monument	\$ 12,600.00
		Paint for Fencing	\$ 6,995.00
Total	\$ 677,625.00	Total	\$ 677,625.00

- **What is the proposed financing and source of financing?**

EDA General Fund dollars are the source of funding for this project. The EDA used general development fund dollars to capitalize the original Town Home Loan Program. Payments from the outstanding Town Home Loans have been consistent over the years and are deposited monthly into this fund. The balance of the fund is adequate to undertake the Towns Edge Village West project.

The EDA is currently earning approximately 4.6% on its investments. Loans for this program will provide a 3.0% return. More importantly however, these designated dollars will be at work in the community enhancing livability and safety, leading to increased property values.

- **Does the TEVW application meet the EDA's guidelines for financing?**

TEVW's application meets all guidelines except for the delinquencies requirement. The association has, however, created and is currently implementing an aggressive collections plan with their management company, VIP Properties, LLC, and their attorney (see attached letter). If the three foreclosure delinquencies are not counted in the overall sum, delinquencies drop to under 10%, therefore meeting EDA requirements. In addition, TEVW has already demonstrated a strong commitment to making these property improvements by saving \$140,000 in reserves in recent years to specifically use for this project.

- **How are the Town Home Loan Program loans secured?**

Town home associations sign a promissory note for the Town Home Loan amount. The association then assesses each unit a monthly special assessment for their share of the loan. The sum of all the individual special assessments will cover the cost of the principal and interest per month on their Town Home Loan.

If an owner becomes delinquent in the special assessment payments and the EDA declares the entire amount due, the EDA may certify the total amount to the county auditor for collection (this is also the same process provided by law for assessment and collection of real estate taxes).

Furthermore, it is important to note that since the program's inception nearly 10 years ago, the EDA has loaned \$2,093,073 to town homes through this program. Total principal repayments through March 31, 2008 have been \$1,847,380. The total balance remaining on these loans is \$245,693 (this does not include the recent advances to the Landings Town Homes for \$259,442 for their new loan). These numbers demonstrate the effectiveness of the program and show that monthly loan payments have consistently been paid back on time over the years. All existing loans continue to be paid back diligently and in a timely manner.

- **What is the next step?**

If the Term Sheet is approved, a Loan Agreement for Town's Edge Village West will be prepared and presented at an upcoming EDA meeting.

RECOMMENDATION

The Executive Director of the Economic Development Authority recommends approval.

**THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK**

RESOLUTION #2008-_____

**RESOLUTION APPROVING TERM SHEET FOR TOWN HOME LOAN
AGREEMENT WITH TOWNS EDGE VILLAGE WEST ASSOCIATION,
INC.**

WHEREAS, the Brooklyn Park Economic Development Authority (the "Authority") is a public body corporate and politic organized and existing pursuant to the Constitution and laws of the State of Minnesota and is governed by the Board of Commissioners of the Authority (the "Board"); and

WHEREAS, the Authority was created by the City Council of the City of Brooklyn Park (the "Council") by its adoption of an Enabling Resolution Number 1988-273, dated October 24, 1988, whereby the Authority was granted all of the powers, rights, duties, and obligations as set forth in *Minnesota Statutes*, Sections 460.001 through 469.047 and 469.090 through 469.1081; and

WHEREAS, the Authority is an economic development authority created pursuant to *Minnesota Statutes*, §§ 469.090 et seq. and has been given the powers and duties contained therein, including the power contained in *Minnesota Statutes*, § 469.192 to make loans for the purposes of development and redevelopment; and

WHEREAS, Towns Edge Village West Association, Inc. (the "Borrower") is a Minnesota nonprofit corporation which was organized in 1974 for the purpose of owning certain real and personal property which serve as common elements in a common interest community consisting of 40 common interest community units located at 6300-6468 Welcome Avenue North in Brooklyn Park, Minnesota; and

WHEREAS, it is the desire of the Borrower to make certain exterior improvements on common area property owned by the Borrower and individual property owned by the Unit Owners; and

WHEREAS, due to the diversity in ownership of the units and the common area, the Borrower has been unable to arrange appropriate private financing for such exterior improvements; and

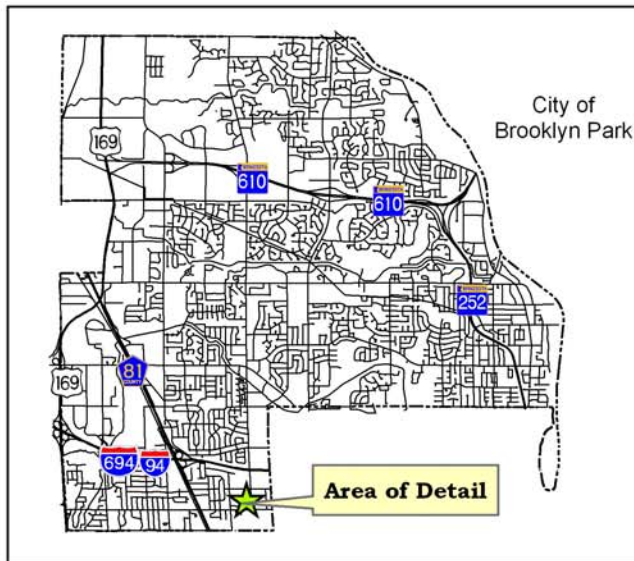
WHEREAS, the Authority has established a Townhouse and Condominium Loan Program for the purpose of loaning funds to common interest community associations for the purpose of making physical improvements to deteriorating properties; and

WHEREAS, The Authority's main objective in providing loan funds to town home associations is to conserve, stabilize and add value to an existing, alternative housing opportunity within the City of Brooklyn Park; and

WHEREAS, the Borrower is willing to enter into a loan agreement consistent with the terms contained in the Term Sheet today presented to the Board;

NOW, THEREFORE, BE IT RESOLVED, by the Brooklyn Park Economic Development Authority Board of Commissioners as follows:

1. That the Term Sheet attached hereto is hereby approved by the Board.
2. That the Authority staff and legal counsel are hereby authorized and directed to negotiate and prepare a loan agreement consistent with the Term Sheet and present the same to this Board for approval.



Towns Edge Village West Town Homes

63rd Ave & Welcome Ave

 Towns Edge Village West properties



April 14, 2008

Town Home Loan Application

Name of association: **Town's Edge Village West (TEVW)**Date: **March 2, 2008**Address of association: **6304 Welcome Avenue N, Brooklyn Park, MN, 55429**Contact person: **Brent Opall; President TEVW**Phone number: **952-484-9834**Loan amount requested: **\$537,625.00**

Type of improvements to be completed with Loan Funds (attach an additional sheet if necessary with breakdown of cost of improvements): **siding, garage doors, concrete driveways, gutters, privacy fencing, electrical fixtures and posts, sidewalk repair, a sprinkler addition, unit numbers, an association sign/monument, and paint for fencing**

Year association was formed: **1974/76 re-organized 1997 to Town's Edge Village West**

Is your association organized under *Minnesota Statutes*, Chapter 515B (attach evidence):
☐ No ☒ Yes

Number of buildings in your association: **7**Number of units in your association: **40**Monthly association dues: **\$242.00**

Proposed special assessment dues for improvements: **Dependant on loan approval amount; also, current capital improvement budget of \$140,000.00 has already been raised with special assessments.**

Number of rental units: **1**Number of home owners owning their units for five years or more: **22 out of 40**

Number of units 60 days or more delinquent on assessments (*attach explanation of where you are at in the collection and/or foreclosure process on these units*): **12 (see attached letter from VIP Properties)**

Amount of delinquent assessments 60 days past due: **\$36,943 (see attached letter from VIP Properties)** (10% of gross annual income is \$11,832)

Number of units in foreclosure at time of loan request (*Submit written explanation on how the association intends to pay the special assessments owed on these units*): **3 (see attached letter from VIP Properties)**

Number of units in foreclosure during the past 12 months: **3**Amount of funds currently in your replacement reserves/capital improvement account: **\$140,000.00**

Amount of funds currently in your operational reserves account: **\$42,000.00**
 (10% of gross annual income is \$11,832)

SUBMIT APPLICATION TO:

Brooklyn Park Economic Development Authority
 5200 – 85th Avenue North
 Brooklyn Park, MN 55443
 Ph: 763.493.8145 Fax: 763-493-8391



VIP PROPERTIES

April 4, 2008

City of Brooklyn Park Economic Development Authority

Re: Delinquencies for Towns Edge Village West

To whom it may concern,

Please allow me to introduce myself. I am the property manager for the Towns Edge Village West Association. This association is in the process of applying for a Town Home Loan from the City of Brooklyn Park Economic Development Authority (EDA).

I understand that you are requesting an explanation of the process VIP Properties has implemented to clear the delinquencies at Towns Edge Village West.

1. Attached please find a letter acknowledging the three properties that are in foreclosure as well as a copy of each of the liens from The Law Office of Bernick, Lifson, Greenstein, Green and Liszt. The association and/or VIP Properties are not allowed to contact the owners of these properties.

2. We have mailed demand for payment letters to any homeowner with an outstanding balance on their account. The homeowners were given a deadline for payment of May 15, 2008. If we do not receive payment the outstanding accounts will be turned over for collections.

4. There is a \$250.00 per home assessment on all of the accounts. This is not delinquent as it is not due until November of 2008. Please note I have deducted this amount from the total delinquencies list below.

5. Delinquencies:

a. Total 60 days or more delinquencies before adjustments: \$36,943

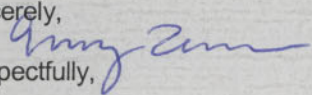
b. Adjustment:: Less \$250 per household that is not due until November 2008: $40 \times \$250 = \$10,000.00$

c. Adjustment:: Less \$23,602.00 balances on homes in foreclosure .

d. Total delinquencies less adjustments: \$3341.00

I hope that these methods of collection are satisfactory to the City of Brooklyn Park Economic Development Authority (EDA). Please feel free to advise me of any methods of collection that have worked for other properties and I will absolutely try them as well.

Sincerely,


Respectfully,

Amy Zanivan
Property Manager
VIP Properties, LLC
azanivan@vipproperties.info

EXHIBIT A

TERM SHEET

Town Home Loan Agreement

Brooklyn Park Economic Development Authority (EDA) (Lender)

Towns Edge Village West Association, Inc. (Borrower)

This Term Sheet contains a summary of business terms to which the parties have tentatively agreed. It is non-binding, as the parties intend to negotiate and enter into a definitive, written Construction and Term Loan Agreement.

I. Schedule of Events.

- A. Term Sheet presented at April EDA Board Meeting.
- B. If Term Sheet approved, Construction and Term Loan Agreement presented at May EDA Board Meeting.

II. Loan Amount. \$537,625.00

III. Loan Terms. The Borrower and the EDA will execute a Loan Agreement which will govern the terms of the EDA loan and the rights and security of the EDA.

- A. The EDA will charge a simple interest rate of three (3) percent.
- B. The EDA will charge a non-refundable application fee of one-half (1/2) percent of the loan amount, payable at the time of application.
- C. The EDA will charge an origination fee of one (1) percent of the loan amount, which will be payable at the time of closing or which can be added to the principal of the loan.
- D. Borrower will make monthly principal and interest payments.
- E. The term of the loan will be ten (10) years.
- F. Borrower will assign to the EDA Borrower's rights of assessment collection and assessment lien foreclosure.

IV. Security Summary.

- A. Borrower will sign a promissory note for the amount of the loan. Borrower will then assess each individual unit a monthly fee (the “Special Assessment”). The sum of the Special Assessments payable by each unit will cover the cost of the monthly principal and interest payments due to Lender.
- B. If a Unit owner becomes delinquent in the payments of the Special Assessment and the Borrower declares the entire amount due and owing, the EDA may certify the total amount owed to the county auditor for collection to the same extent and in the same manner provided by law for assessment and collection of real estate taxes.

V. Authorized Expenditure Summary. All work must be completed by licensed contractors and the EDA may require that additional work to be completed based on City inspections. Permitted Improvements include siding, garage doors, concrete driveways, gutters, privacy fencing (but not perimeter fencing), electrical fixtures and posts, sidewalk repair, a sprinkler addition, unit numbers, an association sign (monument), and paint for fencing.



REQUEST FOR EDA ACTION

Meeting Date:	04/14/08
Agenda No:	3.J
Prepared by:	Kim Berggren
Presented by:	Kim Berggren

ITEM:

CONSIDER AUTHORIZING THE USE OF AN INTERFUND LOAN TO AN AUTHORITY TAX INCREMENT DISTRICT TO BE CREATED AT A LATER DATE

PROPOSED MOTION

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION 2008-____ AUTHORIZING THE USE OF AN INTERFUND LOAN TO AN AUTHORITY TAX INCREMENT DISTRICT TO BE CREATED AT A LATER DATE

OVERVIEW

The Tax Increment Act allows for the establishment of an interfund loan to a tax increment district prior to the establishment of the district. Establishment of an interfund loan to a future Huntington Pointe TIF District would allow the Economic Development Authority (EDA) to recapture funds expended over the next many months for qualified redevelopment costs (i.e. demolition and environmental remediation). These funds could only be recaptured if, at a future date, the EDA establishes a TIF District for the Huntington Pointe site and the district generates adequate increment. Establishment of the interfund loan for the Huntington Pointe project now does not require that the EDA establish a TIF District for the project later.

PRIMARY ISSUE TO CONSIDER

- How is the interfund loan repaid?
- Why is the interfund loan beneficial?
- What happens if the EDA does not create a TIF District at the Huntington Pointe site?

ADDITIONAL INFORMATION

- Resolution
- Exhibit A - Interfund Loan Note

ANALYSIS OF ISSUES

- **How is the interfund loan repaid?**

At this time, the EDA is mostly using dedicated housing funds from TIF Districts #15 and #17 to pay the redevelopment costs at Huntington Pointe (some TIF cash is available and future TIF funds are being used to repay the project debt). If, at a future date, the EDA establishes a TIF district for the Huntington Pointe site and increment is generated within that district, the available increment could be used to pay back the EDA, which would refund TIF Districts #15 and #17. In such a case, the funds would become available for other housing projects in the city.

- **Why is the inter-fund loan beneficial?**

The redevelopment of the Huntington Pointe site is a large project requiring building demolition, environmental remediation (asbestos, petroleum, and hazardous materials), relocation, site grading, utility removal, administration and other site preparation costs. While the EDA has funds available to pay for these redevelopment costs, in the future the EDA might benefit from creating a TIF district at Huntington Pointe and using increment from a future development project to reimburse itself for expenses incurred for redevelopment. Establishing the interfund loan to a future TIF district now, leaves the EDA with the option for reimbursement later.

- **What happens if the EDA never creates a TIF District for the Huntington Pointe site?**

Approving the interfund loan does not require the EDA to create a TIF District at Huntington Pointe. If the EDA decides not to establish a TIF District, no tax increment would be generated and none would be available to repay the interfund loan. Non-repayment of the loan would not create any problems for the EDA because the loan could be dissolved (there is no actual debt created by the loan). This action would not affect the city's credit rating.

RECOMMENDATION

The Executive Director of the Economic Development Authority recommends approval.

**THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK**

RESOLUTION #2008 -

**RESOLUTION AUTHORIZING THE USE OF AN INTERFUND LOAN
TO AN AUTHORITY TAX INCREMENT DISTRICT TO BE CREATED
AT A LATER DATE**

WHEREAS, The Brooklyn Park Economic Development Authority (the "Authority") has established and will continue to establish tax increment financing districts (the "Districts") pursuant to *Minnesota Statutes*, §§469.174 to 469.178 (the "Tax Increment Act"); and

WHEREAS, from time to time it is necessary and convenient to advance moneys from the Authority general fund or other unencumbered Authority funds ("Available Loan Funds") to the Districts to pay certain costs of the Districts, including administrative costs, as authorized by the Tax Increment Act (the "Authorized Costs"), to be reimbursed by the Districts when unencumbered tax increment becomes available therein (the "Interfund Loans"); and

WHEREAS, The Authority took ownership of the Huntington Pointe apartments located at 7479 Brooklyn Boulevard, Brooklyn Park, Minnesota on July 30, 2007, (the "Redevelopment Site") and plans to redevelop the site (the "Redevelopment"); and

WHEREAS, The Redevelopment is a large project requiring financial assistance by the Authority and the Authority desires to pay for the cost of building demolition, environmental remediation (asbestos, petroleum, and hazardous materials), relocation, site grading, utility removal, administration and other site preparation costs (the "Redevelopment Costs") of the Redevelopment, in whole or in part, using an Interfund Loan, as authorized by the Tax Increment Act; and

WHEREAS, the Authority plans to create a future tax increment finance district at the Redevelopment Site and be reimbursed for the Redevelopment Costs thereof from unencumbered tax increment as it becomes available from the future tax increment finance district.

NOW, THEREFORE, BE IT RESOLVED by the Brooklyn Park Economic Development Authority Board of Commissioners as follows:

1. That the Authority is hereby authorized to allocate from the Available Loan Funds an amount not to exceed \$4,000,000 (four million dollars) in order to pay for the Redevelopment Costs at the Redevelopment Site, in accordance with the terms and conditions contained on Exhibit A attached hereto.
2. That the Authority staff is authorized and directed to take such actions as are necessary to implement the terms of this Resolution.

EXHIBIT A

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF BROOKLYN PARK

INTERFUND LOAN AUTHORIZATION (Tax Increment District to be created for Huntington Pointe Redevelopment)

By action of the Board of Commissioners (the "Board") of the Brooklyn Park Economic Development Authority (the "Authority"), Authority staff may advance monies from the source(s) described below to pay for certain public redevelopment costs associated with a tax increment financing district to be formed (the "District"), including the cost of building demolition, environmental remediation (asbestos, petroleum, and hazardous materials), relocation, site grading, utility removal, administration and other site preparation costs associated with the redevelopment of the Huntington Pointe apartment site located at 7479 Brooklyn Boulevard, Brooklyn Park, Minnesota in accordance with the terms and conditions contained herein (the "Advances"). This Authorization, together with the Resolution approving the same, are intended to satisfy the requirements of *Minnesota Statutes*, §§469.174 to 469.178 (the "Tax Increment Act"), specifically §469.178, Subdivision 7.

1. Maximum Authorized Advances. The total amount of all Advances that shall be outstanding at any one time pursuant to this Authorization shall not exceed Four Million Dollars (\$4,000,000). Repayment of all or a part of the principal amount of a previous Advance shall serve to reinstate the reimbursed amount available to be advanced pursuant to this Authorization.
2. Source. The source of each Advance shall be the Authority general fund, or any other unencumbered Authority funds that may be legally expended for such purposes, including unencumbered tax increment from other Authority Tax Increment Districts that may be legally transferred to the District.
3. Interest. Interest shall accrue on all Advances, calculated on the principal amount of Advances outstanding at the end of each calendar month. Interest shall accrue and be payable at eight percent (8%), except that on or about January 1 of each year, the Authority staff shall:
 - (a) Contact the Office of the Minnesota State Court Administrator (www.courts.state.mn.us) and determine the interest rate calculated pursuant to *Minnesota Statutes*, §549.09, and applicable to that year.
 - (b) Contact the Minnesota Department of Revenue (www.taxes.state.mn.us) and determine the interest rate calculated pursuant to *Minnesota Statutes*, §270C.40, and applicable to that year.

In the event that the greater of the interest rates determined pursuant to Section 3(a) and (b) (the "Statutory Rate") shall be less than 8%, the interest on the outstanding principal amount of and accrued interest on Advances for that year shall be the Statutory Rate.

4. Payments. Principal and interest on outstanding Advances ("Payments") shall be paid from unencumbered District revenues on such dates (the "Payment Dates") as determined by the Authority staff. Payments shall be applied first to accrued interest, and then to unpaid principal. Payments are to be made and payable by internal transfer on the books and records of the Authority or in any coin or currency of the United States of America, which, on the Payment Date, is legal tender for the payment of public and private debts.
5. Maturity. Principal of and accrued interest on all Advances shall be paid not later than the termination or expiration date of the District.

Authority staff shall maintain and update such records as will permit the Board or any regulatory agency to determine, upon request, the status of the Interfund Loans authorized hereby.



REQUEST FOR EDA ACTION

Meeting Date:	4/14/08
Agenda No:	3.K.
Prepared by:	Theresa Freund
Presented by:	Theresa Freund

ITEM:

CONSIDER APPROVAL OF MEETING MINUTES

PROPOSED MOTION

MOTION _____, SECOND _____ TO APPROVE THE EDA 3/10/08 MEETING MINUTES.

BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK

MARCH 10, 2008 MEETING MINUTES

1. CALL TO ORDER: President Steve Lampi (7:05 pm)

PRESENT: President Steve Lampi, Commissioners Richard Gates, Terry Gearin, Jeff Lunde, Mark Mata & Jeanette Meyer, Executive Director Douglas Reeder, Assistant Executive Director Robert Schreier & EDA Secretary Theresa Freund.

ABSENT/EXECUSED: Mike Trepanier.

2. OPEN FORUM: No one spoke.

3. AGENDA ITEMS:

A. Roll Call

B. Approval of Agenda

MOTION MEYER, SECOND GEARIN TO APPROVE THE AGENDA AS PRESENTED.
MOTION PASSED UNANIMOUSLY.

C. Consider Amendment to Clubhouse Agreement

MOTION GEARIN, SECOND GATES TO WAIVE THE READING AND ADOPT RESOLUTION 2008-1 APPROVING CONSTRUCTION OF OUTDOOR PATIO AT THE EDINBURG U.S.A. GOLF COURSE CLUBHOUSE. MOTION PASSED UNANIMOUSLY.

D. Consider Amendment to the EDA bylaws designating the Executive Director

MOTION GEARIN, SECOND MEYER TO WAIVE THE READING AND ADOPT RESOLUTION #2008-2 APPROVING AN AMENDMENT TO THE BY-LAWS OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY. UPON A CALL OF THE ROLL THE VOTE WAS AS FOLLOWS: YES: GATES, GEARIN, LAMPI, LUNDE & MEYER. NO: MATA. ABSENT: TREPANIER. MOTION CARRIES.

E. Consider Approving EDA Meeting Minutes

MOTION MEYER, SECOND GEARIN TO APPROVE THE EDA 2/11/08 MEETING MINUTES. UPON A CALL OF THE ROLL THE VOTE WAS AS FOLLOWS: YES: GATES, GEARIN, LAMPI, LUNDE, MATA & MEYER. NO: NONE. ABSENT: TREPANIER. MOTION CARRIES.

4. OTHER BUSINESS:

A. Communications:

1. Status Report - Robert Schreier highlighted the following items:

- The Twin West State of the City is March 12, 2008 at 7:00 am. The public is welcome to attend.

- PDL Biopharma has sold its facility to Genmab, an international biotech company headquartered in Copenhagen, Denmark. All 170 employees currently at the facility received offer letters.
- The Victory Grill restaurant has officially opened for business today.
- The Banker's Luncheon was held by the Brooklyn Park Development Corporation this month and thirty bakers from around the region attended.
- Staff coordinated a meeting with Accellent representatives and the Department of Employment their expansion.
- North Hennepin Chamber of Commerce is reestablishing their Government Affairs Committee. Amy Baldwin has been participating.
- The 16th Annual Real Estate Forum "Make Your Mark in 2008" was held on February 7th at Edinburgh USA. Chris Galler, an executive with the Minnesota Association of Realtors was our featured speaker. It was well attended.
- In partnership with the Minnesota Home Ownership Center, the City is hosting a free foreclosure prevention workshop on April 1, 2008 at Brooklyn Junior High.
- The Executive Director has been asked to testify on a number of foreclosure bills. One of the key bills that staff has been watching is HF3229 on utility notification to cities when gas or electric service is shut off.

Kim Berggren reported that last Tuesday night was the first Multi-Family Housing Study Group meeting. Several Council Members were in attendance. The next meeting is April 1st. The agenda and minutes will be posted on the City's website.

2. Huntington Pointe Update - Kim Berggren highlighted the following items:
 - There is one unit still occupied in the buildings. Staff has processed about 76% of the claims and it will take a couple of months to finish out the paperwork.
 - Staff is focusing right now on the salvage operation.
 - Advertising bids for the demolition of the property is in process. Staff hopes to bring a contract to the EDA at the next meeting.
 - Police and Fire are coordinating training on the site.
 - The 2nd Corridor Housing Initiative workshop is March 11th at 6:30 at the Zanewood Recreation Center.
3. Village Creek Update - Kim Berggren highlighted the following items:
 - On February 21st the Economic Development Association of Minnesota held their Third Thursday talk at the Edinburgh Clubhouse. The topic was the Village Creek Redevelopment. Jason Aarsvold and as well as a representative from Beard Group presented on the project.
 - Staff met with representatives from the Beard Group to review the process for using the MHFA Pilot Program funds to assist with the condominium development.
 - The Smile Center will be opening this Spring.

B. Discussion Items – None.

C. Legal Matters – None

5. ADJOURNMENT

Meeting adjourned at 7:26 pm.

Respectfully Submitted

Theresa Freund, EDA Secretary



Economic Development INTEROFFICE MEMORANDUM

Date: April 10, 2008
To: EDA Commissioners
From: Robert Schreier, Director of Community Development
Subject: Status Update

Business Development

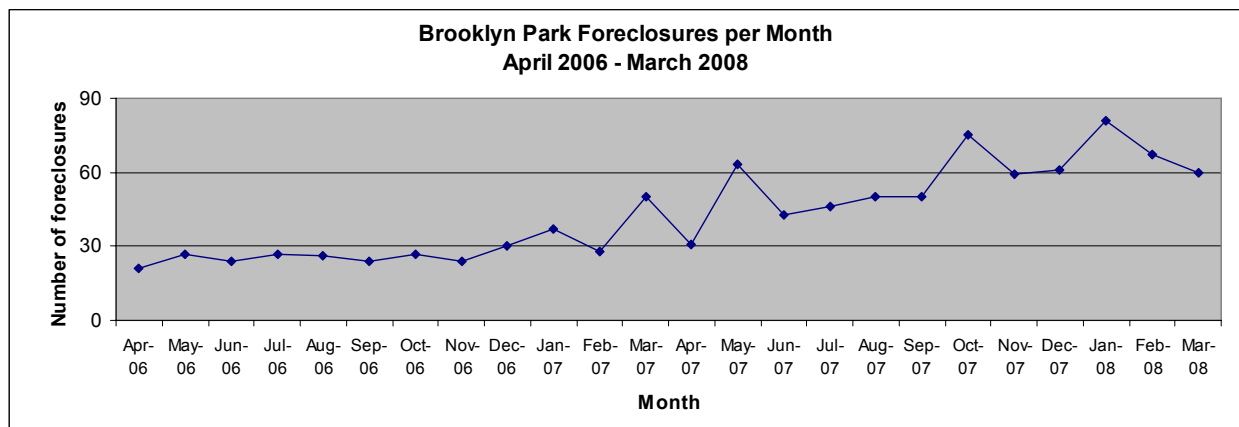
- Insignia Systems, Inc. has applied for a building permit to finish approximately 40,000 square feet of the recently completed Park West Business Center, located at Boone Ave. and Brooklyn Blvd. The company markets, sells and supports advertising and promotional products related to in-store display materials. The company is relocating from Maple Grove and will bring more than 100 jobs to its new location.
- Staff met with representatives from two existing industrial companies regarding facility expansions planned for 2008. This is a positive economic indicator for Brooklyn Park's industrial sector.
- The Twin West State of the City was held on March 12 and was attended by area business representatives.
- Staff attended an introductory training session on the new 11-county regional economic development website, MetroMSP.org. The site, which is planned to be live on May 8, will provide a great web-based resource for site selection firms and others to search available property listings and obtain up-to-date demographic information on the listings. A feature will also allow cities to list (free of charge) properties for sale as well as market redevelopment areas.
- The BioBusiness Alliance of Minnesota is currently undertaking a state-wide process to create a database of the state's biobusiness related capabilities and assets. Brooklyn Park has been asked to host the northwest metro region portion of the inventory process. The event will be held on April 22 at City Hall.
- Brooklyn Park has been invited to join the Integra Group in a sponsorship of at the Minnesota pavilion at the upcoming International BIO 2008 conference. With Brooklyn Park's \$5,000 contribution to the sponsorship, we will receive the full benefits of a \$10,000 Premier Sponsor, including a 15-minute timeslot in the Minnesota Pavilion presentation area; city logo on innovation station graphics; sponsorship recognition in theatre area; logo on back of Minnesota brochure handout; logo on Greeter Station; web links from the DEED, LifeScience Alley, and BioBusiness Alliance of Minnesota; and the opportunity to hand out organization literature. Staff is not planning on attending the event but will work closely with Integra representatives on generating coordinated marketing materials and on the 15-minute presentation.

Housing

- The second Multi-Family Housing Study Group meeting was held on April 1 at 7 pm at City Hall. The meeting included a review of area demographics, a discussion about what affordable housing is, and an interactive exercise using an immediate response voting software extension in PowerPoint. Several Council Members attended the meeting. The next meeting is on May 6 at 7 pm at City Hall. The topic is housing density and design and there will be guest speakers from the Metropolitan Design Center.
- Habitat for Humanity began construction of the homes at 7709 89th Avenue N (former “Welk” property). Staff is working with Habitat to coordinate volunteering opportunities for Brooklyn Park staff and residents. Habitat is planning a week in late August that will be exclusively for Brooklyn Park residents/staff to volunteer.

Foreclosure Prevention

- The City held a free Foreclosure Prevention Open House & Workshop April 1, 4:30-8:30 p.m. at the Brooklyn Junior High in partnership with the Minnesota Home Ownership Center. Economic Development staff organized a 23,000+ postcard mailing in three languages publicizing the event to every city household.
- The Community Development Director was asked to join the Minnesota Foreclosure Partners Council. The Council is creating a coordinated plan to address foreclosures and help families and communities succeed in the Twin Cities and in Minnesota.
- The Community Development Director participated in the Northwest Hennepin Human Services Council and the Heading Home Hennepin Prevention Group as a key stakeholder to help plan a community forum. The forum will convene city staff and administrators, non-profit developers, housing professionals, lenders, human service agencies, elected officials, community residents and others to discuss foreclosures, their impact on suburban cities and successful strategies to address this impact.
- According to the Hennepin County Sheriff’s Office, foreclosures are continuing to rise in Brooklyn Park as they are across the county (see graph below). Many resources on foreclosure prevention are available at City Hall. A total of 74 foreclosure prevention packets were distributed in January, 49 in February and 56 in March at City Hall.



Source: Hennepin County Sheriff's Office

- **Property Managers' Coalition:** The Coalition met March 18 and agenda topics included a presentation from TreeHouse on their work with at-risk youth, the introduction of the new Police Chief, the New Americans' Academy, and information sharing on hydrant flushing. A total of 11 property management staff, 12 city staff, and two council members were in attendance.
- **Building a New Home on Kyle Ave** – Staff continues to meet with the Dean and instructors from Hennepin Technical College in working out terms for the new home to be constructed by the carpentry class on the city-owned lot at 10792 Kyle Ave N. We anticipate bringing a term sheet for EDA consideration in May. The architect is orienting the home to take best advantage of the southwest exposure and the house will include as many Green Design features as possible. The EDA is facilitating the sale on this property for the Engineering and Bldg Department as a result of that department's road project that necessitated acquisition of the property for right-of-way.

Other

- Staff hosted a booth at the Huntington Place Business and Information Fair hosted by Dominionium for its residents. Information was provided on items such as Corridor Housing Initiative, Recreation and Parks programs (including summer youth employment opportunities), and the Youth Opportunity Coalition.
- Staff attended a recent Sensible Land Use Coalition forum entitled *New Thrills or No Frills – What lies ahead for commercial development?*, where a panel of leading experts from the Twin Cities commercial construction and development community discussed the market outlook and trends in the market.

- **McKnight Civic Engagement Grant**

- **Youth & Adult Partnership Summit:** The Youth & Adult Partnership Summit was held on Saturday, March 15, and was a great success thanks to the planning led by Recreation & Parks. A number of City Council members and many city staff, including Economic Development, were in attendance. Over 100 diverse youth and adults participated in this event. The McKnight Foundation grant for civic engagement enabled the City to host this large gathering in partnership with other groups. One of the key focuses of the grant is increased youth opportunities.
- **Organization of Liberians in Minnesota:** The Project Facilitator and Community Liaison attended the Organization of Liberians in Minnesota (OLM) Inaugural Dinner & Ball on Saturday, March 8. This work is part of developing relationships and fostering community engagement with new groups. The keynote speaker was Representative Keith Ellison of Minnesota's 5th Congressional District. OLM inaugurated their 32nd President, Kerper Dwanyen, at this event. Brooklyn Park staff also presented the letter from the Mayor. Over 600 people attended.



- **Neighborhood Action Program (NAP) / Northwest Faith Collaborative:** Staff from multiple departments, including Economic Development, attended the Northwest Faith Collaborative meeting coordinated by the Northwest Hennepin Human Services Council. The focus was on organized neighborhoods groups and how residents can be actively involved in their neighborhood – Brooklyn Park Crime Prevention presented about NAP. The foreclosure topic was also discussed and staff noted the April 1 Foreclosure Prevention Open House.

Legislation

- The Community Development Director testified at the State Senate Energy, Utilities, Technology and Communications Committee. This was in regards to Senate File 2775 sponsored by Senator Foley about disconnection notice requirement to water utility upon customer gas or electric shutoff. The Director also testified for the Senate File 3396 sponsored by Senators Anderson, Clark, Scheid and Higgins on the right to foreclosure deferment.
- The NAHRO National Legislative conference was held in Washington, D.C. from March 28, 2008 to April 3, 2008. The Executive Director introduced Senator Norm Coleman, the keynote speaker for the event. In addition, all members of the congressional delegation were met with to discuss state and national economic development and housing issues.



Economic Development INTEROFFICE MEMORANDUM

Date: April 10, 2008

To: EDA Commissioners

From: Kim Berggren, Development Project Manager

Subject: Huntington Pointe Update

Acquisition. The EDA acquired the Huntington Pointe Apartments on July 30, 2007, for redevelopment.

Relocation. Tenants are no longer living at Huntington Pointe. As of March 24, 2008, the city had processed 215 relocation claims. As shown in the table below, to date 67 percent of the relocated households have moved to replacement housing within Brooklyn Park.

HUNTINGTON POINTE RELOCATION SUMMARY

Relocation Status	Count	%
# of households relocated (completed claims)	215	77%
# of individuals relocated	358	
Households re-located within Brooklyn Park	144	67%
Relocation Benefits	Dollars	
Total completed claims paid	751,909	
Average claim amount	3,497	
Median claim amount	2,380	

Salvage/Demolition. Staff is coordinating the sale of items at Huntington Pointe, including appliances, doors, light fixtures, and other equipment. Crews are on the site removing these items. A pre-demolition meeting was held on the site on March 24, 2008, to introduce potential demolition contractors to the project prior to bid submittal. The bid opening was on April 1, 2008. The EDA will award the demolition contract at its April 14 meeting. Demolition could begin by the end of April and will likely take up to 120 days.

Public Safety Training. The Police and Fire departments are training at the property.

Corridor Housing Initiative (CHI). The second and third Corridor Housing Initiative workshops were held on March 15 and March 25, respectively. Information is available on the website at www.brooklynpark.org/CHI. The final workshop is scheduled on Tuesday, April 15, 2008, at 6:30 pm at the Zanewood Recreation Center. Ideas from the workshop will be presented to the EDA at its May meeting and will be included in the May/June edition of Park Pages.



Economic Development INTEROFFICE MEMORANDUM

Date: April 10, 2008
To: EDA Commissioners
From: Kim Berggren, Development Project Manager
Subject: Village Creek Update

- 7516 Brooklyn Boulevard (Former Burger King) – The EDA approved a contract with Patrick Osei for the sale of the property. A planning application was submitted on April 1 for the Park Center Medical building, which will be a multi-tenant medical office building. The design has been adjusted to a two-story building that will house a number of medical businesses, including the owner's physical therapy business.
- Smile Center (7532 Brooklyn Boulevard) – The EDA sold this property to the Smile Center on Monday, August 6, 2007. Construction of the dental office is nearing completion, and the dental office plans to open this spring.
- Beard / Ryland Development – The Beard Group continues to market the condos and retail space along Brooklyn Boulevard and Welcome Avenue (see www.villagecreekcondosmn.com).



Economic Development INTEROFFICE MEMORANDUM

Date: April 10, 2008
To: EDA Commissioners
From: Amy Baldwin, Business Developer
Subject: Update on Clubhouse Restaurant Renovations

Glenn Baron of Lancer Catering will be presenting an update on the planned renovations to the Clubhouse Restaurant. The renovations were included as part of the management agreement approved in 2007 with Lancer Catering; the costs of the renovations will be paid for by Lancer in accordance with the agreement. Mr. Baron will provide information on the new décor, facility upgrades, construction timing, and marketing plans to promote the new concept.



Economic Development

INTEROFFICE MEMORANDUM

Date: April 10, 2008

To: EDA Commissioners

From: Robert Schreier, Community Development Director

Subject: Discussion: Master Redevelopment Plan Status Update

As discussed at the March 10, 2008, EDA work session, the EDA has made significant progress in accomplishing goals and priority projects outlined in the 2003 Master Redevelopment Plan (MRP).

Attached please find a status update, which provides information on where things are today (2008) related to the identified priorities and projects from 2003. The update is formatted as follows:

1. A summary of each of the five priority goals is provided. Under each priority goal, the summary provides the suggested implementation tools from the 2003 plan on the left column and the 2008 status update on the right column.
2. The 2003 plan also provides a list of potential projects. At that time, each project was given a “score” by the committee to reflect the project priority. In the status update, the projects are listed on the left column from the highest scoring projects to the lowest scoring project. The right column provides a 2008 status update on each project.

Staff will present a brief presentation on the Master Redevelopment Plan status update at the April EDA meeting, and will be available to answer any questions.

Priority #1

The Redevelopment of 85th Avenue, from Noble Avenue easterly to Xerxes Avenue, is an essential short-term redevelopment priority.

Suggested Implementation Tools (2003)	Status (2008)
Establish a formal 85 th Avenue redevelopment plan that includes goals and objectives, land use, phasing and timing, and financial strategies	The 2030 Comprehensive Plan Update includes a discussion of the land uses along a portion of 85th Avenue (Noble to Xerxes Avenue). The land uses are proposed to be consistent with the 2004 market study of this area.
Commission a market study to determine appropriate land uses	The Market study was completed in 2004 by DSU. The study concluded that there are number of uses along 85th Avenue with little potential from a market perspective in the corridor, including retail, office, and destination uses. The market study suggested the strongest users would be residential or industrial.
Elimination of existing master development agreement with Ryan Companies	The Master Development Agreement with Ryan Companies was formally terminated by the EDA in February 2005.
Entering into a new master development agreement, or eliminating the master developer strategy, and establishing redevelopment policies regarding financial incentives and/or City objectives specific to 85 th Avenue, including a policy regarding use of eminent domain	The EDA has not pursued the "master developer" strategy for 85th Avenue because it proves difficult with so many land owners and timelines, and is further complicated by the state's recent restrictions on the city's ability to use eminent domain. Instead, staff's strategy has been to support development along 85th Avenue as opportunities for improvements are presented by current or future land owners. For example, the EDA sold land at 2901 85th Avenue for development; Integra, a biobusiness, renovated an existing building for its operation; a new multi-tenant industrial condominium building was constructed by Landcor; the Xerxes Phoenix property was subdivided for redevelopment; the pet hospital on Noble and 85th Avenue was constructed; and Summercrest of Edinburgh Senior Condominiums were constructed south of Edinburgh Golf Course.

Suggested Implementation Tools (2003)	Status (2008)
Increasing and directing City resources (e.g. code enforcement) on the subject area	The code enforcement division proactively enforced city codes along 85th as part of the Spruce up the Park 2004 program. For example, in 2004 code enforcement required the elimination of the outdoor storage of semi trailers at 4409 85th Ave. Code enforcement sweeps will continue on a regular basis as part of the Spruce up the Park program. Staff also responds to complaints on an ongoing basis to ensure properties are in compliance with regulations.
Continue the “dump” mitigation process	Cleanup of the Central Park portion of the contamination was completed in 2007.
Other	In 2005, the EDA levy was established as a funding source for redevelopment.

Priority #2

The City shall establish a goal of reducing or converting 5 – 10% (293 – 587) of the City’s apartment units within a 10 – 15 year period of time.

Suggested Implementation Tools (2003)	Status (2008)
Continuation of the City’s apartment rental housing ordinance	The city continues to require the licensing of all rental housing, including apartments. Apartments are inspected annually. In large complexes annual inspections include the inspection of 1/3 of the units in the complex so that units are inspected once every three years.
Continue funding of the COPS program	The Community Oriented Policing Unit began operations with 2 police officers in 1993. For many years the unit worked very closely with the management of apartment complexes to reduce crime. In the late 1990’s an additional officer was added to the unit to meet increasing demand for service. The scope of the COPS Unit has been expanded since 2003 to oversee both apartments and single-family residential neighborhoods. In 2006, 3 more officers were added and they began collaborating with other city departments to reduce crime and improve livability of single family neighborhoods. Using the “Problem Solving” model, COPS officers identify chronic problems in the community and work with others to solve them. These changes align with the new investments through the City’s Neighborhood Action Program (NAP), launched in 2007. The EDA helps fund these initiatives.
Funding a market study to examine the feasibility of converting apartment units to owner occupied or senior housing	In 2005, the city undertook the Stable Neighborhood Action Plan (SNAP) to study the apartment situation along Zane Avenue. County funding was provided to complete extensive market research.

Suggested Implementation Tools (2003)	Status (2008)
<p>Reviewing the costs associated with reducing apartment units. Based on these assumptions, the City shall identify potential financial sources and strategies to achieve this objective.</p>	<p>In 2004, the Apartment Housing Enhancement and Dispersal (AHEAD) study included a cost analysis of reducing apartments. In 2005, the SNAP study expanded on this research. Implementation of the AHEAD and SNAP recommendations is underway, most notably the Huntington Pointe redevelopment project. With the Huntington Pointe project, the EDA will accomplish its goal of reducing apartments by 5-10% (priority #2). The Huntington Pointe redevelopment will reduce the number of apartments in the city by 6.2%. This reduction is occurring within 5 years of the plan, which is notably faster than the 10-15 year period suggested in 2003. Per the replacement policy, the EDA will replace the lost bedrooms with other types of affordable housing (multiple bedroom rental or owner-occupied)</p>
<p>Other</p>	<p>The city obtained special TIF legislation for the extension of Districts 15 and 17 to provide dedicated funds for housing improvements.</p>

Priority #3

To accelerate the activities of the Village Creek Redevelopment Project, the City should examine a redevelopment plan that would reposition the Gold Key Shopping Center coupled with rehabilitation/redesign and potential reduction of units at the adjoining Point of America Apartments.

Suggested Implementation Tools (2003)	Status (2008)
Establish a formal redevelopment plan [for Gold Key and Point of America] that includes goals and objectives, land use, phasing and timing, and financial strategies	For the past few years, staff has worked with the property owner of the Gold Key Shopping Center to address the safety and livability concerns at the site. A plan was developed to ensure compliance with city standards. The center is currently undergoing privately funded facade improvements, which is enhancing the physical appearance of the area. Because of limited resources available for apartment redevelopment, the city did not pursue the redevelopment of the Pointe of America since the purchase of the Huntington Pointe Apartments became a reality.
Continue code enforcement and other regulatory efforts at the Gold Key Shopping Center	In 2007, the property owner initiated a façade renovation at the Gold Key Shopping Center. The improvements will be completed in 2008. In 2005, code enforcement staff worked with the property owner to improve trash storage practices at the site. Crime prevention and code enforcement staff have also been working with the property owners on Crime Prevention Through Environmental Design (CPTED) improvements related to the lighting of the parking lot.

Priority #4

The City shall adopt a policy statement to ensure commercial property reinvestment.

Suggested Implementation Tools (2003)	Status (2008)
Establishment of a program for small convenience stores and retail owners for cosmetic improvements (façade, landscaping, etc.)	The EDA reprogrammed CDBG funds to establish the Brooklyn Boulevard Commercial acquisition and rehabilitation program. These CDBG funds have been used for acquisition and demolition of the former Burger King building (7516 Brooklyn Blvd.) and the former Pan African (7532 Brooklyn Boulevard). In addition, the Brooklyn Park Development Corporation established an exterior improvement loan program in 2005.
The City will pursue external funding sources that may present opportunities for commercial redevelopment	Since 2003, the EDA has been successful in obtaining \$9.4 million in grant funds for development in the city. In addition, staff successfully pursued a legislative change to allow state Initiative Fund dollars to be available to businesses in suburban communities including Brooklyn Park. Business resources were also enhanced in 2005 to establish relationships with a variety of non-profit organizations. The city also joined the Twin Cities Community Capital Fund, which provides opportunities for larger loans to businesses.
Other	The city has seen a notable amount of reinvestment in commercial properties since 2003. For example, Park Square will include the full remodel and reopening of a closed Rainbow grocery store, renovation of Fazoli's to Arby's, and façade improvements to the remainder of the center. Starlite Center recently was enhanced with façade improvements. Additionally, TCF Bank will be constructing a new branch at the former Chili's site. These improvements compliment the new retail center under construction at Zane Avenue and Hwy 610, called Park Place Promenade. The Village Creek redevelopment area has also seen new retail development and renovations to existing commercial buildings that are attracting new commercial users.

Priority #5

While not identified as an immediate short-term priority, the City recognizes that continuous reinvestment in neighborhoods is imperative to sustaining community health.

Suggested Implementation Tools (2003)	Status (2008)
The City will develop a rental housing inventory that will serve as the basis for future program development	The city licenses all rental housing.
Continue funding the City's townhouse loan program and consider changes to address specific needs	The EDA Town Home Loan Program was revised and expanded to strengthen and further invest in neighborhoods. The revisions have served to support the implementation of the Neighborhood Action Program (NAP). Town homes in these areas are eligible to make additional comprehensive improvements. The goal of these programs is to reinvest and sustain neighborhoods.
Continue and/or enhance the "Spruce up the Park" program	In 2004, the Spruce up the Park program was redesigned to a five year cycle. Each year 1/5th of the city is the focus area for community education and proactive code enforcement. The program includes an educational community open house, opinion survey, and neighborhood code enforcement sweeps. In 2008, the program was further expanded to include proactive code enforcement sweeps over 1/2 of the city each year.
Investigate the merits of a truth in housing program	A Pointe of Sale housing inspection program was implemented in the fall of 2007.
Continue the City's duplex conversion program and explore alternative models that serve as a catalyst for private redevelopment	Because of changing market dynamics, the EDA has focused on alternative models. The EDA partnered with GMHC to act as general contractor for rehabilitation of properties. In 2007, the EDA approved a contract with GMHC to provide "turn key" redevelopment of identified properties.
Examine other City enforcement and regulatory tools that can stimulate reinvestment	In 2005, the city initiated the Neighborhood Action Program (NAP), which is a multi-department problem-solving collaborative with strategies that are aimed to reduce crime and improve the stability and livability of challenged single-family neighborhoods. The pilot program for NAP included the Landings, 84th and Xerxes Avenues, and 71st and Colorado Avenues.

Potential Projects

2008 Status Update on 2003 Potential Project Priorities

Potential Project (2003)	Score (2003)	Status (2008)
Revisit 85th Avenue as a top community priority including elimination of the existing master development agreement	39	The 2030 Comprehensive Plan Update includes a discussion of the land uses along 85th Avenue (Noble to Xerxes Avenue). The land uses are proposed to be consistent with the 2004 market study of this area, which was completed by DSU. While the city has not pursued a master redevelopment plan for 85th Avenue because of the complexities created by market forces and the ownership structure in the area, staff does support development along 85th Avenue as opportunities for improvements are presented by current or future land owners.
Reduce or convert 5-10% of the City's apartment units within a 10-15 year period of time	22	The City negotiated the purchase of the Huntington Pointe Apartments in July 2007. Demolition of the 306 unit (all one bedrooms) apartment complex is scheduled for Spring 2008. The city is currently planning for the redevelopment of this site. This project will achieve the apartment reduction goal by eliminating 6.2% of the apartment units in the city within only a 5 years period.
Strategic plan to redevelop/reposition Gold Key Shopping Center	12	In 2007, the property owner initiated a façade renovation at the Gold Key Shopping Center. The improvements will be completed in 2008. In 2005, code enforcement staff worked with the property owner to improve trash storage practices at the site. Crime prevention and code enforcement staff have also been working with the property owners on Crime Prevention Through Environmental Design (CPTED) improvements related to the lighting of the parking lot.

Potential Project (2003)	Score (2003)	Status (2008)
City funding of the COPS program	8	<p>The Community Oriented Policing Unit began operations with 2 police officers in 1993. For many years the unit worked very closely with the management of apartment complexes to reduce crime. In the late 1990's an additional officer was added to the unit to meet increasing demand for service. The scope of the COPS Unit has been expanded since 2003 to oversee both apartments and single-family residential neighborhoods. In 2006, 3 more officers were added and they began collaborating with other city departments to reduce crime and improve livability of single family neighborhoods. Using the "Problem Solving" model, COPS officers identify chronic problems in the community and work with others to solve them. These changes align with the new investments through the City's Neighborhood Action Program (NAP), launched in 2007. The EDA helps fund these initiatives.</p>
Area redevelopment plan for Brookdale Drive and Xerxes	7	<p>The EDA has a first right of refusal for the purchase of the church property on the SW corner of Xerxes and Brookdale Drive. Staff continues to discuss potential redevelopment options for the Brookdale Crossings site with the current owner, Sherman & Associates.</p>
Area redevelopment plan for Brookdale Drive and Humboldt	7	<p>Staff has been in communication with the property owners in this area and has considered options for redevelopment of the site with various potential new buyers. The area proves challenging for redevelopment because of small parcels; and, currently there are limited options for expansion onto adjacent properties. The property owner of the commercial building obtained building permits in early 2008 to bring the building into compliance for commercial use.</p>
City's duplex conversion program using CDBG and HOME funds	6	<p>Because of changing market dynamics, the EDA has focused on alternative models. The EDA partnered with GMHC to act as general contractor for rehabilitation of properties. In 2007, the EDA approved a contract with GMHC to provide "turn key" redevelopment of identified properties.</p>

Potential Project (2003)	Score (2003)	Status (2008)
Accelerate property acquisition in "future" phases of the Village Creek Plan	6	Properties purchased in the Village Creek area since 2003 include the Pan African and Burger King sites. The city also facilitated land acquisition by Beard Group to expand redevelopment south of 73rd Avenue. Instead of continuing land acquisition in future phases north of Village Creek, the city has focused its attention on the Huntington Pointe redevelopment project.
Funding source for façade improvement program for properties in Village Creek	6	The city facilitated the façade improvements at the Gold Key Shopping Center, but did not provide funding. No formal façade improvement program has been developed; however, staff has discussed property improvements with owners in the area.
Program for small convenience store and retail owners for cosmetic improvements (e.g. painting program or loan program)	6	The EDA reprogrammed CDBG funds to establish the Brooklyn Boulevard Commercial acquisition and rehabilitation program. These CDBG funds have been used for acquisition and demolition of the former Burger King building (7516 Brooklyn Blvd.) and the former Pan African (7532 Brooklyn Boulevard). In addition, the Brooklyn Park Development Corporation established an exterior improvement loan program in 2005.
Area redevelopment plan for Zane and 63rd Avenues	6	This area just north of the airport was examined during the 2030 Comprehensive Plan update process. No changes to the land use designations were proposed in the plan.
Continue the City's financial involvement in substantially rehabilitating [apartment] properties	5	The city pursues opportunities to support improvements to apartments. For example, in 2007, the EDA supported Sherman & Associates in obtaining federal financing and county funding for rehabilitation of Autumn Ridge Apartments.
Establish a list of the top three apartments for which a strategic plan is developed	5	The AHEAD and SNAP studies reviewed conditions in apartments and provided recommendations about pursuing apartment redevelopment.
Continue funding the City's townhouse loan program with modifications	5	The EDA Town Home Loan Program was revised and expanded to strengthen and further invest in neighborhoods. The revisions have served to support the implementation of the Neighborhood Action Program (NAP). Town homes in these areas are eligible to make additional comprehensive improvements. The goal of these programs is to reinvest and sustain neighborhoods.

Potential Project (2003)	Score (2003)	Status (2008)
Brooklyn Boulevard and West Broadway	4	Both Starlite Center and Park Square completed privately funded exterior renovations in 2005/06. Staff is working with the owners of the Northwinds Plaza on planned improvements to the site.
West Broadway and County Road 81	3	This area was examined during the 2030 Comprehensive Plan Update process. No land use changes are proposed.
Continue and/or enhance the Spruce Up the Park program	3	In 2004, the Spruce up the Park program was redesigned to a five year cycle. Each year 1/5th of the city is the focus area for community education and proactive code enforcement. The program includes an educational community open house, opinion survey, and neighborhood code enforcement sweeps. In 2008, the program was further expanded to include proactive code enforcement sweeps over 1/2 of the city.
63rd Avenue and County Road 81	2	The land use in this area was examined during the 2030 Comprehensive Plan Update process. The plan identifies the area for mixed-use development. This area was also identified for a park and ride facility in the Hennepin County's Northwest Corridor Planning and Design Framework. The park and ride facility was completed by Metro Transit in 2007.
Orma (former Clark Station) gas station site near Park Center High	2	Since 2004, the code enforcement division completed a series of nuisance abatements at this property, including the removal of an underground gasoline tank and the boarding up of the vacant building. The abatement costs were certified to the property taxes. The City made a purchase offer to the owner of the gas station site in August 2007, but the offer was not accepted. The adjacent property owner purchased the site at the end of 2007 and is planning to integrate the site with the adjacent commercial use.
Truth in Housing program	2	A new Point of Sale housing inspection program was implemented in the fall of 2007

Potential Project (2003)	Score (2003)	Status (2008)
Landscaping and/or painting program for homeowners	2	The city promotes home remodeling and exterior improvements through its participation in the annual remodeling fair, which is held at the Crystal Community Center the first Saturday in April.
Issue a multi-million dollar city bond to stimulate private duplex renovation	1	A bond issuance for duplex renovation has not been pursued; however, a \$35 million bond referendum for apartment redevelopment was voted down by the residents in 2004.
Educational opportunities for investment owners of duplex and single-family homes	1	The EDA has teamed with the Minnesota Multi Housing Association making available educational classes for investment owners. An <i>Investment Owner's Guide</i> was developed to assist rental property owners in successful management.
Education of homeowners	1	All buyers of the city twinhomes are required to attend a pre-purchase class to learn financial information and resources needed to purchase. Post-purchase "how-to" classes, budgeting and credit counseling sessions are available to assist in successful homeownership.
Neighborhood watch	1	Neighborhood Watch continues to be a high priority in the Crime Prevention Unit. The unit continues to be staffed by two full time positions and one part time position. The Neighborhood Watch program has 178 neighborhoods active in participation where neighborhoods have at least one resident meeting a year. In the past, Neighborhood Crime Watch groups have primarily been in single-family owner-occupied neighborhoods. A goal of the crime prevention unit in 2007 was to be more active in crime watches in the Neighborhood Action Program (NAP) neighborhoods, especially those with many single-family rentals. In 2008 the goal is to hold a crime watch meeting in the top ten NAP neighborhoods.
77th Avenue and County Road 81	0	The city has had ongoing discussions with Anchor Block and Joyners regarding their plans for the west side of this intersection.

Potential Project (2003)	Score (2003)	Status (2008)
Alternative city code options, such as changing the duplex licensing period from 2 to 1 years.	0	The licensing period of duplexes was changed from 2 to 1 years in early 2007.
Development of an "incentive" program for keeping properties maintained	0	The city presents annual awards to promote gardening and landscaping (Summer Blossoms), commercial pool maintenance (Cool Pool), and commercial food safety (Fabulous Food Safety).
Additional regulatory tools such as business licensing	0	The city actively uses administrative penalties and abatement processes to ensure compliance with city codes. These programs provide written notification to property owners and a formal appeal process.