
6:00 p.m. CITY COUNCIL STUDY SESSION – Westwood Room & Council Chambers**Discussion Items**

1.	6:00 p.m.	Future Study Session Agenda Planning –February 13, 2012 (WESTWOOD ROOM)
2.	6:05 p.m.	2012 Annual Legislative Update
3.	7:05 p.m.	Community Recreation Facility Study with Consultant: Trends in Recreation, Facilities and Other Gathering Places (COUNCIL CHAMBERS)
4.	9:05 p.m.	2011 Telecommunications Advisory Commission Annual Report
5.	9:10 p.m.	Parks and Recreation Advisory Commission 2011 Annual Report and 2012 Work Plan
6.	9:15 p.m.	Communications/Meeting Check-In (Verbal)

9:20 p.m. Adjourn**Written Reports**

7.	Update on Prism Dial-A-Ride Program
8.	Fourth Quarter Investment Report (October - December, 2011)
9.	2011 Citywide Residential Property Condition Evaluation Program Summary
10.	Proposed Allocation of 2012 Community Development Block Grant (CDBG) Funds
11.	2011 Annual Housing Programs Report

Auxiliary aids for individuals with disabilities are available upon request. To make arrangements, please call the Administration Department at 952/924-2525 (TDD 952/924-2518) at least 96 hours in advance of meeting.

Regular Meeting **Public Hearing** **Action Item** **Consent Item** **Resolution** **Ordinance**
 Presentation **Other:**

EDA Meeting **Action Item** **Resolution** **Other:**

Study Session **Discussion Item** **Written Report** **Other:**

TITLE:

Future Study Session Agenda Planning – February 13, 2012.

RECOMMENDED ACTION:

The City Council and the City Manager to set the agenda for the regularly scheduled Study Session on February 13, 2012.

POLICY CONSIDERATION:

Does the Council agree with the agenda as proposed?

BACKGROUND:

At each study session, approximately five minutes are set aside to discuss the next study session agenda. For this purpose, attached please find the tentative agenda and proposed discussion items for the regularly scheduled Study Session on February 13, 2012.

FINANCIAL OR BUDGET CONSIDERATION:

None.

VISION CONSIDERATION:

None.

Attachment: Future Study Session Agenda Planning – February 13, 2012

Prepared by: Debbie Fischer, Office Assistant

Approved by: Tom Harmening, City Manager

Study Session, February 13, 2012 – 6:30 p.m.

Tentative Discussion Items

1. Future Study Session Agenda Planning – Administrative Services (5 minutes)
2. Beltline Blvd SWLRT Station Area Circulation – Community Development (45 minutes)
Staff will be present to discuss a wide range of transportation alternatives and ideas for the Beltline Station area to provide better access and circulation.
3. Liquor Licensee Food/Liquor Ratio – Administrative Services (30 minutes)
Staff will provide information on liquor establishments who have not met the ordinance requirement regarding the food and liquor sales ratio in preparation for the City Councils consideration of their 2012 liquor license renewal scheduled for February 21.
4. Redistricting – Administrative Services (30 minutes)
Staff will provide basic information on the 2012 Redistricting process, purpose, requirements, and upcoming Redistricting deadlines.
5. Communications/Meeting Check-In – Administrative Services (5 minutes)
Time for communications between staff and Council will be set aside on every study session agenda for the purposes of information sharing.

Reports

6. Business Park Zoning District
7. NLC Service Line Warranty Program
8. Community Energy Services Program
9. December 2011 Monthly Financial Report

End of Meeting: 8:40 p.m.

Regular Meeting Public Hearing Action Item Consent Item Resolution Ordinance
 Presentation Other:

EDA Meeting Action Item Resolution Other:

Study Session Discussion Item Written Report Other:

TITLE:

2012 Annual Legislative Update.

RECOMMENDED ACTION:

No formal action requested. Staff has prepared a list of legislative issues for Council's annual review and discussion with Senator Ron Latz, Representative Steve Simon, Representative Ryan Winkler, Hennepin County Commissioner Gail Dorfman, and Metropolitan Council representative Jim Brimeyer.

POLICY CONSIDERATION:

Staff has attached a draft of 2012 legislative issues for the Council's consideration and discussion with the city's legislators and representatives.

- Does the Council agree with the legislative issues identified in the attachment regarding priorities for 2012?
- Is there anything else the City Council would like staff and our legislative delegation to pursue?
- Does the Council wish to continue retaining legislative consulting assistance for 2012 to help promote the city's legislative agenda?

BACKGROUND:

Staff has prepared the attached preliminary list of legislative issues for the discussion with our legislators and representatives. As has been the case in previous years, as the 2012 legislative session progresses, additional issues may come to light.

It has been our practice to retain lobbying services to help us with legislative and regulatory issues. Administrative Services has utilized the legislative services of Doug Franzen and Vic Moore, Franzen & Associates, and Dennis McGrann and Emily Tranter of Lockridge, Grindal, and Nauen. Staff requests direction as to continuing on with these services for 2012.

FINANCIAL OR BUDGET CONSIDERATION:

Funding for our lobbyists is included in the EDA budget.

VISION CONSIDERATION:

Promoting regional transportation issues and securing transportation funding is aligned with the Council's Strategic Direction of being a Connected and Engaged Community.

Attachments: 2012 Legislative Issues and Priorities (Draft)

Prepared by: Tom Harmening, City Manager

City of St. Louis Park 2012 Legislative Issues and Priorities

1. TH 100 Full Build Project

Purpose: To keep the TH 100 Full Build Project funded and on track for its proposed 2014 bid letting date.

Status: The TH 100 project is among several other identified “expansion” projects in the metro area that have been “rescoped”. This past year Mn/DOT and the City held various community meetings to develop a final preferred concept for this project.

This rescoped project is a smaller, less complicated and less costly concept than originally proposed by MnDOT. This revised project no longer requires removing the 22 residences along Toledo Street north of Minnetonka Blvd. However, it appears the Holiday gas station property at Minnetonka Blvd and Vernon Ave will be severely impacted by this project. Mn/DOT is currently conducting an operational analysis, drainage study, and a noise study to verify the new concept is viable. It appears the revised configuration will cost approximately \$60 million, which is less than half of the original estimated project cost.

The current schedule identified by Mn/DOT for this project is as follows:

- | | |
|---|-------------------------------|
| • Conduct noise study and NAC meetings | October 2011 - April 2012 |
| • Traffic Modeling / Operational Analysis review by City and County | December 2011 - February 2012 |
| • Preliminary Water Resources Design | December 2011 - April 2012 |
| • Mn/DOT Staff Approves Geometric Layout | February 2012 |
| • Mn/DOT Public Open House | March 2012 |
| • Final Geometric Layout approved | April 2012 |
| • Municipal Consent Approval Process | May - July 2012 |
| • Mn/DOT Develops Construction Plans and Specifications | Summer/Fall 2012 – Sept. 2014 |
| • Right of Way Acquisition | May 2013 - September 2014 |
| • Mn/DOT Opens Bids and Awards Contract | November 2014 |
| • Construction | 2015 thru 2017 |

Background:

The 2006 interim project added a third lane in each direction by decreasing lane widths from 12 feet to 11 feet and eliminating or severely reducing shoulders along that stretch of highway. The third lane is required for the full build project so that MnDOT can keep a minimum of two lanes open in each direction during construction.

Improvements not included as a part of the interim project include construction of the noise walls, which MnDOT agreed to construct no later than 2015, expansion of lane widths, construction of on/off ramps, and bridge and storm water improvements. Bridges spanning TH 100 at Hwy 7 and Hwy 5, and storm sewers conveyance systems have no more than 10-15 years of useful life left and are deteriorating.

2. Grade Separated Crossing Project at Highway 7 & Louisiana Avenue

Purpose: To secure approximately \$5 million in funding to allow for the construction of a \$25 million grade separated intersection (interchange) at Highway 7 and Louisiana Avenue.

Status:

The project is currently being re-programmed for 2013 construction, and would provide for a grade separated interchange. This project will not only mitigate congestion and accidents at the intersection itself, but will accommodate further growth and redevelopment in the immediate area, including expansion at Methodist Hospital, a future nearby light rail station, and other adjacent redevelopment activity.

The City of St. Louis Park has received a \$7.63 million grant from the Metropolitan Council and Transportation Advisory Board in accordance with the federal Surface Transportation Program (STP) for the construction of this grade separated crossing. In accordance with grant requirements, the City is required to provide a local match to the STP funds noted above in the amount of \$2,398,000. In addition, Mn/DOT has committed \$594,000 to the project through its Cooperative Agreement program and \$1,000,000 through its Access Management program. The city is currently requesting a one year extension to the 2012 federal funding sunset; if this is not granted by the Met Council, the City likely will lose all of the STP and Mn/DOT funding described above. *Securing this extension and the remaining funding for this project is critical.*

Background: The city owns most of the property or right-of-way in all four quadrants of the intersection. The city has undertaken significant design work for this project and has narrowed the design concepts down to one. The Environmental Assessment process and Preliminary Design activities were completed for the project in late 2011. Final design is underway with plan completion and right-of-way acquisition completion expected by late 2012. If an extension to the current grants is approved, all final project documents will need to be submitted to Mn/DOT and FHWA for approval and bid authorization no later than March 31, 2013.

3. I-394/TH 100 Collector-Distributor Roads

Purpose: To secure \$1.8 million of a required \$2.4 million to make improvements to the eastbound and westbound lanes of the TH 100 Commuter-Distributor Road at I-394.

Status: The cities of Golden Valley and St. Louis Park, in partnership with Mn/DOT, have been working to find a solution to the congestion and flow of traffic in the vicinity TH 100 and I-394. This project is supported by Mn/DOT but is not in their current list of projects due to funding constraints.

Background: The Trunk Highway 100 & Interstate 394/Xenia Avenue/Park Place Boulevard Collector-Distributor Road Improvement Project will benefit residents in St. Louis Park and the metropolitan region by improving the safety of the east and west bound traffic flow on I-394 and in the vicinity of Park Place and Xenia Avenue, as well as on TH 100.

The traffic analysis indicates that the TH 100 Collector-Distributor (C-D) Road currently operates poorly in the eastbound and westbound directions during the morning and evening peak

periods. Further analysis for year 2027 conditions indicate operations will continue to worsen based on normal growth of regional trips to a service level of E-F.

To mitigate for this, an additional eastbound and westbound lane on the TH 100 C-D Road needs to be constructed to bring this area into acceptable levels of service.

4. Southwest Light Rail Transit

The Met Council has requested and the Governor has included \$25 million for SWLRT in the proposed 2012 State bonding bill. This is critical matching funds for moving forward with the SWLRT project and the City of St Louis Park supports this request. Preliminary Engineering is scheduled to begin this spring. The Met Council anticipates the SWLRT project cost for 2012 is \$52.6 million. Ultimately the SWLRT project needs matching funds from the State in the total amount of \$125 million or 10% of the \$1.25 billion total estimated project cost. The Met Council anticipates requesting the rest of the State matching funds, \$95 million, in 2013.

5. Private Well Drilling

HF 135 / SF 64 were introduced in the 2011 session. This legislation would prevent cities from regulating the construction or use of private wells within municipal water utility service boundaries. The state has continued to place requirements on public water supply providers to add drinking water treatment and testing, to restrict the volume of water used, and to increase the cost of water use through fees and requirements on utility rate structures (tiered rates). As a result, some water users are choosing to obtain all or portions of their water from wells they place on their own property. This creates risks to public health and safety, can affect the surrounding environment, can affect city water supplies, and can leave city water utilities with massive losses of customer load and rate revenue. Providing clean, safe drinking water to citizens is an essential service provided by 726 active municipal water systems. Private wells in a city increase the risk of contaminating public water supplies and encourages over use of water. The city and the League of Minnesota Cities supports current law that authorizes cities to protect public health and safety through local controls regulating or prohibiting private wells being placed within municipal water utility service boundaries and would oppose any changes to law to remove that authority.

6. Transportation or Sidewalk Utility

Successful economic development efforts and community stability are dependent upon a city's ability to make infrastructure investments. Current infrastructure funding options available to cities are inadequate and unsustainable. Funding pressures have been exacerbated in the past by levy limits, unallotments, and reductions in the local government aid and market value homestead credit programs. The existing special assessment law, Minn. Stat. ch. 429, does not meet cities' financing needs because of the benefit requirement. The law requires a minimum of 20 percent of such a project to be specially assessed against affected properties. In practice, however, proof of increased property value to this degree of benefit can rarely be proven from regular repair or replacement of existing infrastructure such as streets or sidewalks. Alternatives to the Minn. Stat. ch. 429 methods for financing infrastructure improvements are nearly nonexistent. The Legislature has given cities the authority to operate utilities for waterworks, sanitary sewers, and storm sewers. The storm sewer authority, established in 1983, set the precedent for a workable process of charging a use fee on a utility bill for a city service infrastructure that is of value to everyone in a city. Similar to the storm sewer authority, a

transportation or sidewalk utility would use technical, well-founded measurements and would equitably distribute the costs of local infrastructure services. The Legislature should allow cities to create, as a local option, additional utilities such as a transportation or sidewalk utility. Such authority would acknowledge the effects of repeated levy limits and the general funding shift from the state to local governments for building and maintaining necessary infrastructure.

7. Levy Limits

During the 2008 legislative session, levy limits were imposed on cities over 2,500 population for three years (2009 -2011). Levy limits replace local accountability with a state judgment about the appropriate level of local taxation and local services. Additionally, state restrictions on local budgets can have a negative effect on a city's bond rating due to the restriction on revenue flexibility. Levy limits are currently not in place for 2012 and the City would ask legislative support for not imposing a levy limit provision for future years.

8. Fiscal Disparities

The City has been a net contributor (also known as a fiscal disparities "loser") to the fiscal disparities pool for some time. Given extensive redevelopment and stronger commercial/industrial property values than most other metro area communities, the City's contribution to the fiscal disparities pool has increased substantially.

Below are some statistics related to St. Louis Park which denotes the increase in the City's net contribution over the years:

Pay 2009	1,635,724 Net Contribution
Pay 2010	1,231,482 Net Contribution
Pay 2011	2,775,483 Net Contribution
Pay 2012	3,220,881 Net Contribution

From 2009 to 2012... 96.9% Contribution Increase for St. Louis Park

From 2010 to 2012... 161.5% Contribution Increase

From 2011 to 2012... 16.0% Contribution Increase

Other cities which are also net contributors have much lesser rates of change for the 2009 - 2012 timeframe:

Bloomington	-13.7% Net Contribution Change
Eden Prairie	- 5.7% Net Contribution Change
Edina	+ 1.7% Net Contribution Change
Maple Grove	+ 2.3% Net Contribution change
Minnetonka	+13.3% Net Contribution Change
Plymouth	- 8.0% Net Contribution change
St. Louis Park	+96.9% Net Contribution Change

The City's tax rate is higher due to reduced Net Tax Capacity. From 2011 to 2012 the change is \$445,398, or an increase of 16.05% from 2011. This creates additional burdens on local property tax payers to pay for local services.

In 2010, legislation was passed to require an analysis of the fiscal disparities program. The study is being conducted by the Commissioner of Revenue and is due February 12, 2012.

9. Legal notices – eliminate requirement for paid publication

The City continues to support the elimination of requirements to print ads for “proceedings, official notices, and summaries” in local newspapers. Bills addressing this issue have been introduced during recent sessions. Last year, House File 162 called for allowing political subdivisions (cities, counties, school boards, etc.) to replace the print ads with a single annual notice stating that all such notices would appear on the political subdivision’s website (i.e. the city website). In addition to saving the cities thousands of dollars in annual publishing costs, the notices would have the potential to reach a much greater audience than they currently do in St. Louis Park, where the local newspaper only reaches about half of the community. In addition, businesses working with the city or bidding on city projects find it cumbersome to monitor many different publications.

10. Railroad Stormwater Fee Exemption

A bill that would exempt railroads from any levy, special assessment, or charge related to storm sewers was introduced in the 2011 session. The legislation would set railroads apart from all other property owners, including the federal government and tax-exempt properties such as churches, when it comes to paying a portion of the cost of federal stormwater management mandate compliance. Many cities, including St. Louis Park, rely on stormwater utility fees to operate their stormwater systems and to meet federal and state mandates aimed at water quality improvements. The city and the League of Minnesota Cities oppose legislation and policies that disproportionately shift authority, costs and/or liability away from railroad companies and onto other entities. Railroads must be required to pay for improvements that benefit their properties. The city and the League of Minnesota Cities opposed this legislation in 2011 and will do so again in 2012.

Regular Meeting **Public Hearing** **Action Item** **Consent Item** **Resolution** **Ordinance**
 Presentation **Other:**

EDA Meeting **Action Item** **Resolution** **Other:**

Study Session **Discussion Item** **Written Report** **Other:**

TITLE:

Community Recreation Facility Study with Consultant: Trends in Recreation, Facilities and Other Gathering Places.

RECOMMENDED ACTION:

No formal action at this time.

POLICY CONSIDERATION:

Does the trends information presented at the Study Session provide the Council with any direction they want to share with the Community Recreation Task Force?

BACKGROUND:

At the November 28, 2011, Study Session the City Council provided feedback on the tour recently conducted of three community centers and the makeup and formation of a task force to assist the City Council with this issue. At the December 12, 2011 Study Session, Council authorized staff to advertise and accept application forms for a task force. Council also gave approval to have an expert in the field update them on trends in the Parks and Recreation field. As facility planning moves forward, we need to be thinking towards the future with an understanding of our changing demographics.

On January 17 the Council appointed members to sit on the Community Recreation Task Force.

One of the elements we need to keep in mind as we move forward with future planning is that as baby boomers age, they will want very different facilities than the “senior center” models used in the past. Ellen O’Sullivan, a well-known expert in the area of Parks and Recreation trends, will be present to talk to the Council, staff and task force.

PRESENTATION OF TRENDS INFORMATION

Dr. Ellen O’Sullivan will present information about trends and emerging directions that influence facilities and gathering places in the future. She has researched the demographics from the recent census and will discuss how St. Louis Park relates to others in the state of Minnesota and nationally. The attachments provided by Ellen will provide you with some information prior to the study session. She will be using the information in the attachments in her presentation. In attendance at the study session will be the recently appointed Task Force members, PRAC, Community Education staff and City Staff. The study session will consist of a presentation as well as discussion.

ABOUT DR. ELLEN O’SULLIVAN:

Dr. Ellen O’Sullivan’s extended career has included being a camp counselor, a community recreation director, a university professor, and organizational facilitator for public parks and recreation. She is the author of two books on marketing for parks and recreation and two additional books on the values and benefits of parks and recreation and serves as a trend consultant for several state and local organizations.

Interacting with community residents, decision-makers, and staff is one of her favorite pursuits and she has most recently worked with those groups in the City of Cincinnati, OH; El Paso, TX; Eagan, MN; Newington, CT; and La Palma, CA.

FINANCIAL OR BUDGET CONSIDERATION:

Staff coordinated with the state Minnesota Recreation and Parks Association (MRPA) to have Ellen speak to other professions in the area on Tuesday, January 24. Ellen will also be speaking to students and professors at the University of Minnesota Mankato on Wednesday, January 25. The cost will be shared with MRPA and the University. Staff included this fee in the budget per Council direction.

VISION CONSIDERATION:

This is directly related to the results of Vision St. Louis Park and one of the adopted Strategic Directions that “St. Louis Park is committed to being a connected and engaged community” and the related Focus Area of “Exploring creation of a multi-use civic center, including indoor/winter use”.

Attachments: Trends and Emerging Directions
Signs of Shifts

Prepared by: Cindy S. Walsh, Director of Parks and Recreation
Approved by: Tom Harmening, City Manager

Trends and Emerging Directions Influencing Public Gathering Spaces/Places in the Future

How Can We Identify Trends?

Trying to identify specific trends as to how people will use their leisure time in the future rests upon not the specific recreation and play trends themselves, but rather the shifts in who people are and how they live, work, learn, and play.

'Signs of a Shift' by Dr. Ellen O'Sullivan has been created for the purpose of identifying how those trends and emerging directions will influence the ways in which people of all ages and life stages may choose to pursue leisure opportunities.

Information Outline

'Signs of a Shift' is presented in a "From" and "To" format which is intended to explore the subtle and not so subtle ways in which our world is changing and will include the following categories:

- Who Are We?
- How Do We Live?
- How Do We Work?
- How Do We Learn?
- How Do We Play?
- Organizational Shifts

Outcomes from the Workshop on Monday, January 23, 2012

It is intended that the upcoming workshop will do the following:

- Identify ways in which these trends and emerging directions do or do not apply to the City of St. Louis Park and its residents
- Suggests how these changing patterns and preferences may influenced future development plans

About Dr. Ellen O'Sullivan

Ellen's extended career has included being a camp counselor, a community recreation director, a university professor, and organizational facilitator for public parks and recreation. She is the author of two books on marketing for parks and recreation and two additional books on the values and benefits of parks and recreation and serves as a trend consultant for several state and local organizations.

Interacting with community residents, decision-makers, and staff is one of her favorite pursuits and she has most recently worked with those groups in the City of Cincinnati, OH; El Paso, TX; Eagan, MN; Newington, CT; La Palma, CA among others.

Signs of Shifts

Subtle and dramatic changes in how we live, work, learn, and play

From

To

Who Are We?

We have now become one of two major groups: older and white OR younger and diverse

We have between 6 – 7 generational groups and their specific preferences they bring

How We Live

Traditional family/Household

Living Alone/Blended and Extended; Pets

Formal Rooms in Homes

Open, fluid spaces

Specific spaces

Ever-evolving use of spaces

Retire and move

Age in place

How We Work

Regular 9 to 5 work week

Project based not time driven

Employed at a particular place

Work from home, coffee shop

Employed at specific job/occupation

No one job lasting over a life span

Full-time employment

Unemployed, under-employed, over-employed, etc.

Work continually through adult years

Self-directed or imposed sabbaticals and projects, contracts

Retire at 55, 60, 65

People working beyond traditional retirement age for money, health insurance, socialization, challenge, purpose

How We Learn

No lock step process

Young adults finish college in 7 years; adults go back to school at 40 or 70

Finite knowledge and information

Changes and new discoveries ongoing

Lifetime skills

Ongoing learning

School site required

Less formal and traditional settings/spaces

Education is required

Learning is both required and enjoyable

How We Play

Exercise

Physical Activity

Fitness

Wellness

Structured, periods of time

Spontaneous episodes

Super children

Well-rounded, healthy adults

Appropriate play

Everybody can, if they want

Car pools

Walking and biking trails

TV Watching (too much)

Screen Time (way over the top)

Organizational Shifts

Proposition 13 Era

Facilitation (still in development)

Fewer classes

More workshops

Fewer paid instructors

RFP for services/rentals

Shift from direct services

Recreation Education

One sport – all season youth sports

Lifetime physical activity

Focus on individual

Emphasis upon the community/greater public good

Senior Centers

Active Living Facilities/ Gathering Spaces

Economic Impact

Economic Asset

Regular Meeting Public Hearing Action Item Consent Item Resolution Ordinance
 Presentation Other:
EDA Meeting Action Item Resolution Other:
Study Session Discussion Item Written Report Other:

TITLE:

2011 Telecommunications Advisory Commission Annual Report.

RECOMMENDED COUNCIL ACTION:

None at this time. This report is being provided to the City Council for review and comment.

POLICY CONSIDERATION:

Are the actions of the TAC in alignment with Council expectations?

Does the Council have further directions or modifications to the proposed work plan?

Does the City Council wish to meet with representatives of the TAC at a future study session?

BACKGROUND:

The Telecommunications Advisory Commission officially met six times in 2011 and Commissioners remained involved in other ways including:

- Commissioners Keeler and Browning participated in two subcommittees for the Fiber Optic Study and Future of Cable TV.
- Commissioners Dworsky, Hartman and Keeler attended the MACTA annual conference in October, and Commissioner Keeler was elected to the MACTA Board.

Fiber Optic Study

The Fiber Optic Study Task Force was managed by Chief Information Officer Clint Pires, who recruited candidates from the community in addition to Commissioners Keeler and Browning and Community TV Coordinator John McHugh. A Request for Qualifications was issued in May, 2011. After reviewing the responses and interviewing two firms, the Task Force selected Columbia Telecommunications Corporation (CTC) to do the study.

Future of cable television subcommittees

This subcommittee included Commissioners Browning and Keeler, CIO Clint Pires, Communications Coordinator Jamie Zwilling and Civic TV Coordinator Reg Dunlap. The subcommittee reviewed a variety of trade journal articles and other research and met several times during the summer and fall, and consulted with two telecommunications experts about trends and expectations related to communication technology and policy. Commissioner Keeler created line graphs of various Comcast revenue sources to help identify which were predictable and which were volatile. A detailed staff report was provided to Council at the November 28, 2011, Study Session and Council provided helpful feedback. Councilmember Finkelstein said he's concerned that technology changes could cause franchise fees to drop. The Council indicated its support for ongoing video services even if there is no franchise after 2021, and is very interested in remaining ahead of the technology curve. The Council indicated it was very interested in the Fiber Optic Study and any other proactive suggestions the Commission can make. It was suggested that instead of consolidating channels to simplify branding, that one channel could be used by the new Convention and Visitors Bureau.

Park TV/School District #283 Operations Agreement & related activities

Park TV covered a full schedule of high school sports throughout the year, concerts and events, and used the studio weekly to record Park Update and some Community TV productions, and provided live School Board coverage twice per month.

Comcast audit notice

The Commission discussed the results from the past few cable company audits and decided to postpone further discussion until May, 2012.

Grand Stadium

After reviewing the Grand Stadium proposal at several meetings, the Commission voted to table discussion until February, 2012, with the caveat that the City could take appropriate action to cover games if necessary. Grand Stadium is affiliated with local broadcast channel 45 (KSTC), which is the rights-holder for television coverage of high school sports sectional playoffs. Grand Stadium requests a signed agreement from local cable producers like Park TV that cover high school sports to partner in DVD sales and live coverage. However some local producers have objected to terms of the agreement and few have signed it.

Comcast Complaints

The total number of complaint calls dropped to 48 in 2011 after 50 in 2010, significantly lower than the 76 received in 2009 (attached). Most complaints were quickly resolved after being referred to Comcast E-Care staff.

Comcast introduced a customer service guarantee in October 2009 that has helped reduce the number of complaint calls. The guarantee says:

- We will give you a 30-day, money-back guarantee on all our services.
- We will treat you and your home with courtesy and respect.
- We will answer your questions at your convenience.
- We will offer easy-to-understand packages and provide you with a clear bill.
- We will continually offer the best and most video choices.
- We will quickly address any problem you experience.
- We will schedule appointments at your convenience and be mindful of your time.

Officers

Mike Mulligan served as Chair and Rolf Peterson as Vice Chair for 2011.

Telecommunications Commission Attendance: 2011

Commissioner	2/10/11	5/19/11	7/14/11	8/25/11 Special Meeting	10/6/11	12/15/11	Total Attended
Mike Mulligan (Chair)	YES	YES	YES	-	YES	YES	5
Rolf Peterson(Vice Chair)	YES	YES	YES	YES	-	YES	5
Bruce Browning	-	YES	-	YES	YES	YES	4
Rick Dworsky	YES	YES	-	YES	YES	YES	5
Dale Hartman	YES	YES	YES	YES	-	YES	5
Toby Keeler	YES	YES	YES	YES	YES	YES	6
Bill Theobald	-	YES	-	-	YES	-	2
Jenna Sheldon (Youth)	YES	-					1

Note: Jenna Sheldon's term expired at the end of the school year in 2011 and she did not reapply.

FINANCIAL OR BUDGET CONSIDERATION:

None

VISION CONSIDERATION:

This report supports the strategic direction – St. Louis Park is committed to being a connected and engaged community.

Attachment: Cable TV Complaints Received & Logged by City Staff 2007-2011
Telecommunications Advisory Commission Work Plan 2012

Prepared by: Reg Dunlap, Civic TV Coordinator
Reviewed by: Jamie Zwilling, Communications Coordinator
Through: Clint Pires, Chief Information Officer
Approved by: Tom Harmening, City Manager



Cable TV Complaints Received & Logged by City Staff 2007-2011
 (Some customers reported more than one complaint.)

COMPLAINT CATEGORY	Complaints 2007	Complaints 2008	Complaints 2009	Complaints 2010	Complaints 2011
Billing	19	30	28	17	21
Construction (e.g., right of way, unburied cable, property damage)	0	2	3	0	6
Customer Service/ Relations (e.g., missed or late appointments, company response to issue, attitude)	8	7	0	7	1
Installation (e.g., property damage)	0	0	0	0	0
Programming Options (lost channels, want new channels)	27	16	6	2	2
Rates, prices	22	16	7	9	6
Technical Service (e.g., outage, reception, equipment faulty/lack of features)	3	15	10	14	12
Service Requests (e.g., residential/commercial)	0	0	0	0	0
Telephone Customer Service (on hold, busy, no one available)	10	9	8	8	6
Miscellaneous	8	9	14	11	3
Total Cable Service Complaints	97	99	76	68	57
Digital Voice/Telephone	2	3	2	3	2
Cable Modem/Internet Issues	13	6	3	7	2
Combined Total of All Processed Complaints (includes Telephone & Internet)	112	108	81	78	61
Average complaints per month reported to city staff	9.3	9.8	6.75	6.5	5.1
Total complaint calls (some callers mention more than 1 complaint)	85	83	76	50	48
Approx number of subscribers on average for the year	13,000	13,000	13,000	13,000	13,000



2012 Telecommunications Advisory Commission Work Plan

January 2012 Written Annual Report to City Council

February 29 Council Chambers

- Grand Stadium review
- Review budget for 2011 & 2012

May 9 Council Chambers

- Consider franchise fee audit notice, going back 3 years from the date of the notice
- Fiber optic study update

August 22

- Fiber optic study update

October 10

- Comcast customer service update
- Future of cable TV technology update

December 12

- Comcast presentation on new cable rates and/or changes in the channel line up
- Draft Annual Report for 2012
- Set meetings for 2013
- Draft Work Plan for 2013
- Elect Chair & Vice Chair, effective next meeting

Regular Meeting **Public Hearing** **Action Item** **Consent Item** **Resolution** **Ordinance**
 Presentation **Other:**

EDA Meeting **Action Item** **Resolution** **Other:**

Study Session **Discussion Item** **Written Report** **Other:**

TITLE:

Parks and Recreation Advisory Commission 2011 Annual Report and 2012 Work Plan.

RECOMMENDED ACTION:

This report summarizes work performed by the Parks and Recreation Advisory Commission (“PRAC”) in 2011 and outlines the intentions of PRAC for work to be performed in 2012.

POLICY CONSIDERATION:

Are the actions of the PRAC in alignment with the expectations of the City Council?

Does the City Council wish to meet with PRAC to discuss the annual report and work plan?

BACKGROUND:

The Parks and Recreation Advisory Commission considers matters pertaining to long-range park and recreation plans and may offer recommendations in new development areas in relation to park and recreation space. The City Council may request the Commission to study and advise on other related items. The Commission consists of seven regular members and one voting youth member. Meetings are held the third Wednesday of each month at 6:30 p.m.

In accordance with Council policy, the 2011 Year End Report and 2012 Work Plan are attached in full for City Council review.

FINANCIAL OR BUDGET CONSIDERATION:

Not applicable.

VISION CONSIDERATION:

The 2012 PRAC Work Plan addresses participation in several focus areas of the Vision Process including being a connected and engaged community; being a leader in environmental stewardship; and promoting and integrating arts, culture and community aesthetics in all city initiatives.

Attachments: Parks and Recreation Advisory Commission 2011 Year End Report
 Parks and Recreation Advisory Commission 2012 Work Plan

Prepared by: Stacy Voelker, Administrative Secretary
Reviewed by: Cindy Walsh, Director of Parks and Recreation
Approved by: Tom Harmening, City Manager



Experience LIFE in the Park

Parks and Recreation Advisory Commission (“PRAC”) 2011 Year End Report

The Parks and Recreation Advisory Commission Purpose:

The Commission shall study and consider all phases of public parks and recreation and recommend to the City of St. Louis Park and Independent School District #283 a park and public recreation program which best meets the needs of all residents of St. Louis Park.

2011 Parks and Recreation Advisory Commission

Christina Barberot, City Representative, Chair
Tom Worthington, City Representative, Vice Chair
James Beneke, School Representative
Sophia Flumerfelt, Student Representative
George Foulkes, School Representative
George Hagemann, City Representative
Steve Hallfin, City Representative
Kirk Hawkinson, City Representative

Parks and Recreation Department Staff

Cindy Walsh, Director
Rick Beane, Park Superintendent
Rick Birno, Recreation Superintendent
Mark Oestreich, Westwood Hills Nature Center Manager
Craig Panning, Manager of Buildings and Structures
Jim Vaughan, Environmental Coordinator
Stacy Voelker, Administrative Secretary

2011 Highlights

Youth Association and city organization representatives attended Commission meetings and provided updates from their associations or organizations. Ideas to foster better relationships with participants, other associations and the city were also discussed. In 2011, the Commission met with Friends of the Arts, Kids around the World, Minnehaha Creek Watershed District, the Historical Society, Soccer Association and the Football Association.

Following a presentation by a representative from “Kids around the World”, the Commission recommended staff to partake in the program by donating old playground equipment. The program removes old playground equipment tagged to be replaced, renovates it and ships it to poorer areas or countries at no expense to the City. The playground equipment is then replaced by new equipment that was budgeted for in the Capital Improvement Program.

Commission members reviewed the Minnehaha Creek corridor and the potential expanding of the corridor to provide additional green space around the creek from Meadowbrook to Louisiana Avenue. The annual Minnehaha Creek cleanup was held on Saturday, May 21 (rescheduled from April 16). The Commission and other volunteers cleaned up the creek area by the MSC and Creekside Park.

Commission members visited the idea of installing artificial turf in the High School stadium at the same time Benilde-St. Margaret's school added it to their field. In response to the inquiry staff conducted a turf feasibility study. Staff and members continued to discuss and included questions on turf in the Community Recreation Study conducted in January of 2011.

The Community Recreation Study, created to obtain feedback from the community on what residents would like to see included in St. Louis Park, was presented in January of 2011. Following the results of the survey, the Commission, along with Council, toured three community centers in nearby cities.

Commission members continue to review and discuss art pieces and proposals throughout the city.

Throughout the year, staff presented and discussed Capital Improvement Projects with the Commission.



2012 Parks and Recreation Advisory Commission Work Plan

2012 Parks and Recreation Advisory Commission

Tom Worthington, City Representative, Chair
George Hagemann, City Representative, Vice Chair
James Beneke, School Representative
Sophia Flumerfelt, Student Representative
George Foulkes, School Representative
Kirk Hawkinson, City Representative
Vacant, City Representative
Vacant, City Representative

2012 Goals

- **Adult Fitness areas:** Council requested the Commission research potential outdoor adult playground / fitness stations.
- **Athletic Association Relationship:** Invite each association to their monthly meetings to continue a positive relationship.
- **Community Education Advisory Commission (CEAC):** Host a joint meeting with CEAC to explore common goals.
- **Commissions:** Meet with other commissions as appropriate.
- **Community Recreation Facility:** Involvement in the ongoing exploration of a city recreation facility(s).
- **Environmental Stewardship:** Connect people in the community with emphasis on environmental items such as organizing the annual Minnehaha Creek Clean up and buckthorn removal. Discuss environmental issues as they arise.
- **Park User Group Relationship:** Assist in facilitating interested groups and other park and recreation users (i.e. Friends of the Arts, Off-Leash Dog Park users, Historical Society, etc.).
- **Police Advisory Commission:** Jointly explore projects such as smoking in the park ban, standardize rules for bike crossings, keeping park restrooms open, etc. [Mr. Hagemann, Spokesperson]
- **Recreation Resources:** Invite Council to participate in exploring the city's recreation resources via a bike ride.
- **Staff Appreciation Luncheon:** Serve an appreciation luncheon for staff.
- **Trails and Sidewalks:** Be involved in the further study and exploration of the expansions of trails and sidewalks in the City to further the desires of the residents as stated in the Community Recreation Study.

Regular Meeting Public Hearing Action Item Consent Item Resolution Ordinance
 Presentation Other:
EDA Meeting Action Item Resolution Other:
Study Session Discussion Item Written Report Other:

TITLE:

Communications/Meeting Check-In (Verbal).

RECOMMENDED ACTION:

Not Applicable.

POLICY CONSIDERATION:

Not Applicable.

BACKGROUND:

At every Study Session, verbal communications will take place between staff and Council for the purpose of information sharing.

FINANCIAL OR BUDGET CONSIDERATION:

Not Applicable.

VISION CONSIDERATION:

Not Applicable.

Attachments:

None

Prepared and Approved by:

Tom Harmening, City Manager

Regular Meeting Public Hearing Action Item Consent Item Resolution Ordinance
 Presentation Other:
EDA Meeting Action Item Resolution Other:
Study Session Discussion Item Written Report Other:

TITLE:

Update on Prism Dial-A-Ride Program.

RECOMMENDED ACTION:

No action at this time. This report is intended to provide an update on this new service in preparation for the Councils consideration on February 6 to extend the contract with PRISM (People Responding in Social Ministry) to provide door-to-door, dial-a-ride services to all residents of St. Louis Park through December 31, 2012,

POLICY CONSIDERATION

The City entered into a six month contract with Prism on September 1, 2011 to provide Dial-a-Ride transportation services to St. Louis Park residents. Previous to entering into this contract, St. Louis Park was served by several transportation programs, each operating independently and with various limitations. The policy consideration is whether or not the City Council wishes to continue to support Prism's Dial-a-Ride program to enhance the level of transportation services available for SLP residents.

BACKGROUND:

City staff and Courtney Whited, Prism Transportation Coordinator, met with the Council in July 2011 to discuss Prism's proposed plan to expand their door-to-door Dial-a-Ride program to St. Louis Park. Council supported the proposal and the potential benefits that a flexible transportation program would provide and directed staff to proceed with the steps necessary to enter into a contract with Prism to provide Dial-a-Ride services to St. Louis Park residents. The City agreed to provide up to a \$10,000 funding contribution to cover program costs for the initial six month period of September 1, 2011 through February 28, 2012. It was understood that following the first six months of operation staff would evaluate the program's operation and its ability to serve the transportation needs of St. Louis Park residents. Upon review of this information with the Council, the intent was to determine whether to continue funding the program for 2012.

Who is Prism? Prism is a community funded social service agency that provides families in need with food, financial assistance, transportation and other services in times of financial hardships. Programs include a food shelf, financial assistance, school supplies, employment and budget counseling, home maintenance, referral services and transportation. Their mission is "To walk alongside families providing support-based programs that encourage self-sufficiency".

For over 35 years, the volunteers and staff at Prism have helped families stabilize their immediate crisis and then continued to work with them; counseling, educating and goal-setting to empower them to take an active role in their own solutions.

Description of Prism Dial-a-Ride Service. The Dial-a-Ride services include transportation to any destination in the cities of St. Louis Park, Golden Valley, Robbinsdale, Crystal, New Hope, Brooklyn Center and eastern Plymouth. Services are also provided to public transit stops connecting riders for travel outside the service area.

Rider eligibility for the service is not restricted by age or income and is accessible for mobility impaired riders. Riders are asked to pay a \$3.00 fee per one-way trip and there is no limit on the number of trips taken per week. This is an on demand service and riders need to call at least three business days in advance to schedule a ride. Prism operates on a 1 hour pick-up window although the driver will call the rider when he/she is 10 minutes away. The vehicles used are handicapped accessible. The hours of operation for this transportation service are Monday through Friday, 8AM to 4PM.

Ridership Statistics: September through December 2011. Prism began providing services to St. Louis Park residents in September. Marketing efforts included articles in the Sun Sailor, the Park Perspective and announcements on the City's web site. Prism staff also did direct outreach to Lenox, Park Nicollet, STEP, and the faith community.

After providing 142 rides the first month of service, the number of rides dropped down to 121 the second month and has been slowly climbing since. In December, 159 rides were provided. The number of unduplicated riders monthly has averaged 13 and a total of 28 individuals have used the service since September.

Prism has indicated that the majority of the riders are seniors that are seeking a more attentive service than what they would receive from an alternate transportation service. The door-to-door Dial-a-Ride service is more direct than many services and has the feel of running an errand. A ride to and from the store only takes 15 to 25 minutes each way versus 1 – 2 hours on metro mobility or the bus. The service is more similar to taxi cab service. The number one ride destination was to adult day care. Other destinations included medical appointments, work, shopping and social service appointments.

Prism has indicated that typically ridership will continue to grow each month as more residents hear about the service. In other communities they have seen a threefold increase in riders within a year of implementing the program. Prism has done a significant amount of outreach and will be undertaking more direct marketing in February. Prism also has two new buses that will be going into service at the end of this month. These buses with their updated logo will provide a presence in the community that will also contribute to marketing the program.

Staff Recommendation. Based on the first four months of ridership, the Dial-a-ride service is showing consistent and increasing use. Seniors, the targeted ridership population, are the primary users of the service. Prism has stated that they anticipate ridership will continue to grow as word of mouth spreads about the program. Extension of the contract through the end of year will provide an opportunity to better assess the long term and ongoing use of the program. Staff is recommending that we continue funding the service through the end of 2012 at which time program operation and ridership can be assessed and the Council can determine whether to continue funding the program beyond 2012.

Next Steps. Extension of the contract for services with Prism will be brought to the February 6 Council meeting for City Council consideration. Upon receiving Council approval, staff will prepare the necessary agreement for the City to participate in Prism's dial-a-ride program through December 31, 2012. The agreement will include an option for the City to provide continued funding for the program for 2013 contingent upon Council approval. Staff will review the program's performance through the initial year of operation and provide an update to the Council and a determination regarding continued funding in 2013.

FINANCIAL OR BUDGET CONSIDERATION:

The City's 2012 budget includes up to \$20,000 in funding for a Dial-a-Ride program. PRISM Express estimates that the full cost of a one way ride is \$11.50. PRISM bills the City monthly on a per ride basis. The City reimburses PRISM at a rate of \$5.50 per one way ride. The additional ride expense is supplemented by contributions from a \$5000 grant from the Park Nicollet Foundation and the \$3 fare charged to riders. The Housing Rehab Fund is the funding resource. The amount of the City's contribution was determined based on community size and the anticipated number of riders annually.

For the initial 6 month contract, the City agreed to reimburse expenses for the Dial-a-Ride service at the rate of \$5.50 per ride up to \$10,000. To date, the City's contribution for services provided from September through December totaled \$3,052.50.

VISION CONSIDERATION:

The need for a variety of transportation modes allowing residents and visitors to easily and inexpensively travel throughout the city and the entire metro region was identified through the Visioning process as one of the City's primary focus areas including the City Councils Strategic Direction of being a connected and engaged community. In addition, creation of a dial-a-ride program that expands ridership boundaries is consistent with many of the ideas and goals proposed by the Visioning Transportation Action Team including:

- Creating a superior transportation system,
- Alleviate barriers,
- Transportation system should strive to be simple, convenient, safe and inexpensive for everyone,
- All the transportation system components and modes should be integrated and designed to support one another,
- Embrace existing and future technology to make transportation more convenient and cost effective,
- Our transportation system is an innovative model for other communities, and
- Coordinate with neighboring cities' transit efforts.

Attachments: None

Prepared by: Michele Schnitker, Housing Supervisor
Reviewed by: Kevin Locke, Community Development Director
Approved by: Tom Harmening, City Manager

Regular Meeting Public Hearing Action Item Consent Item Resolution Ordinance
 Presentation Other:
EDA Meeting Action Item Resolution Other:
Study Session Discussion Item Written Report Other:

TITLE:

Fourth Quarter Investment Report (October - December, 2011).

RECOMMENDED ACTION:

No action required at this time. This report is being provided for information sharing purposes.

POLICY CONSIDERATION:

None at this time.

BACKGROUND:

The City's investment portfolio is focused on shorter term cash flow needs and investment in longer term securities. This is done in accordance with Minnesota Statute 118A and the City's Investment Policy objectives of: 1) Preservation of capital; 2) Liquidity; and 3) Return on investment.

The total portfolio value increased by approximately \$4.2 million in the fourth quarter. This was primarily due to the receipt of the second half property tax settlement in early December from Hennepin County. As discussed later in this report, a significant portion of the tax settlement dollars is being held in money market accounts at end of year.

Approximately \$4.3 million of the 2010D Fire Station Bond proceeds were remaining at December 31, 2011. The vast majority of this is invested in commercial paper, with a small portion in a money market. Commercial paper are promissory notes issued by financial institutions and large corporations with very short maturity periods ranging from one to nine months. The commercial paper was purchased in December to mature incrementally over a five month period from January through May 2012. As each piece of commercial paper matures, cash is made available to pay construction project expenses. The rates on the commercial paper range from .23% to .68% compared to just .14% in the UBS Money Market Fund. Since the bond proceeds could not be invested in long term securities, the higher yields on the commercial paper have helped to keep the portfolio yield stable.

The overall yield of the portfolio was down slightly from the third quarter (1.29%) to the fourth quarter (1.12%). This small decline was due in large part to the larger amount of cash held in lower yielding money market accounts at end of year. Some longer term securities will be purchased in the first quarter of 2012 as opportunities arise that meet the City's investment policy guidelines, which will help to raise the portfolio yield. Cities generally use a short horizon benchmark such as the two year Treasury (.25% at 12/31/2011, .61% 12/31/2010, 1.14% 12/31/2009) or some similar measure for yield comparison of their overall portfolio.

Nearly one-half of the portfolio is invested in money markets and short term commercial paper. As noted earlier, the remaining bond proceeds need to be available in the short term to pay the monthly Fire Station contract payments. It is also necessary to have cash readily available for

the normal cash flow needs for payroll and general operating expenses, and a significant amount of cash will be needed on February 1st for the semiannual debt service payments and Pay As You Go note payments. The money market account that was opened at Citizens Independent Bank early in 2011 continues to earn .41%. This is substantially higher than the yield of either the 4M Fund Money Market (.02%) or the UBS Money Markets (.14%). A \$5 million balance is being maintained in the Citizens Bank Money Market to help improve interest earnings on available cash.

The other half of the portfolio is invested in longer term securities that will mature within one to five years, if not called prior to the maturity date. About 75% of these longer term investments are in municipal debt, which are bonds issued by States, local governments, or school districts to pay for special projects. The rest of the longer term purchases are in callable agency bonds, which are issued by government agencies such as the Federal Home Loan Bank or Fannie Mae. They typically have more reasonable interest rates to the final maturity date, but the issuers have the right to call the bonds in three months to a year if interest rates decline. This happens quite frequently in the current market. Similar to past quarters, four securities were called prior to maturity in the fourth quarter. Some new securities with comparable rates were able to be purchased, which kept the portfolio yield relatively stable.

Here is a summary of the City's portfolio at December 31, 2011:

	9/30/11	12/31/11
<1 Year	49%	54%
1-2 Years	14%	18%
2-3 Years	19%	10%
>3 Years	18%	18%

	9/30/11	12/31/11
Money Markets	\$20,940,013	\$30,415,916
Commercial Paper	\$7,265,482	\$4,177,371
Municipal Debt	\$24,106,743	\$26,792,131
Agency Bonds	\$14,021,074	\$9,101,437

FINANCIAL OR BUDGET CONSIDERATION:

None at this time.

VISION CONSIDERATION:

The City has a sound investment policy that brokers are required to follow with the goals of preservation of capital, liquidity and return on investment. The policy is strictly followed in making investment decisions to protect the City's resources.

Attachments: Quarterly Investment Report

Prepared by: Darla Monson, Senior Accountant

Reviewed by: Brian A. Swanson, Controller

Approved by: Tom Harmening, City Manager

City of St. Louis Park
 Investment Portfolio
 December 31, 2011

Institution	Type	CUSIP	Maturity Date	Yield to Maturity	Cost Basis	Market Value at 12/31/2011	Estimated Avg Annual Income
Citizens Indep Bank	Money Market			0.41%	5,019,407	5,019,407	20,580
4M Fund	Money Market			0.02%	1,697,815	1,697,815	340
Citigroup/Smith Barney	GNMA			7.19%	26,856	<u>26,856</u> 26,856	1,931
Wells Fargo Advisors	FHLB	313375DF1	09/07/2016	1.60%	1,000,000	1,000,030	16,000
Wells Fargo Advisors	FFCB	31331KD49	10/03/2016	1.48%	1,000,000	<u>1,002,350</u> 2,002,380	14,800
UBS	Muni Debt-Illinois State	452152FD8	04/01/2013	1.84%	1,031,190	1,010,270	18,922
UBS	Muni Debt-NYC	64971MN40	02/01/2016	3.03%	1,022,000	1,087,100	30,916
UBS	Muni Debt-NYC	64971MN40	02/01/2016	3.07%	1,020,000	1,087,100	31,314
UBS	FNMA	3136FRYJ6	07/19/2016	2.32%	1,000,000	1,004,900	23,200
UBS	Muni Debt -Dist of Columbia	25476FLE6	06/01/2015	1.33%	1,085,400	1,074,000	14,447
UBS	FHLMC	3134G2XP2	08/23/2016	1.50%	2,024,005	2,010,220	30,360
UBS	Muni Debt -Calif State	13063A7E8	10/01/2013	0.78%	2,123,620	2,094,940	16,649
UBS	FNMA	3136FRZ30	09/21/2016	1.32%	1,008,505	1,004,550	13,312
UBS	Muni Debt - Gilroy, CA	376087CZ3	04/01/2015	1.81%	1,207,046	1,191,521	21,848
UBS	Muni Debt - Calif State	13063BNR9	10/01/2015	2.00%	1,026,703	1,010,120	20,534
UBS	Muni Debt - Atl City, NJ	048339RR8	12/15/2015	2.70%	477,278	471,546	12,887
UBS	Money Market			0.14%	23,606,036	23,606,036	33,048
UBS	Money Market (Fire Station Bonds)			0.14%	92,658	92,658	130
UBS	Comm Paper (Fire Station Bonds)		01/03/2012	0.23%	1,199,755	1,199,976	2,759
UBS	Comm Paper (Fire Station Bonds)		02/02/2012	0.33%	789,551	789,803	2,606
UBS	Comm Paper (Fire Station Bonds)		03/02/2012	0.52%	659,132	659,617	3,427
UBS	Comm Paper (Fire Station Bonds)		04/02/2012	0.61%	778,388	779,220	4,748
UBS	Comm Paper (Fire Station Bonds)		05/02/2012	0.68%	747,847	<u>748,755</u> 40,922,333	5,085
Sterne, Agee	Muni Debt-Van Buren, MI Sch	920729GP9	05/01/2012	2.80%	101,504	100,741	2,842
Sterne, Agee	Muni Debt-Waukegan, IL	942860MS3	12/30/2012	2.45%	1,579,605	1,542,765	38,700
Sterne, Agee	Muni Debt-Greenwood Cnty Sch	397118EC0	03/01/2013	2.03%	752,580	753,231	15,277
Sterne, Agee	FNMA	3136F9BZ5	03/18/2013	3.96%	1,000,000	1,043,800	39,600
Sterne, Agee	Muni Debt-Van Buren, MI Sch	920729GQ7	05/01/2013	3.12%	307,584	309,387	9,597
Sterne, Agee	Muni Debt-Milan, MI Sch	598801HF8	05/01/2013	3.16%	599,360	592,238	18,940
Sterne, Agee	Muni Debt-Illinois State	452152FD8	04/01/2013	1.75%	1,033,320	1,010,270	18,083
Sterne, Agee	Muni Debt-Waukegan, IL	942860MT1	12/30/2013	2.95%	1,574,415	1,573,695	46,445
Sterne, Agee	Muni Debt-Outagamie Cnty WI	689900TH1	04/01/2014	2.53%	820,919	839,759	20,769
Sterne, Agee	Muni Debt-Van Buren, MI Sch	920729GR5	05/01/2014	3.52%	720,475	742,196	25,361
Sterne, Agee	Muni Debt-Union Co NJ	906347SC4	06/01/2014	4.04%	558,740	565,168	22,573
Sterne, Agee	Muni Debt-Illinois State	4521518U0	01/01/2014	3.25%	1,258,660	1,263,330	40,906
Sterne, Agee	Muni Debt-Illinois State	4521518T3	01/01/2013	2.63%	865,649	869,032	22,723
Sterne, Agee	Muni Debt-Illinois State	4521518S5	01/01/2012	1.65%	2,040,400	2,000,120	33,667
Sterne, Agee	Muni Debt-Milwaukee Co, WI	602245WW8	10/01/2013	1.50%	1,001,340	1,009,250	15,020
Sterne, Agee	Muni Debt-Smithfield, RI	832322NL1	01/15/2012	0.55%	281,924	280,115	1,551
Sterne, Agee	Muni Debt-Smithfield, RI	832322NM9	01/15/2013	0.88%	277,072	277,131	2,424
Sterne, Agee	Muni Debt-Smithfield, RI	832322NN7	01/15/2014	1.35%	280,290	282,048	3,784
Sterne, Agee	Muni Debt-Smithfield, RI	832322NP2	01/15/2015	1.90%	276,127	282,717	5,246
Sterne, Agee	Muni Debt-Smithfield, RI	832322NQ0	01/15/2016	2.40%	275,092	288,882	6,602
Sterne, Agee	Muni Debt-Racine, WI	750046GB4	04/01/2014	0.70%	1,146,836	<u>1,103,839</u> 16,729,714	8,028
Wells Fargo	FNMA	3136FPV46	01/13/2014	1.40%	1,000,000	1,000,280	14,000
Wells Fargo	Muni Debt-New York, NY	64966HXW5	03/01/2013	1.00%	1,034,583	1,018,280	10,346
Wells Fargo	Muni Debt-State of WA	93974CLV0	08/01/2014	1.33%	1,066,000	1,061,340	14,178
Wells Fargo	FHLB	313372RK2	03/27/2013	1.02%	999,580	<u>1,008,450</u> 4,088,350	10,196
GRAND TOTAL						70,486,855	786,701
						Portfolio Yield	1.12%

Regular Meeting **Public Hearing** **Action Item** **Consent Item** **Resolution** **Ordinance**
 Presentation **Other:**

EDA Meeting **Action Item** **Resolution** **Other:**

Study Session **Discussion Item** **Written Report** **Other:**

TITLE:

2011 Citywide Residential Property Condition Evaluation Program Summary.

RECOMMENDED ACTION:

No action required. The purpose of this report is to update Council on the program results and status.

POLICY CONSIDERATION:

None at this time. Please inform staff of any comments or questions you might have.

BACKGROUND:

In 2001 legislation was introduced to provide state funding for a low interest loan incentive pilot program encouraging exterior home maintenance for properties in violation of local property maintenance codes. St. Louis Park was selected as one of three cities to receive funding provided by the Minnesota Housing Finance Agency (MHFA). This funding helped us establish the 2002 Pilot Rehab Program.

In 2002, Property Maintenance Inspectors systemically evaluated all of the approximately 12,500 one and two family dwellings within the city. 200 properties were identified with substantial exterior building deterioration in violation of the City's Property Maintenance Code. All were included in the program, with the City offering technical assistance and low interest loans to the owners if they qualified. Community Development and Inspections staff worked with property owners over the following year to promote home improvements, repairs and ultimately code compliance. 21% of the property owners accessed the loan program not only for repairs but an opportunity to make home improvements.

The city repeated this successful program again in 2006. Another MHFA grant was applied for and received to help with funding of loans for the rehab of properties with substantial exterior maintenance issues. This cycle resulted in fewer homes identified with significant visible deterioration.

The Property Condition Evaluation program was planned to be repeated approximately every four years regardless of the availability of MHFA loans.

In 2011 Property Maintenance Inspectors once again began their evaluation of over 12,500 one and two family dwellings during April and May. The process for evaluating the properties included driving through the streets and alleys to identify and photo document exterior maintenance items. All types of observed deficiencies were included in this cycle.

A total of 560 properties were identified with some degree of visible code violations which required follow-up:

- 329 properties had maintenance issues such as deteriorated paint, siding, and chimneys and these properties were included in the City's incentive program. Attached is a map illustrating the general locations of these properties. Owners of properties included in the program were sent inspection reports and information outlining the variety of home improvement programs offered by the city to assist property owners with rehab and repairs. A total of four improvement loans ranging from \$7,000 to \$18,000 were processed; significantly fewer than during either of the 2002 or 2006 programs.
- 231 properties had relatively minor and easily corrected violations identified such as trash and debris in the yard. For these properties general correction notices were issued.
- Of the total code violations identified, 532 have been re-inspected and found to be in compliance. This is a very successful 95% ratio accomplished with letters, calls, and site visits.

NEXT STEPS:

A total of 28 properties remain non-compliant. Most of these are for exterior paint deterioration and required painting or residing of the properties. Repeated attempts to receive commitment from these property owners to make the necessary corrections have not been successful. The City Attorney will be preparing a final notice for owners giving them until June 1, 2012 before enforcement action is initiated. Inspections staff will continue to work with property owners in achieving compliance.

FINANCIAL OR BUDGET CONSIDERATION:

None. The four loans made use of existing rehab loan programs.

VISION CONSIDERATION:

This program supports St. Louis Park commitment to providing a well maintained and diverse house stock.

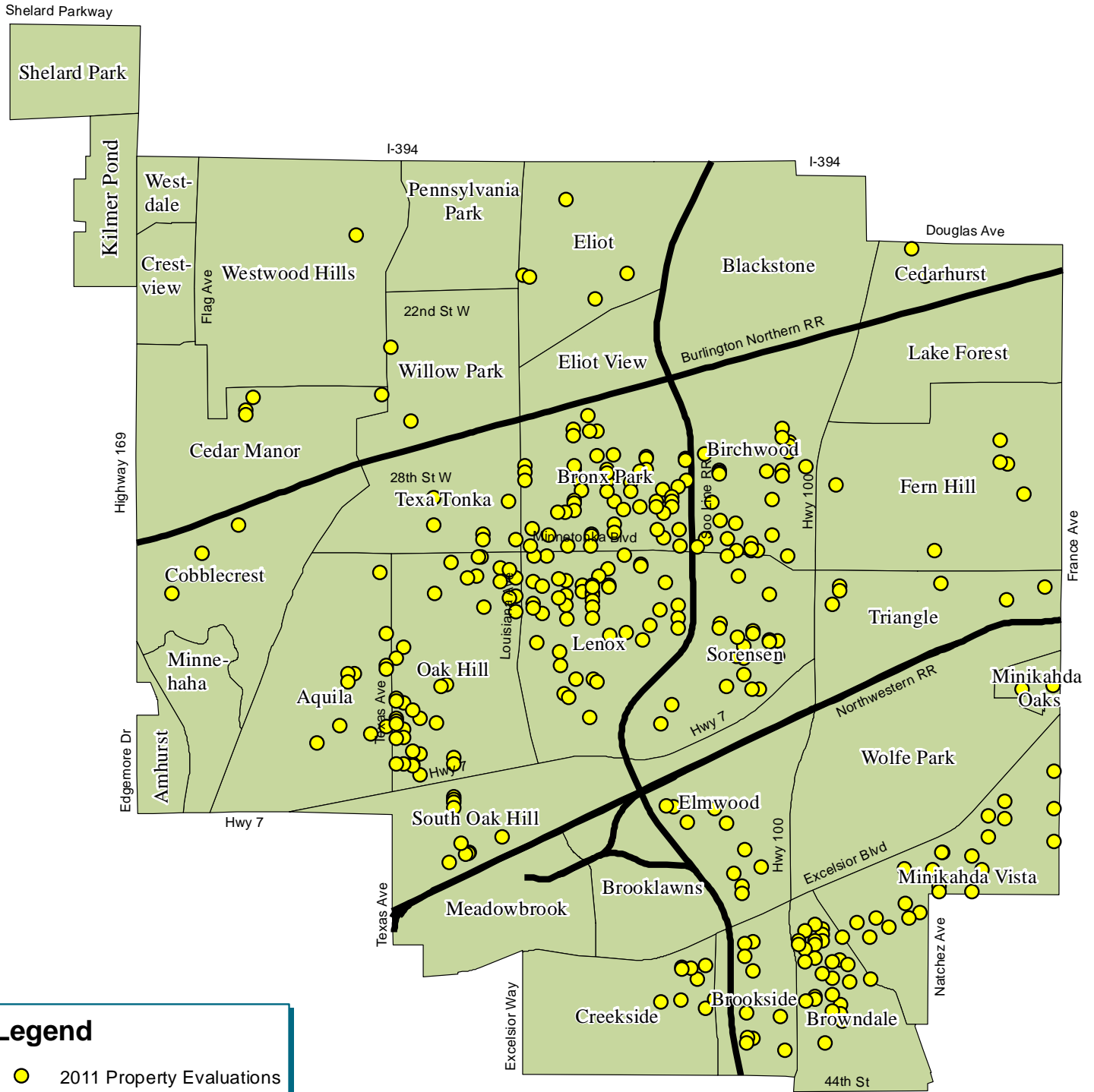
Attachment: SLP 2011 Citywide Property Evaluation Map

Prepared by: Brian Hoffman, Director of Inspections

Approved by: Tom Harmening, City Manager

SLP 2011 Citywide Property Evaluation

329 Properties with maintenance issues conducted by SLP Inspections



Legend

- 2011 Property Evaluations

0 0.5 1
Miles

Regular Meeting Public Hearing Action Item Consent Item Resolution Ordinance
 Presentation Other:

EDA Meeting Action Item Resolution Other:

Study Session Discussion Item Written Report Other:

TITLE:

Proposed Allocation of 2012 Community Development Block Grant (CDBG) Funds.

RECOMMENDED ACTION:

No action required at this time. This report is being provided to inform the Council of the proposed allocation of 2012 CDBG funds. Please let staff know of any questions or comments you might have. Time is available to allow a study session discussion to be scheduled on this matter if so requested by the Council.

POLICY CONSIDERATION:

Does the City Council concur with the recommendations made for the allocation of the 2012 CDBG funds?

BACKGROUND:

At this time each year the City must decide how to use its annual allocation of CDBG Funds. The City must submit its proposed use of the allocation to Hennepin County by February 23rd. Prior to submittal, the City must hold a public hearing. The hearing and official City Council action will be scheduled for February 21st.

CDBG funds are US Housing and Urban Development (HUD) funds distributed through Hennepin County. Nationally, CDBG funding is expected to increase slightly from 2011, and the County's estimated allocation has increased by just over one percent. However, SLP's allocation is decreasing from \$186,843 in 2011 to \$173,258 for 2012. The allocation amount for cities within the county is based on a calculation of 2010 census poverty data. SLP along with Hopkins, Maple Grove, and Edina, have lower projected 2012 allocations based on 2010 poverty numbers. Over the past decade CDBG funds for SLP have been trending down; a decade ago SLP received over \$300,000.

The County has advised we keep the proposed allocation flexible to allow for either a decrease or increase in the final allocation amount and the attached draft resolution does so.

The national objectives of the CDBG program are:

- Benefit low and moderate-income persons (moderate is defined as up to 80% of median income or \$65,000 for a family of four, and low is defined as up to 50% of median income or \$41,950 for a family of four in 2010).
- Prevention or elimination of slum or blight.
- Meet a particular urgent community development need.

From a policy perspective, the City Council has typically focused CDBG funds on “sticks and bricks” improvements to the housing stock for low-income families, for both single-family owners and multifamily housing residents. Over the past years a small portion of funds have been allocated to support public services for St. Louis Park Housing Authority (SLPHA) residents and park programming for low-income youth as well as assisting STEP with the acquisition of a new facility and with renovations at Lenox Center and STEP.

Proposed 2012 CDBG Allocation

The proposed use of our allocation of CDBG funds reflect the priorities described in *Vision St. Louis Park*, the City’s housing goals adopted by the Council in the Comprehensive Plan, and the CDBG national objectives. These priorities include preserving existing housing and increasing affordable ownership opportunities.

This year’s proposed allocation is summarized in Table 1 below, which is followed by descriptions of the proposed activities. Sixty-seven percent of the allocation, or \$115,758 of the \$173,258, focuses on assisting low-income residents with emergency repairs, rehab loans and affordable ownership opportunities. The remainder is proposed to assist Perspectives Inc. with a roof replacement at their facility and a small amount is proposed for youth park programming at Meadowbrook Manor Park.

The city’s non-profit affordable housing providers have historically received CDBG funds to assist with their building renovations. A budget spreadsheet is attached that outlines historical CDBG allocations to the city’s non-profit providers. The providers have completed significant renovations in recent years. With the continued high need for single family homeowner assistance and a proposed roofing project to be undertaken by Perspectives, staff did not solicit requests from other non-profit housing providers this year, nor did any come forward requesting CDBG assistance.

Table 1: Proposed 2012 CDBG Allocation

Project Activity	Proposed Allocation	Ongoing Activity
Low-Income Single Family Assistance		
Low Income Single Family Emergency Repair Program	\$44,000	yes
Low Income Single Family Home Rehab Loan	\$43,758	yes
Affordable Housing Land Trust – Homes within Reach	\$10,000	yes
St. Louis Park Housing Authority – Rehab for scattered site home	\$18,000	yes
Low-Income Community Assistance		
Perspectives Inc. Roof Replacement	\$50,000	new
Public Service – Youth Park Programming at Meadowbrook Park	\$7,500	yes
Total	\$173,258	

If the actual allocation is less than the estimated \$173,258 the SLPHA project will be decreased.

Emergency Repair Program – Single Family \$44,000

This program is consistent with the Council’s focus on stick and bricks and has proven its responsiveness to low income seniors and vulnerable residents with annual incomes of 50% or less of the median area income, or \$29,400 for a single person household, and assets less than

\$25,000. It provides grants of up to \$4,000 for emergencies such as leaking roofs, plumbing repairs and water heaters. Community Action Partners for Suburban Hennepin County (CAPSH) currently administers this program for the City. This is an ongoing CDBG activity.

Low Income Single Family Deferred Loan Program- \$43,758

This is the primary ongoing CDBG rehab loan program targeted for homeowners with annual income of 50% or less of the median area income, or \$41,950 for a household of 4, and assets less than \$25,000. The rehab focuses on improvements to bring homes into code compliance and provide long-term maintenance free housing. The maximum loan amount is \$25,000 and is forgiven after 15 years. Repayment is required if homeowners sell the property before the 15-year period expires.

The demand for our low-income home improvement loans and grants continues to be high. Despite ongoing funding there is still a waiting list for the low income single family deferred loan program. Continued funding, along with the program income realized from repayment of previous CDBG deferred loans, should make it possible to serve three to five residents. This program is administered by Hennepin County Housing staff.

Affordable Housing Land Trust – Homes within Reach \$10,000

Homes within Reach is a program of West Hennepin Housing Land Trust that purchases homes and sells them to low income homeowners. Buyers pay for the cost of the building only and lease the land for 99 years. St. Louis Park funds are leveraged with Met Council and Hennepin County HOME funds, and Homes within Reach administers this activity. Homes within Reach has purchased eight homes in the city that have been sold to low income families. This program is consistent with the Council's focus on using CDBG funds for "sticks and bricks" activities.

St. Louis Park Housing Authority – renovation of a scattered site home - \$18,000

The SLP Housing Authority provides housing to low income residents that are typically below 50% median income. The HA owns and manages 37 scattered site homes throughout the city. The HA has requested \$18,000 to assist with siding replacement at the 3017 Oregon and 4240 Raleigh Homes. The HA did not request funds for 2011, but continues to have needs for renovation of its properties.

Perspectives Inc. - \$50,000

Perspectives has requested \$55,000 in CDBG funds to assist with the Perspectives Family Center roof replacement project (see attached letter). Since the city's allocation has been reduced, staff is recommending that Perspective's receive \$50,000 which is the same amount STEP received for their roof replacement in 2011.

Replacing the roof is the first of a three-phase, \$4,000,000 complete renovation/transformation of Perspectives Family Center. The estimated roof construction cost is \$380,000 and includes roof replacement, installation of solar panels and vegetation. Based on success of fund raising efforts the roof project may be scaled back. Perspectives states that the goals of the renovation include maximizing operation and energy efficiencies, long term financial sustainability and enhancing program effectiveness. The Family Center, or south campus, is located at Walker and Gorham Ave. It houses classrooms, a playground, Kids Café, conference rooms, workshop, reception area and training rooms. It is home to the Kids Connection, clinical services, parenting time program, volunteer office and office for the admin and program staff.

The building is 60 years old and in need of major repairs, including new roof, windows, heating system, handicap accessibility, and energy-efficiency and technology improvements. The full renovation is expected to meet the LEED, energy and efficiency design standards. The plans comply with the city's Green Building Policy. The total estimated cost is \$4,047,518.

The CDBG funds would assist with the development of an extensive roof replacement that includes roof top solar panels. Under Perspectives' three phase renovation plan, the roof improvement would be completed before December 31, 2013, which is the deadline for use of 2012 CDBG funds.

Public Service – SLP Park and Rec. Programming at Meadowbrook Manor Parks - \$7,500

The Park and Recreation Department provides park programming to children at the Meadowbrook Manor Apartment Community. The \$7,500 would provide an enhanced level of programming and ensure affordable registration fees. The youth park programming has been funded with CDBG funds since 2007. Meadowbrook Manor Park is CDBG eligible based on the poverty levels in this neighborhood.

NEXT STEPS:

The St. Louis Park Housing Authority (SLPHA) will review and discuss the proposed allocation at its February 8, 2012 meeting. The Commissioners' comments will be shared at the Public Hearing on February 21, 2012. The following actions are required to receive 2012 CDBG funds:

February 9, 2012	Publication of Public Hearing Notice
February 21, 2012	Public Hearing and Approval of Resolution Outlining Proposed Activities
February 23, 2012	Deadline for Submission of CDBG Application to Hennepin County

FINANCIAL OR BUDGET CONSIDERATION:

CDBG funds allow cities discretion (within the HUD guidelines) to fund projects that meet the national low income objectives and the needs of cities. St. Louis Park will receive an estimated \$173,258 in 2012. The 2012 CDBG year runs from July 1, 2012 through December 31, 2013. Staff anticipates the proposed projects can expend the funds in a timely manner as has been our historical practice of fully expending CDBG funds.

In the event the final allocation is more or less than estimated, staff recommends reducing or increasing the allocation to the SLPHA for rehab of one of their scattered site homes. Staff will keep Council apprised of actual funding amounts.

VISION CONSIDERATION:

The City Councils adopted Strategic Direction related to housing is, "St. Louis Park is committed to providing a well-maintained and diverse housing stock". The use of CDBG funds for the proposed allocation is consistent with this direction and the national objectives to benefit low and moderate income persons.

Attachments: Draft Resolution
2012 CDBG Non Profit Affordable Providers - Budget Worksheet
Perspective's Letter of Request for Funding

Prepared by: Kathy Larsen, Housing Programs Coordinator
Approved by: Tom Harmening, City Manager

DRAFT RESOLUTION NO. 12 - ____

**RESOLUTION APPROVING PROPOSED USE OF 2012 URBAN HENNEPIN COUNTY
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUNDS AND
AUTHORIZING EXECUTION OF SUBRECIPIENT AGREEMENT WITH HENNEPIN
COUNTY AND ANY THIRD PARTY AGREEMENTS**

WHEREAS, the City of St. Louis Park, through execution of a Joint Cooperation Agreement with Hennepin County, is cooperating in the Urban Hennepin County Community Development Block Grant Program; and

WHEREAS, the City of St. Louis Park has developed a proposal for the use of 2012 Urban Hennepin County Community Development Block Grant funds made available to it; and

WHEREAS, the City held a public hearing on February 21, 2012 to obtain the views of citizens on housing and community development needs and priorities and the City's proposed use of \$173,528 from the 2012 Urban Hennepin County Community Development Block Grant.

BE IT RESOLVED, that the City Council of St. Louis Park approves the following projects for funding from the 2012 Urban Hennepin County Community Development Block Grant Program and authorizes submittal of the proposal to Hennepin County.

Project Activity	Allocation
Low Income Single Family Emergency Repair Program	\$44,000
Low Income Single Family Home Rehab Loan	\$43,758
Affordable Housing Land Trust – Homes within Reach	\$10,000
St. Louis Park Housing Authority – Rehab for scattered site home	\$18,000
Perspectives Inc. Roof Replacement	\$50,000
Public Service – Youth Park Programming at Meadowbrook Park	\$7,500
Total	\$173,258

BE IT FURTHER RESOLVED that the City Council hereby authorizes and directs the Mayor and its City Manager to execute the Subrecipient Agreement and any required Third Party Agreement on behalf of the City to implement the 2012 Community Development Block Grant Program.

BE IT FURTHER RESOLVED, that should the final amount of FY2012 CDBG available to the city be different from the preliminary amount provided to the city, the City Council hereby authorizes the City Manager to adjust project budget(s) to reflect an increase or decrease in funding.

Reviewed for Administration:

Adopted by the City Council February 2012

City Manager

Mayor

Attest:

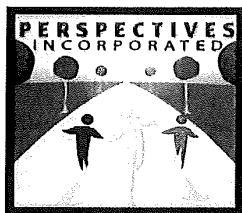
City Clerk

2012 CDBG Non Profit Affordable Providers - Budget Worksheet

Provider	Number Units	CDBG Funding through 2011	2012 Proposed Allocation	Total	Average CDBG\$ per Unit
Vail Place	7	\$25,000	\$0	\$25,000	\$3,571
St. Louis Park Housing Authority - Scattered Site Homes	37	\$63,000	\$18,000	\$81,000	\$2,189
Community Involvement Program	29	\$133,800	\$0	\$133,800	\$4,614
Wayside House*	60	\$192,200	\$0	\$192,200	\$3,203
Perspectives Inc.**	52	\$157,100	\$50,000	\$207,100	\$3,983
Project for Pride in Living - Louisiana Court	129	\$443,000	\$0	\$443,000	\$3,434
Subtotal	314	\$1,014,100	\$68,000	\$1,082,100	\$3,446
Facilities - Non Housing Providers					
Lenox Community Center - Facility	0	\$100,000	\$0	\$100,000	\$100,000
St. Louis Park Emergency Program (STEP) Facility	0	\$112,500	\$0	\$112,500	\$112,500
TOTAL		\$2,240,700		\$2,376,700	

*Wayside - 20 apartment units and 40 bed facility

** Perspectives - 52 apartment units and 1 program facility



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Vicki Wyard
Community Volunteer

October 21, 2011

Ms. Kathy Larson
Housing Authority of St. Louis Park
Coordinator of Housing Programs
5005 Minnetonka Blvd.
St. Louis Park, MN 55416-2290

Dear Kathy,

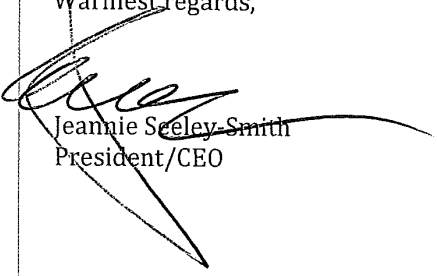
Please find enclosed Perspectives, Inc. proposal for a CDBG allocation for 2012. As our proposal states, we are requesting \$55,000 for our Family Center's completion of Phase I. Our request specifically addresses the development of an extensive roof top garden, which includes solar panels, on the top of Perspectives Family Center.

We appreciate this opportunity to submit to you what our Board of Director's considers to be an exciting proposal. When completed, the City will have a beautiful facility on the corner of Walker and Gorham Avenue. Not only will our renovated Family Center serve our families and children more effectively but it will also serve as a model for addressing several environmental issues. Consequently, in the end, it will be a building that will provide benefit not only for Perspectives and our clients but also for the City and its future plans for our neighborhood.

This past summer, we received a positive reaction when we shared the project with St. Louis Park's Planning and Zoning Division. We were encouraged by their reaction. They spoke how well the project fits into existing plans for the surrounding area, including the Highway 7/Louisiana Avenue Interchange Project.

Thank you for consideration. Please do not hesitate to contact me if you have any questions.

Warmest regards,


Jeannie Seeley-Smith
President/CEO

Regular Meeting Public Hearing Action Item Consent Item Resolution Ordinance
 Presentation Other:
EDA Meeting Action Item Resolution Other:
Study Session Discussion Item Written Report Other:

TITLE:

2011 Annual Housing Programs Report.

RECOMMENDED ACTION:

The purpose of this report is to update to the Council on housing programs and activity. This report is informational and no action is required.

POLICY CONSIDERATION:

None at this time. Please let staff know of any comments or questions you might have.

BACKGROUND:

One of the recommendations from the 2003-05 Housing Summit was to provide policy makers a semi-annual report of housing programs and activity. New this year is the Executive Summary that provides a quick review of the detailed report. Most notable for 2011 is that the year ended with a net increase of construction of 6 single family homes and permitting of the 115-unit senior rental, Wooddale Pointe building. This follows two very slow years of housing construction. Also, the remodeling sector, which started sluggishly in 2011, picked up in the 2nd half with the number of home additions and major remodels consistent with 2009 and 2010 levels.

FINANCIAL OR BUDGET CONSIDERATION:

Not applicable

VISION CONSIDERATION:

The city's housing programs meet St. Louis Park's Vision commitment to provide a well-maintained and diverse housing stock; and to incorporate and provide incentives for "green" building design; and provide affordable ownership opportunities.

Attachments: Annual Housing Programs Report - 2011

Prepared by: Kathy Larsen, Housing Programs Coordinator

Reviewed by: Tom Harmening, City Manager

Annual Housing Programs Report 2011

EXECUTIVE SUMMARY

The purpose of this report is to apprise City policy makers of housing program activity in 2011. The report provides historical trends, program descriptions and additional information. Below are key points of 2011, with details following this summary.

1. Remodeling Activity

Residents are maintaining and improving properties despite the economy.

- Home additions and major remodeling projects have been constant since 2009.
- Storm damage resulted in increased maintenance and roofing projects.
- Discount loan activity remains slow, likely reflecting moderate-income households' reluctance to take on additional housing debt.
- Energy Rebate use is increasing.

2. Affordable Home Ownership and Public Housing Update

- Live Where You Work, the homebuyer's assistance program picked up in latter 2011, a total of eleven homebuyers used the program, four in 2011.
- The Greensboro HIA was adopted in November 2011, there are now 6 HIAs. Westwood Hills continues to work towards requesting an HIA in 2012.
- Homes within Reach provided affordable ownership for eight low income families, two in 2011, one of which was a vacant tax-forfeited property.
- Habitat for Humanity purchased a blighted property to build a new home in 2012.
- The SLP Housing Authority has high occupancy and long waiting lists.

3. Housing Matrix

- Housing construction began to take-off in 2011. After two years of very slow construction, nine single family homes and one 115-unit apartment, Wooddale Point, were permitted in 2011. Six homes were torn down.
- The increase in the number of non-homesteaded condos/townhomes that began in 2010 is continuing in 2011: from 368 in 2008/9 to 840 in 2011.
- The Met Council revised the affordable housing guideline; housing is affordable to households with incomes at or below 60% median area income, (\$50,350 family of four) paying 30% percent of their income for housing costs whether renting or owning. The previous guideline was 50% MAI for rental, and 80% MAI for ownership. Consequently there are fewer owner occupied units and more rental units considered affordable.

4. Related Issues

- The foreclosure rate slowed slightly from the 2010 level.
- Louisiana Court refinancing and capital improvement project on track.

1. REMODELING ACTIVITY

Residential permitted activity measures all remodeling activity, not just City incented activity; this section shows historical trends of remodeling activity based on remodeling permit data.

Permit Trends

- **Permit Types: 2005 - 2011**

Based on the both the number and types of permits issued in 2011, additions and major remodeling activity is holding at 2009-2010 levels. The bump in “alteration residential” which is minor remodeling/general maintenance and roofing permits reflects damage from a spring storm.

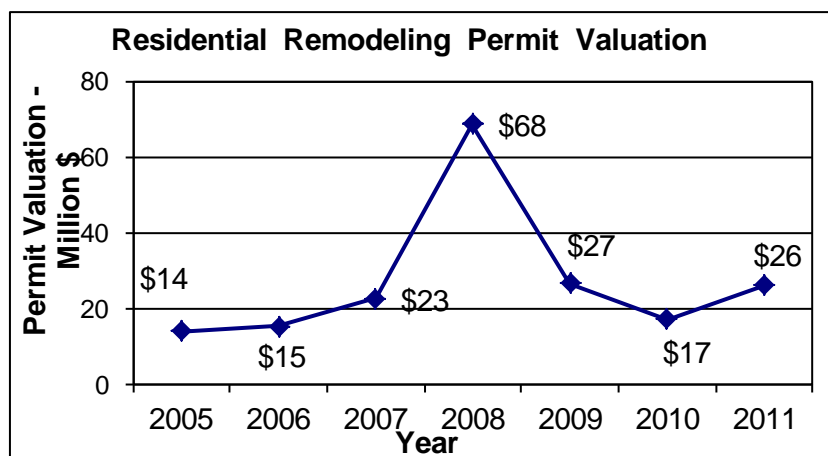
Table. Residential Remodeling By Permit Type from 2005-2011

Remodeling Permit Type	2005	2006	2007	2008	2009	2010	2011
Addition Residential	55	86	102	89	55	40	48
Major Remodels	45	50	50	46	50	53	46
Alteration Residential	471	517	785	797	971	869	1,129
Reroof Only	202	216	355	4828	845	201	761
Reside Only	85	66	84	573	332	117	117

- **Permit Valuation Activity 2005 - 2011**

The 2011 valuation for above remodeling activities returned to 2009 levels, at just over 26 million dollars. The chart below shows historical remodeling permit valuation for additions, major remodels, basic maintenance, re-roofs, and siding.

Chart. Permitted Residential Remodeling Improvements from 2005 – 2011



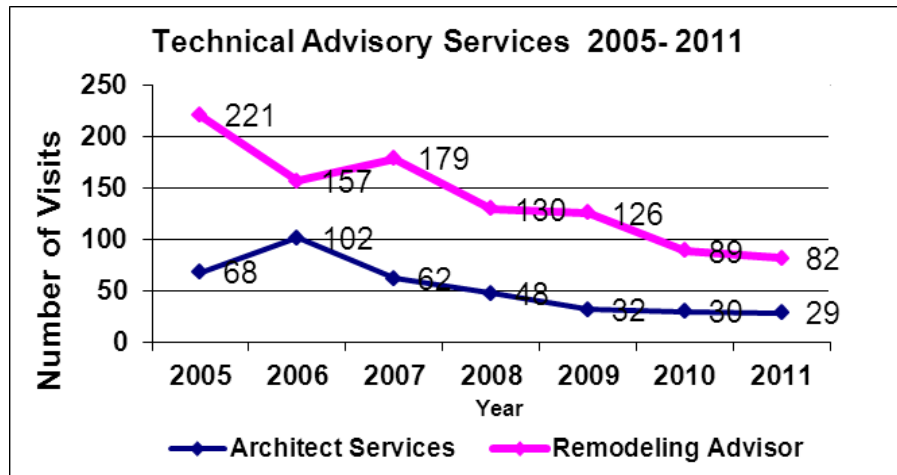
In 2008 a severe hailstorm damaged over 50% of the homes in SLP.

City Housing Improvement Services, Loans Trends and Program Descriptions

Architectural Design and Remodeling Advisor Services Trend

Use of the services is consistent with 2010 activity, eighty-two remodeling advisor visits and twenty-nine architectural design consults have been conducted as illustrated in the chart.

Chart. Technical and Design Services



- **Architectural Design Service Description**

This service provides an architectural consultation for residents to assist with brainstorming remodeling possibilities and to raise the awareness of design possibilities for expansions. Residents select an approved architect from a pool developed in conjunction with the Mn Chapter of the American Institute of Architects. All homeowners considering renovations are eligible for this service regardless of income, however to ensure committed participants, residents make a \$25 co-pay.

- **Remodeling/Rehab Advisor**

The intention of this service is to help residents improve their homes (either maintenance or value added improvements) by providing technical help before and during the construction process. All homeowners are eligible for this service regardless of income. Resident surveys indicated that homeowners valued the service and would recommend it to others. The City contracts with the Center for Energy and Environment (CEE) for this service.

Home Remodeling Fair and Tour Trend

Both the Home Remodeling Fair and Tour attracted as many residents as ever; 396 – 500 residents visited each of the six tour homes; and approximately 1,500 attended attendees the Fair, which emphasized cost effective DIY projects.

- **Annual Home Remodeling Fair Description**

The cities and community education departments of St. Louis Park, Hopkins, Minnetonka and Golden Valley co-sponsor the fair. The fair provides residents an opportunity to attend seminars, talk with vendors and city staff about permits, zoning, home improvement loans, and environmental issues related to remodeling. The fair is a self-sustaining event and vendor registration fees cover the costs.

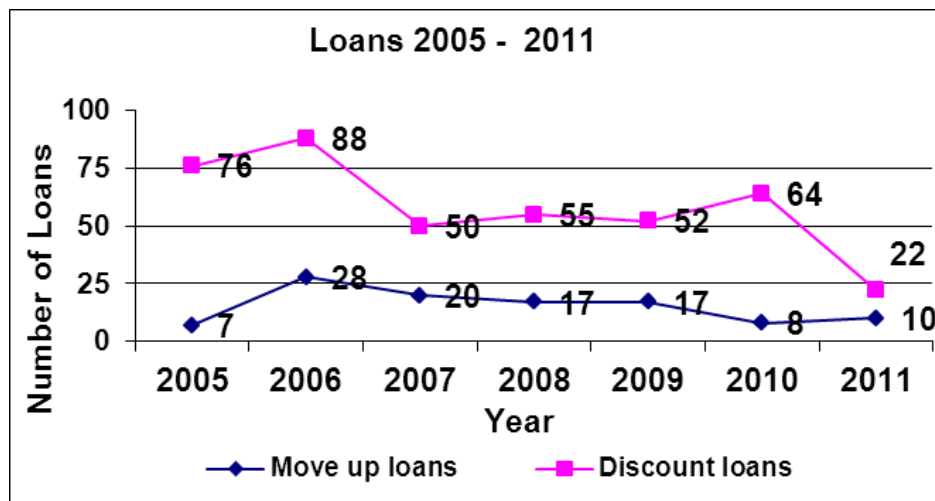
- **Home Remodeling Tour Description**

The Tour's goal is to provide residents hands-on examples of remodeling and expansion projects of typical St. Louis Park housing, to provide ideas, inspiration and information.

City Loan Trends

The chart shows that the number of discount loans, twenty-two, in 2011 has dropped significantly from previous years. In 2010 federal stimulus of tax credits and energy saver rebates bumped loan use and ended in 2010. The current use of discount loans likely reflects the reluctance of moderate-income owners to take on additional housing debt. The number of Move-Up loans, ten, is consistent with 2010, yet lower than during the flush housing years of the mid 2000's.

Chart. City Loan Activity 2005-2011



Participation Rate of Move-Up Loans

An average of 22% of residents that have expanded their homes have used the Move-Up loan as shown in the following table.

Table. Participation Rate: Use of Move-Up Loans and Home Additions by Year

Year	2005	2006	2007	2008	2009	2010	2011	Total
# Move-Up Loans	7	27	27	18	17	9	10	110
# Permitted Additions	55	86	102	89	55	40	48	489
Participation Rate of Move Up Loans	13%	31%	26%	20%	31%	23%	21%	22%

Discount Loan Program Description

This program encourages residents to improve their homes by “discounting” the interest rate on the Minnesota Housing Finance Agency (Mn Housing) home improvement loans. Residents with incomes of \$67,120 or less qualify for a greater discount than those with incomes of \$95,150 or less. Eligible improvements include most home improvement projects with the exception of luxury items such as pools and spas. The City contracts with CEE for loan administration. Implementation of discounting of MHFA loans began in late 1999 as a pilot project. Successful marketing efforts have led the City to be third among all Minnesota cities to use the MHFA loans, only exceeded by Minneapolis and St. Paul.

· **Move – Up Transformation Loan Description**

Since 2006, 22% of the major remodeling projects completed by residents have been incented using the Move-Up Loan. The purpose of this loan is to encourage residents with incomes at or below 120% of median area income (\$99,240 for a family of four) to expand their homes. The program provides deferred loans for 25% of the applicant’s home expansion project cost, with a maximum loan of \$25,000. Loan repayment at 0% interest is deferred until the home is sold - if the resident remains in the home for 30 years, the loan will be forgiven. This in effect establishes a revolving loan pool which will continue to fund future expansions. Four loans have been repaid when residents moved, for a total of approximately \$120,000.

This loan requires significant upfront work by the residents, from deciding on the scope of the project to selecting contractors. Loan guidelines are:

- Only residents making significant expansions are eligible. The minimum project cost must exceed \$35,000.
- The maximum loan amount is \$25,000.
- The loan has 0% interest with a carrying cost fee of 3% paid by the borrower which covers the lender’s administrative fee.

Green Remodeling Program Trend

Revisions to the program included use of energy rebates and CEE’s new Home Energy Loan. The use of rebate incentives increased to 83 in 2011. The average rebate was \$186, for a total City cost of \$15,465. CEE provided 16 low interest loans to residents making qualifying energy improvements.

Table. Number of Energy Efficient Rebates by Year

Year	2009	2010	2011
# Rebates	22	42	83

· **Green Remodeling Program Description**

The green remodeling program helps residents remodel green by providing advisory visits, rebates and low interest loans. The city provides a match of 50% of gas and electric utility rebates for energy efficient furnaces, water heaters and air conditioners. CEE provides energy loans from 0-4% interest for energy efficient qualifying improvements. There is no cost to the city for the CEE loan.

Summary of Move-Up Activity Loan and Service Costs 2005- 2011

Historically for every dollar the City has invested in move-up and discount loans, technical and design services, and administrative costs, residents have been investing five dollars. This pattern of 1:5 has been relatively consistent since the City began implementing loan programs and services for residents. In 2010 and 2011 this ratio changed slightly, for every dollar the city expends, residents spend five and a half dollars.

In 2011, the City invested approximately \$273,000, which has leveraged \$1,543,040 worth of private improvements. The following table shows City investment in the Move-Up Programs since 2005.

Table: Move Up Services and Costs 2005 – 2011

Service	2005		2006		2007		2008		2009		2010		2011	
	#	City Cost	#	City Cost	#	City Cost	#	City Cost	#	City Cost	#	City Cost	#	City Cost
Move Up Loan	7	\$182,806	27	\$591,264	27	\$620,000	18	\$330,937	17	\$329,650	9	\$209,769	10	\$226,877
Discount Loan	76	\$45,636	88	\$186,205	50	\$74,000	55	\$114,129	52	\$106,000	64	\$86,263	22	\$29,213
Architect Design Service	68	\$15,300	102	\$22,950	62	\$12,400	49	\$11,025	12	\$7,200	30	\$6,750	29	\$6,525
Remodeling Advisor	221	\$28,730	157	\$20,410	179	\$23,270	130	\$16,900	126	\$16,380	89	\$11,510	82	\$10,250
TOTAL	372	\$272,472	374	\$820,829	318	\$729,670	252	\$472,991	207	\$459,230	192	\$314,292	143	\$272,865

2. AFFORDABLE HOME OWNERSHIP, COMMUNITY DEVELOPMENT BLOCK GRANTS AND PUBLIC HOUSING UPDATE

Live Where You Work

The Live Where You Work Homebuyer Assistance Program began in spring 2009. The goal is to promote home ownership within the City among employees of St. Louis Park businesses. The city provides a deferred loan of \$2,500 to an eligible employee and an additional \$1,000 is provided to employees purchasing vacant lender owned foreclosed properties. Employers are invited to contribute a matching or lesser amount to the City’s contribution. The deferred loan will be forgiven after 3 years if the employee continues to work for the employer and meets other qualification requirements. The City contracts with CEE for loan administration. Four homebuyers used this program in the 2011, for a total of eleven participants to date.

Housing Improvement Area (HIA)

The HIA is a finance tool to assist with the preservation of the city’s existing housing stock. An HIA is a defined area within a city where housing improvements are made and the cost of the improvements are paid in whole or in part from fees imposed on the properties within the area. The Association borrows low interest money from the City; improvements are completed; and unit owners repay the loan through fees imposed on their properties, and collected with property tax payments.

The first HIA was established in 2002, to date, six HIA’s have been established and over \$8,000,000 worth of improvements have been made to 792 units. Greensboro Condos HIA was established in 2011, and improvements totaling nearly \$4,000,000 will begin in the spring of 2012. Westwood Villa Association is working toward an HIA.

Community Development Block Grant (CDBG)

Activity completed in 2011 was funded with 2010 CDBG funds. Approximately \$180,000, funded improvements to a SLP Housing Authority home, the single family low-income homeowner’s emergency repair and loan programs, Homes within Reach, Habitat for Humanity and youth park programming. Funding levels were cut for 2011 to \$186,000 with anticipated cuts to \$173,000 in 2012.

West Hennepin Affordable Housing Land Trust, aka Homes Within Reach (HWR).

Homes within Reach is a program of West Hennepin Housing Land Trust that purchases homes and sells them to low income homebuyers. Buyers pay for the cost of the building only and lease the land for 99 years. City funds are leveraged with Met Council and county HOME and AHIF funds. HWR administers this activity and has purchased eight homes in the city that have been sold to low income families, two occurred in 2011.

Twin Cities Habitat for Humanity

The city has partnered with Habitat over the years to acquire nine blighted properties for rehab or tear-down for new construction. In 2011 the city assisted Habitat with the purchase of one property. Construction of an affordable large family home is scheduled for 2012.

3. HOUSING MATRIX

In 2009 the City Council adopted into the City’s Comprehensive Plan its housing goals that evolved from the 2003-05 Housing Summit. One of the strategies is to provide a matrix showing existing housing by type including detached/attached, owner/rental, family/senior, and affordable/market rate and goals. The matrix is a guide to evaluate future housing development proposals. The attached matrix is updated semi-annually and presented to the City Council, Housing Authority and Planning Commission. It shows at a glance the numbers and percentages of: housing types, tenure (owner or rental), affordable units, senior designated units and large single family homes.

2011 Highlights

- After two years of little housing activity, the Wooddale Pointe, senior rental building with 115 units was permitted. Nine new single family homes were constructed, three were demolished and these tear-downs were replaced with larger homes for a net gain of 6 new homes. Plans are proceeding with the West End and Ellipse 2 Apartments.
- Forty-eight permits were issued for single family home expansions.
- A notable increase in the number of non-homesteaded condos/townhomes began in 2010, and is continuing in 2011 as shown in the table below. This increase reflects the difficulty of selling condos when the lending market for modest valued condos is tight. It also reflects reluctance of owners to sell with the depressed market values of condos.

Table. Non – Homesteaded Condos and Townhomes Increasing Since 2009

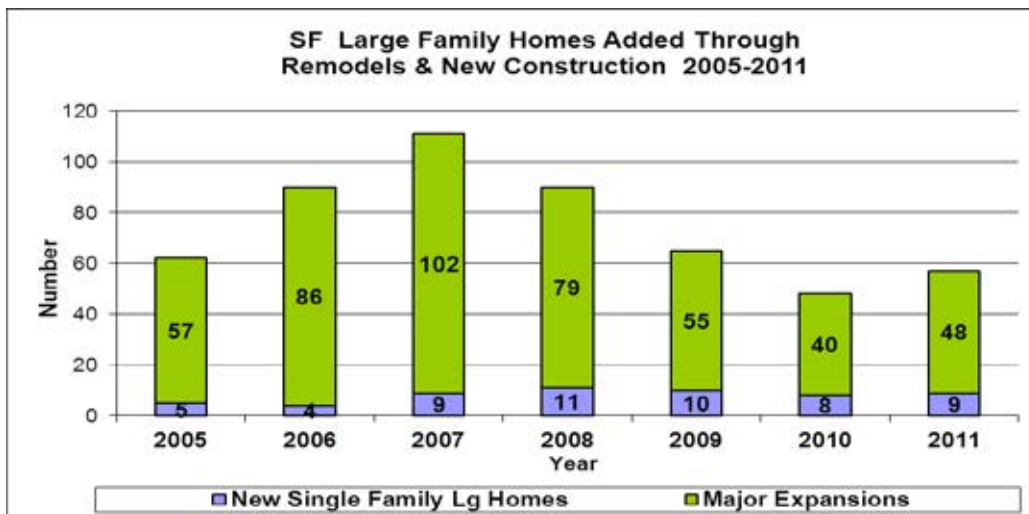
Year	2009	2010	2011
Total Number	368	676	849

- The number of non-homesteaded single family detached homes increased from 800 in 2010 to 840 in 2011.
- The historical ratio of 60% ownership and 40% rental is being impacted by the addition of the non-homesteaded condo/townhome and single family homes and results in 59% of the total housing units being owner occupied.
- Despite the increase in non-homesteaded properties, the City Assessor cautions not to assume that all non-homesteaded properties are rentals, as they also include second homes.

Large Single Family Homes

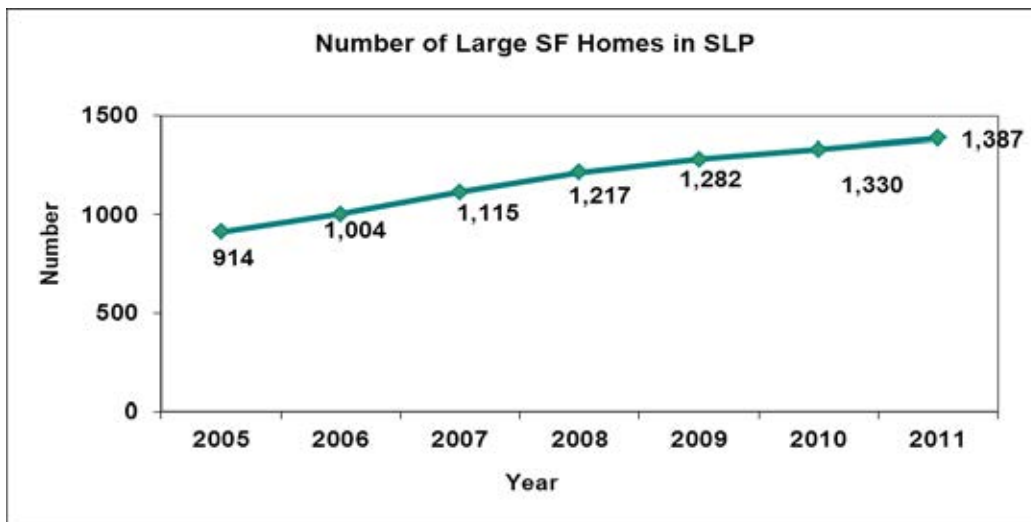
One of the City's housing goals is to increase the number of larger homes available in the city. The following charts illustrate expansion and new construction activity since we began tracking this in 2005. From 2005 to 2011, 540 large single family homes have been added to the City's housing stock. In 2011, 57 large homes have been added; 9 were new construction and 48 existing homes added significant expansions.

Chart. Single Family New Construction and Expansions by Year



Large single family homes are defined as greater than 1,500 sq feet, with 3 BR or more, 2 baths or more and a 2-car garage. The following chart illustrates the total number of large family homes resulting from expansions and new construction that have been added since 2005.

Chart. Total No. Large SF Homes - Through Expansion and New Construction



Affordable Housing

The Met Council revised the affordable housing guideline in 2011. The new affordable guideline is that housing is affordable to households with incomes at or below 60% median area income, (\$50,350 family of four) paying thirty percent of their income for housing costs whether renting or owning. The previous guideline was 50% MAI for rental, and 80% MAI for ownership.

Owner Occupied

- The 2011 affordable ownership purchase price is \$160,250 or less, compared to \$233,100 value in 2010. This is a huge difference of over \$70,000 which reflects the 60% MAI definition, tighter lending standards and a decrease in median area income in 2011.
- Based on the new guideline there are significantly fewer owner occupied homes considered affordable, down from 8,581 to 2,264

Rental

- The 2011 affordable monthly rent, for a 2 bedroom apartment for a family of four is \$1,116 or less for a 2 bedroom apartment for a family of four.
- There is an estimated minimum of 4,138 affordable rental units – including known subsidized units and estimated market rate units. The actual number is unknown as market rate numbers are based on the SLPHA Rental Study, which represents approximately 60% of the total rental units in the city.

Table. Comparison of 2010 & 2011 Met Council Affordability Guidelines & Number of Affordable Units

	2010 Guideline	2010 Numbers	2011 Guideline	2011 Numbers
Affordable Ownership Units	\$233,100 House Value	8,581	\$160,250 House Value	2,264
Affordable Rental Units Estimated & Subsidized	\$943 monthly rent for 2BR apt. Family of 4	3,734	\$1116 monthly rent for 2BR apt. Family of 4	4,138
Totals		11,261		6,402

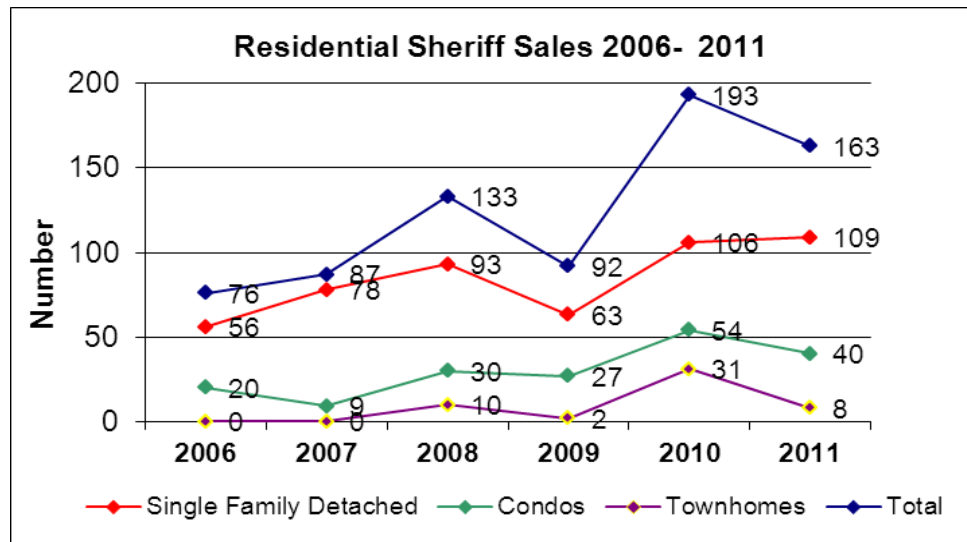
4. RELATED ISSUES

Foreclosures

Foreclosures are measured by the number of sheriff sales. Residential foreclosures were lower in 2011 (163) than 2010 (195), matching the metro area trend of fewer foreclosures – though still higher than previous years. The ongoing foreclosures are primarily related to loss of employment and underemployment. As the number of foreclosures slowed, the rate of condos in foreclosure slowed slightly; in 2010, 28% of the foreclosures were condos and in 2011 it dropped to 24%. Foreclosures by residential type are:

- 109 were single family detached homes
- 40 condominiums
- 8 townhomes (3 held by one owner)
- 6 duplexes

Chart: St. Louis Park Residential Foreclosures by Year 2006 - 2011



Sales of Foreclosed Homes

The City Assessor has been tracking the sale of foreclosed homes since 2008 to provide a picture of the turn-around of foreclosed homes. The table below shows how long they are taking to sell and the lower sale value to assessed value.

	2008	2009	2010	2011
# Residential Foreclosures based on Sheriff Sales	133	99	195	163
# Days from Sheriff Sale to Market Sale - Absorption Time (includes 6 months redemption period)	360	300	301	not available
% Median Sale Price to Assessed Valued	66%	69%	63%	not available

The average number of days on the market for St. Louis Park non-foreclosed homes trended from 112, 118, 125 to 145 days over this same four year period, according to the Minneapolis Area Association of Realtors. The increased volume of foreclosures is impacting longer sales time and lower sale prices of non-foreclosed homes.

Property Work Group

The City’s Property Watch Team, developed in 2006, monitors foreclosure activity and problem properties. Staff from all departments track, monitor and respond to issues related to problem foreclosed homes. The goal of this effort is to ensure that vacant, foreclosed homes do not become “problem properties.” The Inspection Department follows up with vacant foreclosed properties through the Property Maintenance Inspection process and complaints, working with bankers, investors and the managing companies. In addition to the City’s concerted efforts, bankers and lenders have become far more proactive in ensuring their investments are maintained.

The city continues to promote the foreclosure prevention services provided by Community Action Partnership of Suburban Hennepin County and Home Ownership Center through direct mailings, Park Perspective, City’s social media and staff referrals.

Louisiana Court Update

As of December 2011, PPL/Louisiana Court is near 100% occupancy. On June 1st, Metro Plains Management Company assumed property management of PPL's Louisiana Court complex from Perennial Management. Perennial had managed the development since 2006 and although there were times when the occupancy improved during their tenure, they never really resolved the ongoing vacancy problem experienced at the development. Metro Plains has been hired with the understanding that marketing and minimizing vacancies needs to be a priority and that this needs to be done without compromising applicant screening and lease compliance enforcement.

Another effort to improve marketability at the development also got underway in May. The rehab work funded as part of the financial restructuring that took place at the end of 2010 began on May 31. Although some work was done in the common areas of the buildings, the majority of the work focused on extensive rehab to the interior of 16 units at the complex. The work was completed in August.

ST. LOUIS PARK HOUSING AUTHORITY UPDATE

The Housing Authority administers programs that ensure the availability of safe and desirable housing options in the St. Louis Park community. These programs include the Public Housing program, Section 8 Housing Choice Voucher rental assistance program, Shelter Plus Care rental assistance program, Louisiana Court Max 200 Rental Assistance Program, and TRAILS family self-sufficiency program. The Authority currently serves over 500 eligible, low-income households through their housing programs.

Public Housing

The HA owns a low-rise apartment building (108 one-bedroom units and 2 two-bedroom caretaker units) built in 1975, and 37 scattered site single-family units (3 to 5 bedrooms) acquired and constructed between 1974 and 1996. Although the low-rise building is designated for general occupancy, priority is given to elderly and disabled. The single-family scattered units house larger families with children. The HA also holds the HUD Annual Contributions Contract (ACC) and maintains a waiting list for 12 two-bedroom Public Housing apartment units located at Louisiana Court. These units are owned and managed by Project for Pride in Living. The units and occupancy rates are noted in the table.

Public Housing	Total Units	1-BR	2-BR	3-BR	4-BR	5-BR	Occupancy December 31, 2011
Hamilton House	108	108					99%
Scattered Site Single Family	37	0	0	17	17	3	99%
Louisiana Court, Metropolitan Housing Opportunity (MHOP) Units	12		12				100%
Total (bedroom size)		108	12	17	17	3	
Total	157						

St. Louis Park Housing Types, Numbers and Percentages
HOUSING MATRIX
December 31, 2011

Housing Production by Type						Large Family Homes, Affordable and Senior Housing										
Housing Type	Housing Units		Net Units added 1/1/11- 12/31/11	Owner Occupied		Non Home-steaded and/or Rental		Large Family Home - 1,500 sq ft., 3+Bedrooms, 2+ Bath & 2+ Car Garage	2011 Affordable Market Rate Units Owner Occupied		2011 Reported Affordable Market Rate Rental Units		Public Subsidized Affordable Units, Includes Section 8 Housing Units		Senior Designated	
	# Units	% Units		#	#	#	#		#	#	#	#	#	#	#	
Single Family Detached	11,612	50%	6	10,772	840		1,347	499	52	52	0	0				
Duplex	424	2%	0	154	270			2	56	0	0					
Condos and townhomes	3332	14%	0	2483	849			1,763	140	0	0					
Apartments	7547	33%	115	0	7547				2,742	1054	923					
COOPs	121	1%	0	121	0					42	106					
Total*	23,036	100%	121	13,530	9506	41%	1,347	6%	2,264	10%	2990	13%	1148	5%	1029	4%

NOTE: Increasing number of non homesteaded and/or rental condos/thomes: 268 in 2007, 368 in 2008 & 2009, 676 in 2010 and 849 in 2011.

In 2011 the Met Council revised the affordable housing income standard. Rather than using 50% MAI for rental, and the 80% MAI for ownership, the new affordable definition is that housing is affordable to households with incomes at or below 60% MAI (\$50,350 family of four) paying thirty percent of their income for housing costs whether renting or owning. The 2011 affordable purchase price is \$160,250 or less and the a monthly rent of \$1,116, or less for a 2 bedroom apartment for a family of four is considered affordable. The number of affordable rental units is incomplete and based on units reported to the SLPHA for its 2010 rental study.

* Percentages are based on the percentage of the total number of all housing units.

Data source: SLP Community Development, Development Activity in St. Louis Park, SLP Inspections and Assessing.