All meetings of the St. Louis Park City Council will be conducted by telephone or other electronic means starting March 30, 2020, and until further notice. This is in accordance with a local emergency declaration issued the city council, in response to the coronavirus (COVID-19) pandemic. Additionally, city facilities are closed to the public until May 18 in keeping with the April 30, 2020, Executive Order 20-48 issued by Gov. Tim Walz extending the order directing Minnesotans to Stay at Home until May 18.

Some or all members of the St. Louis Park City Council will participate in the May 18, 2020 city council meeting by electronic device or telephone rather than by being personally present at the city council’s regular meeting place at 5005 Minnetonka Blvd.

Members of the public can monitor this meeting by video and audio at https://bit.ly/watchslpcouncil and on local cable (Comcast SD channel 17 and HD channel 859, or CenturyLink SD channel 8117 and HD channel 8617) or by calling +1-312-535-8110 meeting number (access code): 372 106 61 for audio only. Cisco Webex will be used to conduct videoconference meetings of the city council, with council members and staff participating from multiple locations.

Members of the public wishing to address the city council regarding items on the agenda should call: 952.928.1304

- Consent agenda item (4a) Bid tab Monterey Drive improvements (Phase 1) – project no. 4020-1101
- Public hearing item (6a) Establishment of the Parkway Residences Tax Increment Financing District
- Public hearing item (6b) So. Cedar Trails Housing Improvement Area (HIA) 1st reading of ordinance

952-562-2888

- Discussion item (8a) Consider complaint of alleged violations of St. Louis Park Home Rule Charter

If you wish to provide public comment, please call when the meeting starts at 6:30 p.m. and follow instructions provided. Comments will be taken during each item in the order they are received. Public comments must relate to an item on the current city council agenda.

6:00 p.m. ECONOMIC DEVELOPMENT AUTHORITY

1. Call to order

2. Roll call

3. Approval of minutes -- None

5. Reports -- None

7. New business

7a. Redevelopment contract with Cedar Partners LLC – The Quentin

Recommended action: Motion to adopt EDA Resolution approving the Redevelopment Contract between the EDA and Cedar Partners LLC.
7b. Establishment of the Parkway Residences Tax Increment Financing District

**Recommended action:**

- Motion to adopt resolution approving the establishment of the Parkway Residences Tax Increment Financing District (a redevelopment district).
- Motion to Adopt EDA Resolution authorizing an Interfund Loan for advance of certain costs in connection with the administration of the Parkway Residences TIF District.

7c. Redevelopment contract with Sela Group and affiliates – Parkway Residences

**Recommended action:** Motion to adopt resolution approving the Redevelopment Contract between the EDA, Parkway Place, LLC and other affiliates of Sela Group, LLC.

6:30 p.m.  CITY COUNCIL MEETING

1. Call to order
   1a. Pledge of allegiance
   1b. Roll call

2. Presentations -- None

3. Approval of minutes
   3a. LBAE meeting minutes of May 18, 2020
   3b. City council meeting minutes of April 20, 2020

4. Approval of agenda and items on consent calendar

   NOTE: The consent calendar lists those items of business which are considered to be routine and/or which need no discussion. Consent items are acted upon by one motion. If discussion is desired by either a councilmember or a member of the audience, that item may be moved to an appropriate section of the regular agenda for discussion. The items for the consent calendar are listed on the last page of the agenda.

   **Recommended action:** Motion to approve the agenda as presented and items listed on the consent calendar; and to waive reading of all resolutions and ordinances. (Alternatively: Motion to add or remove items from the agenda, or move items from consent calendar to regular agenda for discussion.)

4a. Designate Thomas and Sons Construction the lowest responsible bidder and authorize a contract with the firm in the amount of $586,676.30 for Monterey Drive improvements (Phase 1) – project 4020-1101

5. Boards and commissions -- None

6. Public hearings
   6a. Public Hearing - establishment of the Parkway Residences Tax Increment Financing District

   **Recommended action:** Mayor to open public hearing, take testimony, and then close the public hearing. Motion to adopt Resolution approving the establishment of the Parkway Residences Tax Increment Financing District (a redevelopment district).

   6b. Public hearing and first reading of an ordinance establishing South Cedar Trails Homeowners Association HIA

   **Recommended action:** Mayor to reopen the public hearing, take testimony, and then close the public hearing. Motion to approve first reading of an ordinance establishing the South Cedar Trails Homeowners Housing Improvement Area pursuant to Minnesota statutes 428A.11 to 428A.21 and to set second reading date for June 1, 2020.
7. Requests, petitions, and communications from the public – None

8. Resolutions, ordinances, motions and discussion items
   8a. Consider complaint of alleged violations of the St. Louis Park Home Rule Charter

   **Recommended action:** Review information provided in staff report, hear the basis for the complaint from the complainants, and allow Councilmember Mavity to provide a response to the complaint. Unless the council determines that more information is needed, the council is then asked to deliberate and vote on the issue of whether or not a violation of Section 2.09 has occurred. If the council determines that a violation has occurred, the council must follow the requirements of Section 2.09 related to public censure and imposition of any additional penalty.

9. Communications – None
Executive summary

Title: Redevelopment contract with Cedar Partners LLC – The Quentin

Recommended action: **Due to the COVID-19 emergency declaration, this item is considered essential business and is categorized as a Required Action**

- Motion to adopt EDA Resolution approving the Redevelopment Contract between the EDA and Cedar Partners LLC.

Policy consideration: Does the EDA wish to approve the proposed redevelopment contract with Cedar Partners LLC to facilitate The Quentin project?

Summary: Cedar Partners LLC (“redeveloper”) is proposing a new development called The Quentin (originally called Cedar Place) in the Cedarhurst neighborhood along Cedar Lake Road and Quentin Ave South to the east of the FIAT dealership. The proposed $21.3 million redevelopment entails the removal of three existing buildings and construction of a five-story, 79-unit apartment building that includes two levels of structured parking. In compliance with the city’s inclusionary housing policy, 10% (eight) of the units will be affordable to households at or below 50% Area Median Income (AMI). There are extraordinary costs associated with preparing the project site for redevelopment. In order for the redevelopment to achieve a market rate of return, the redeveloper applied to the EDA for tax increment financing (TIF) assistance. The EDA/city council received a staff report (pages 95-102) detailing the redeveloper’s TIF application at the March 9, 2020 study session along with a recommendation for the appropriate level of assistance. Key business terms for providing the proposed financial assistance were provided in the April 13, 2020 study session staff report (pages 44-48).

Financial or budget considerations: Under the proposed redevelopment contract, Cedar Partners agrees to construct the proposed multi-family redevelopment as specified under the PUD approved April 20, 2020 and the EDA agrees to reimburse the redeveloper for qualified redevelopment costs up to $500,000 in pooled tax increment from the Ellipse and Eliot Park TIF districts. Use of this tax increment does not impact the tax increment pooling to be used for affordable housing via the city’s affordable housing trust fund. The tax increment would be disbursed to the redeveloper upon prove-up that sufficient public redevelopment costs had been incurred during the project’s construction and a “lookback” analysis was completed verifying the amount of TIF assistance was justified. The Contract also requires the redeveloper to reimburse the EDA for all administrative and consulting costs the EDA incurred in conjunction with the project.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion

EDA resolution

Prepared by: Julie Grove, economic development specialist

Greg Hunt, economic development coordinator

Reviewed by: Karen Barton, community development director

Approved by: Tom Harmening, city manager, EDA executive director
Discussion

**Background:** Cedar Partners LLC’s proposed project called The Quentin is located in the Cedarhurst neighborhood along Cedar Lake Road and Quentin Ave South, directly east of the FIAT dealership. The three existing buildings on the site age in range from 58-69 years old and were determined to be structurally substandard by the city’s building official. The total redevelopment project area is approximately 1.5 acres and is underutilized from a market perspective given its proximity to both The West End and downtown Minneapolis.

**Proposed Project:** The proposed $21.3 million redevelopment entails the removal of three existing buildings and construction of a five-story, 79-unit apartment building that includes two levels of structured parking. In compliance with the city’s inclusionary housing policy, 10% (8) of the units will be affordable to households at or below 50% Area Median Income (AMI). The second reading of the ordinance creating the PUD allowing construction of this redevelopment was approved by the city council on April 20, 2020.

The Quentin will be designed to meet or exceed the requirements of the city’s Green Building Policy and Efficient Building Ordinance. Notably the project will include a green roof on the east side of the parking pedestal; no-mow, native plants and drought/salt-tolerant landscaping; electric vehicle charging stations for residents and guests; and a solar array on the roof to offset common area electricity use. Internal building systems will include all electrical heating in the residential units, LED lighting with motion sensors in low-use common and parking areas, smart thermostats, high-efficiency HVAC, Low-E glass, ventless dryers, low-flow showers, dual flush toilets, reflective blinds, and energy star appliances.

**Redeveloper’s request for tax increment financing assistance:** The estimated total development cost (TDC) to construct the proposed office building is approximately $21.3 million. There are considerable extraordinary costs associated with redeveloping the subject site, including erosion control, soil correction, asbestos abatement, excavation, shoring and
grading work, as well as two levels of structured parking. Altogether, the development will incur more than $500,000 in extraordinary site preparation costs and over $3 million in structured parking costs, which prevent the proposed project from achieving a market rate of return. To enable the project to proceed, the redeveloper applied to the EDA for tax increment financing (TIF) assistance to offset a portion of these costs.

**Level and type of financial assistance:** The redeveloper’s sources and uses statements, cash flow projections, and investor rate of return (ROR) related to the proposed redevelopment project was reviewed by staff and Ehlers (the EDA’s financial consultant). Based upon its analysis of the redeveloper’s financial proforma, Ehlers determined that the proposed redevelopment would not be reasonably expected to occur in the foreseeable future but for the provision of $500,000 in pooled tax increment assistance. The TIF assistance would be made available to exclusively reimburse the redeveloper for a portion of the qualified site preparation costs, noted above.

**TIF application process:** The EDA/city council received a staff report (pages 95-102) detailing the Redeveloper’s TIF Application at the March 9, 2020 study session. Key business terms for providing the proposed financial assistance were provided in the April 13, 2020 study session staff report.

**Job Retention and Creation:** Cedar Partners expects to create approximately 2 full-time equivalent (FTE) positions upon completion of the proposed project.

**Property Value and Taxes:** The current combined assessed market value of the three subject redevelopment parcels is approximately $1,228,600. Current property taxes for the three subject parcels is approximately $32,800. The combined estimated market value of these sites upon the proposed project’s completion (for TIF estimation purposes) is approximately $21,330,000. Upon full project completion and occupancy, it is estimated that The Quentin would generate approximately $359,000 in annual property taxes.

**Proposed redevelopment contract:** The proposed redevelopment contract with Cedar Partners (“redeveloper”) specifies the mutual obligations between the EDA and the redeveloper as well as the precise terms of the financial assistance to be provided. The following is a summary of the proposed key business terms between the St. Louis Park EDA and the redeveloper, which are consistent with EDA’s TIF Policy, past practices and previous discussions with the EDA/city council. For clarification purposes, the Redevelopment Property consists of those properties shown in the aerial photo below outlined in yellow.
1. The redeveloper agrees to construct a new 79-unit, five-story multi-family apartment building and related structured parking on the following parcels:
   - 4900 Cedar Lake Road (contains a small one-story office building).
   - 4905 Old Cedar Lake Road (contains a single-family home).
   - 5005 Old Cedar Lake Road contains an office building.

2. The EDA agrees to reimburse the redeveloper for a portion of Redeveloper’s Public Redevelopment Costs (defined as building demolition; site preparation including excavation, erosion control, and shoring; soil correction; and environmental remediation including asbestos abatement), through tax increment assistance in an amount up to $500,000. The TIF assistance will not constitute a business subsidy under Minnesota statutes because the assistance is for housing.

3. The EDA agrees to issue tax increment assistance to the redeveloper from pooled tax increments from two previously created TIF districts up to $500,000. The TIF assistance funds, less retainage of 10 percent, will be disbursed to the redeveloper upon prove-up that eligible redevelopment costs had been incurred.

4. Final disbursement of the retainage will be subject to a “lookback” provision verifying the amount of TIF assistance was justified. The lookback would be performed by Ehlers, the EDA’s financial consultant upon stabilization (on or before December 31, 2022). The look back provision ensures that if the total development costs are lower or if the project performs better financially upon stabilization than the redeveloper’s estimates, the EDA shares economically in the success of the project by reducing the amount of TIF assistance provided.

5. Construction of the redevelopment will commence by September 1, 2020 and will be substantially completed by December 31, 2021.
6. Redeveloper will comply with the city’s current Inclusionary Housing Policy. Specifically, redeveloper agrees to a 25-year covenant designating at least eight (10%) of the units as affordable to households at or below 50% AMI.

7. Redeveloper will comply with the city’s current Green Building Policy/Climate Action Plan requirements.

8. The Redeveloper will install dedicated wired fiber optic connections for the Minimum Improvements in conformity with the City’s Planning Development Contract.

9. The Redeveloper agrees to pay reasonable administrative costs incurred by the EDA, including consultant and attorney fees, in connection with the project.

A copy of the redevelopment contract is available for review in the community development department.

Summary: As indicated in the March 9, 2020 study session staff report, the proposed $21.3 million (The Quentin) project has a verified financial gap and is not financially feasible but for the provision of tax increment financing. To offset this gap, it is proposed that the EDA consider reimbursing the redeveloper up to $500,000 in pooled tax increments from the Ellipse and Eliot Park TIF districts. The use of this pooled TIF does not impact the TIF pooling for affordable housing purposes via the city’s affordable housing trust fund.

Providing tax increment financing assistance to the proposed redevelopment makes it possible to construct a high-quality multi-family apartment building consistent with the Comprehensive Plan, to bring the subject properties to optimal market value, and provide the community with additional market rate and affordable housing units with numerous energy efficient features.

Cedar Partners’ proposed Quentin development meets all the minimum and desired qualifications and the city’s objectives for the provision of Tax Increment Financing as specified in the city’s TIF Policy. The proposed amount of TIF assistance is in-line with other developments the EDA has previously assisted.

Recommendation: Staff supports approval of the proposed redevelopment contract with Cedar Partners LLC as outlined above to advance The Quentin redevelopment. The attached resolution of approval allows for modifications to the contract that do not alter the substance of the transaction without bringing the contract back to the EDA for amendment.

Next steps: Upon execution of the redevelopment contract, Cedar Partners plans to immediately start clearing the site and begin construction of the 79-unit apartment building.
EDA Resolution No. 20 -

Resolution approving Contract for Private Redevelopment with Cedar Partners LLC and awarding certain Tax Increment Financing Assistance

Whereas, the St. Louis Park Economic Development Authority (the “Authority”) and the City of St. Louis Park have previously approved the establishment of the Elmwood Apartments Tax Increment Financing District and the Eliot Park Tax Increment Financing District (together, the “TIF Districts”) within Redevelopment Project No. 1 ("Project"), and have adopted tax increment financing plans for the purpose of financing certain improvements within the Project; and

Whereas, pursuant to Minnesota Statutes, Sections 469.174 to 469.1794 as amended (the “TIF Act”), the Authority is authorized to enter into agreements for the redevelopment of property within the Project for the purpose of financing a portion of the public development costs of the Project. Such assistance is payable from revenues derived from the TIF Districts, subject to the limitations of Section 469.1763 of the TIF Act; and

Whereas, the Authority hereby finds and determines that it is in the best interests of the Authority that it provide a grant of tax increment revenues (the “Grant”) for the purpose of financing certain public redevelopment costs of the Project.

Now therefore be it resolved that the Contract for Private Redevelopment (the “Agreement”) between the Authority and Cedar Partners LLC (the “Grantee”), as presented to the Board, is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the Agreement by such officials shall be conclusive evidence of approval. Authority staff and officials are authorized to take all actions necessary to perform the Authority’s obligations under the Agreement as a whole, including without limitation execution of an escrow agreement and any other documents to which the Authority is a party referenced in or attached to the Agreement, all as described in the Agreement.

It is further resolved that the Authority hereby authorizes Authority staff to disburse the Grant in accordance with the Agreement. All capitalized terms in this resolution have the meaning provided in the Agreement unless the context requires otherwise.

It is further resolved that the Grant shall be disbursed into escrow in the amount of $500,000 and shall be disbursed to the Grantee in consideration of certain eligible costs incurred by the Grantee under the Agreement, subject to adjustment based on the finalized actual amount of Public Redevelopment Costs submitted and approved in accordance with Section 3.3 of the Agreement. The Grant is payable from pooled Tax Increment from the TIF Districts available for outside-district expenditures, as further described in the Agreement.

It is further resolved that this resolution shall be effective upon approval.
Reviewed for Administration:

Thomas K. Harmening, executive director

Attest:

Melissa Kennedy, secretary

Adopted by the Economic Development Authority May 18, 2020

Rachel Harris, president
Executive summary

Title: Establishment of the Parkway Residences Tax Increment Financing District

Recommended actions: **Due to the COVID-19 emergency declaration, this item is considered essential business and is categorized as a Required Action**

- Motion to adopt EDA Resolution approving the establishment of the Parkway Residences Tax Increment Financing District (a redevelopment district).
- Motion to adopt EDA Resolution authorizing an Interfund Loan for advance of certain costs in connection with the administration of the Parkway Residences TIF District.

Policy consideration: Does the EDA wish to support the establishment of a redevelopment tax increment financing district to facilitate construction of the proposed Parkway Residences multi-family housing project?

Summary: A staff report regarding Sela Group and affiliates’ (“redeveloper”) application for tax increment financing (TIF) assistance in connection with its proposed Parkway Residences project was provided at the February 24, 2020 study session. As stated in the report, constructing the multi-phase project is not financially feasible but for the use of the proposed tax increment assistance for which there was consensus support. On March 16, 2020 the EDA adopted a resolution designating certain buildings along 31st Street structurally substandard to a degree requiring removal in conjunction with the proposed redevelopment TIF district. It is now time to take the final steps in the TIF process which is to formally authorize the creation of the redevelopment TIF district and approve the proposed Redevelopment Contract. Such authorizations enable the EDA to designate tax increment generated from the 94-unit apartment building (“Building 1”) of the multi-phase Parkway Residences project as partial reimbursement for certain qualified redevelopment costs incurred in connection with the construction of the project so as to make it financially feasible.

Financial or budget considerations: Authorizing the establishment of the Parkway Residences TIF District does not in itself, commit the city to any specific level of financial assistance for the proposed project. Procedurally, it simply creates the funding vehicle to reimburse the redeveloper for a portion of its qualified project costs. The terms and amount of TIF assistance are specified within the Redevelopment Contract with Sela Group, LLC which is also scheduled for consideration May 18, 2020. Authorizing an Interfund Loan allows the EDA to recoup certain costs in connection with the administration of the new TIF District.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion
EDA resolutions
TIF district overview

Prepared by: Greg Hunt, economic development coordinator
Reviewed by: Karen Barton, community development director
Approved by: Tom Harmening, city manager, EDA executive director
**Discussion**

**Background:** The proposed Parkway Residences project includes 15 properties currently consisting of single-family homes and an assortment of smaller apartment buildings along both sides of 31st Street West between Inglewood Avenue South and Glenhurst Avenue South in the Triangle Neighborhood. The buildings range in age from 41 to 113 years old with all but one of the buildings at least 50 years old. Consulting firm LHB has determined that the buildings to be removed are structurally obsolete and all but one display noticeable material blight. The total redevelopment project area is approximately 2.5 acres and is underutilized from a market value perspective given the new multi-story buildings to the north and its half-mile proximity to two planned light rail stations.

**Site information:**

*Site area (acres):*
2.5 acres

*Current use:*
Commercial, single-family, duplex, and multi-family residential uses

*Surrounding land uses:*
North: Multi-family residential and right-of-way
East: Multi-family residential
South: Multi-family residential
West: single-family and multi-family residential uses.

*Proposed Project:* Sela Group’s proposed redevelopment is to be constructed immediately adjacent to its Parkway 25 project (a 112-unit, mixed-use development with 12,000 square feet of commercial) completed in 2018. The proposed Parkway Residences would entail the removal of 12 existing buildings and construction of four new multi-family housing buildings with up to 211 new units. The redeveloper also plans to rehabilitate three existing apartment buildings along 31st Street that contain 24 units creating a total of 235 new or renovated residential units within the project. The redevelopment plan segments the project into four building sites to be
built in phases: west campus, north campus, southwest campus and southeast campus plus the
three apartment buildings to be rehabbed. The development properties are not all contiguous,
thus the project will be built amongst other existing buildings. The four building sites are
described below.

**Site 1** (the north campus—see map below) is toward the center of the site and includes six
existing residential buildings north of 31st Street West. The homes will be replaced with a 4-
story, 95-unit apartment building called “Parkway Place” with two-levels of underground
parking. This apartment building is planned to be the first phase of the project. The total area of
this building is 163,000 square feet.

**Site 2** (the southeast campus—see map below) consists of two single-family homes that will be
redeveloped as a 6-unit apartment building. The apartment building will be developed with
affordable units as part of the city’s inclusionary housing policy requirement to provide
replacement housing for the naturally occurring affordable housing (NOAH) existing in the
project area that will be removed as part of the project. It is 7,500 square feet in size.

**Site 3** (the southwest campus—see map below) is at the corner of Inglewood Avenue South and
31st Street West. It includes the removal of three existing single-family homes for the
construction of a 4-story, 37-unit apartment building with one level of underground parking.
The southwest campus is proposed to be a later phase of the project.

**Site 4** (the west campus—see map below) includes an existing strip center at the southeast
corner of Inglewood Avenue South and County Road 25 that will be replaced with an 11-story
apartment building. The building will consist of eight-floors of residential units (73 units) with
parking and lobby space in the first two floors and the top floor dedicated to amenity space.
There is one-level of underground parking.

The three apartment buildings to be renovated lie on the south side of 31st Street West
(Buildings 5a, 5b, and 5c in the map below). The apartments include a total of 24 units of which
22 are considered naturally occurring affordable housing (NOAH) and will remain as NOAH
designated housing units by covenant for 25 years.

The Second Reading of the Ordinance creating the PUD to allow construction of the proposed
multi-phase redevelopment site was approved by the city council on February 3, 2020.
Redeveloper’s request for public financing assistance and TIF Application review: Please see the corresponding February 24, 2020 EDA staff report.

TIF district approvals: On March 16, 2020 the EDA adopted a resolution designating certain buildings along 31st Street as structurally substandard to a degree requiring removal and authorized demolition of those buildings pending inclusion of the parcels in the proposed redevelopment TIF district.

TIF District Overview and Plan: The attached Tax Increment Financing District Overview summarizes the basic elements of the proposed Parkway Residences TIF District. Additional details of the proposed TIF District may be found in the larger Parkway Residences TIF District Plan (available by contacting the Community Development Department). Both the Overview and TIF Plan were prepared by the EDA’s TIF consultant, Ehlers. The TIF Plan establishes the
proposed TIF district’s classification, geographic boundaries, maximum duration, maximum budget authority for tax increment revenues and expenditures, fiscal disparities election as well as estimated impact on various taxing jurisdictions along with findings which statutorily qualify the district. The specific mutual obligations between the EDA and the redeveloper, as well as the specific terms of the financial assistance are contained in the separate Redevelopment Contract between the parties. Both the TIF Plan and the Redevelopment Contract need to be approved in order for redevelopment projects requiring tax increment to proceed.

**Synopsis of the proposed Parkway Residences TIF District:** The entire Parkway Residences redevelopment site and proposed TIF district is within the City’s Redevelopment Project Area which is the portion of the city where the EDA may statutorily establish TIF districts. In order to provide the redeveloper with the proposed tax increment, a new Redevelopment TIF District needs to be established and is shown in the map below.
Location of proposed Parkway Residences TIF District

In this case, it was determined that the entirety of the tax increment to be provided to the redeveloper would be derived exclusively from the Building 1 site. Therefore, the proposed redevelopment TIF district includes the following six parcels which constitute the Building 1 site:

- 4000 W. 31st Street
- 4008 W. 31st Street
- 4012 W. 31st Street
- 4020 W. 31st Street
- 4100 W. 31st Street
- 4108 W. 31st Street

Qualifications of the proposed TIF district: Consulting firm LHB conducted a TIF district feasibility analysis to determine if the subject Building 1 site qualified as a Redevelopment District under the MN TIF Act. After inspecting and evaluating the subject properties and applying current statutory criteria, LHB determined the site qualifies under the MN TIF Act as a redevelopment TIF district.

Duration of the proposed TIF district: Under the MN TIF Act, the duration of redevelopment districts is up to 25 years after receipt of the first increment by the city (a total of 26 years of tax increment). The first tax increment for this project is expected to be received in 2022. Thus, the full term of the district is estimated to terminate after 2047. The EDA and city have the right
to decertify the district prior to the legally required date. The city’s expressed obligations to the redeveloper, per the terms of the Redevelopment Contract, are estimated to be satisfied in approximately 15 years. Once those obligations are satisfied, the city may terminate the district.

**TIF district budget:** The TIF Plan authorizes the use of tax increment funds generated by the District to reimburse the redeveloper for certain qualified redevelopment costs incurred in connection with the construction of Building 1 the project. It should be noted that the Sources of Revenue and Uses of Funds within the TIF Plan is a not-to-exceed budget and not the actual expected project budget.

**Recommendation:** The EDA’s financial consultant, Ehlers, prepared the *Parkway Residences TIF Plan* in consultation with the EDA’s legal counsel, Kennedy & Graven and staff; all of whom recommend approval of the establishment the Parkway Residences Tax Increment Financing District and authorization of an Interfund Loan in connection with the administration of the new TIF District.

**Next steps:** The redevelopment contract between the EDA and Sela Group and affiliates which specifies the terms, conditions and amount of TIF assistance related to the proposed Parkway Residences project is also scheduled for consideration by the EDA on May 18, 2020.
Resolution approving a modification to the Development Program for Redevelopment Project No. 1 and the establishment of Parkway Residences Tax Increment Financing District within the Redevelopment Project, and adopting a Tax Increment Financing Plan for the TIF District.

Whereas, the City of St. Louis Park, Minnesota (the “City”) and the St. Louis Park Economic Development Authority (the “Authority”) have previously established Redevelopment Project No. 1 (the “Redevelopment Project”) within the City, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and Minnesota Statutes, Sections 469.090 through 469.1081, as amended; and

Whereas, the City and the Authority have proposed to approve a modification to the Development Program for the Redevelopment Project (the “Program Modification”) and a tax increment financing plan (the “TIF Plan”) for Parkway Residences Tax Increment Financing District (the “TIF District”), a redevelopment district, within the Redevelopment Project, pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”), all as described in a plan document presented to the Board on the date hereof.; and

Whereas, pursuant to Section 469.174, subdivision 2 of the TIF Act, the proposed Program Modification and TIF Plan and the estimates of the fiscal and economic implications of the TIF Plan were presented to the Board of Education of Independent School District No. 283 (St. Louis Park Public Schools) and to the Board of Commissioners of Hennepin County, Minnesota (the “County”) at least thirty (30) days prior to the date of publication of the notice of public hearing on establishment of the TIF District; and

Whereas, immediately following the meeting of the Authority on the date hereof, the City Council will hold a duly noticed public hearing on the Program Modification and establishment of the TIF District, and is expected to approve the creation of the TIF District and the associated TIF Plan following such public hearing.

Now therefore, be it resolved as follows:

1. Subject to their approval by the City Council, the creation of the Program Modification, the establishment of the TIF District, and the TIF Plan for the TIF District are hereby approved.

2. Authority staff is hereby authorized and directed to file a request for certification of the TIF District with the Taxpayer Services Division Manager of the County and to file a copy of the TIF Plan with the Minnesota Commissioner of Revenue and the Office of the State Auditor as required by the TIF Act.
3. The Taxpayer Services Division Manager of the County is requested to certify the original net tax capacity of the TIF District, as described in the TIF Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased.

4. Authority staff, consultants, and legal counsel are authorized to take all actions necessary to implement the TIF Plan and to negotiate, draft, prepare and present to the Board for its consideration all further plans, resolutions, documents, and contracts necessary for this purpose. Approval of the TIF Plan does not constitute approval of any project or a development agreement with any developer.

Reviewed for Administration: Adopted by the Economic Development Authority
May 18, 2020

Thomas K. Harmening, executive director          Rachel Harris, president

Attest:

Melissa Kennedy, secretary
EDA Resolution No. 20 - ___

Resolution authorizing an Interfund Loan for advance of certain costs in connection with the Parkway Residences Tax Increment Financing District.

Whereas, the City Council for the City of St. Louis Park, Minnesota (the "City"), intends to establish Parkway Residences Tax Increment Financing District (the "TIF District") within Redevelopment Project No. 1 (the "Project"), and will adopt a Tax Increment Financing Plan (the "TIF Plan") for the purpose of financing certain improvements within the Project; and

Whereas, the St. Louis Park Economic Development Authority (the “Authority”) has determined to use tax increments from the TIF District to pay for certain administrative costs identified in the TIF Plan (the "Qualified Costs"), which costs may be financed on a temporary basis from Authority funds available for such purposes; and

Whereas, under Minnesota Statutes, Section 469.178, Subd. 7, the Authority is authorized to advance or loan money from the Authority’s general fund or any other fund from which such advances may be legally authorized, in order to finance the Qualified Costs; and

Whereas, the Authority intends to reimburse itself for the Qualified Costs from tax increments derived from the TIF District in accordance with the terms of this resolution (which terms are referred to collectively as the "Interfund Loan").

Now Therefore Be It Resolved as follows:

1. The Authority hereby authorizes the advance of up to $50,000 from any legally authorized Authority fund or so much thereof as may be paid as Qualified Costs. The Authority shall reimburse itself for such advances together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The interest rate shall be 5% and will not fluctuate.

2. Principal and interest ("Payments") on the Interfund Loan shall be paid semi-annually on each August 1 and February 1 (each a "Payment Date"), commencing on the first Payment Date on which the Authority has Available Tax Increment (defined below), or on any other dates determined by the Executive Director of the Authority, through the date of last receipt of tax increment from the TIF District.

3. Payments on this Interfund Loan are payable solely from "Available Tax Increment," which shall mean, on each Payment Date, tax increment available after other obligations have been paid, or as determined by the Executive Director of the Authority, generated
in the preceding six (6) months with respect to the property within the TIF District and remitted to the City by Hennepin County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1799, as amended. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes or contracts secured in whole or in part with Available Tax Increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

4. The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the Authority without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

5. This Interfund Loan is evidence of an internal borrowing by the Authority in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Interfund Loan or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Interfund Loan or other costs incident hereto. The Authority shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

6. The Authority may amend the terms of this Interfund Loan at any time by resolution of the Board, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Reviewed for Administration: Adopted by the Economic Development Authority May 18, 2020

Thomas K. Harmening, executive director Rachel Harris, president

Attest:

Melissa Kennedy, secretary
TAX INCREMENT FINANCING DISTRICT OVERVIEW

City of St. Louis Park

Parkway Residences Tax Increment Financing District

The following summary contains an overview of the basic elements of the Tax Increment Financing Plan for the Parkway Residences Tax Increment Financing District. More detailed information on each of these topics can be found in the complete Tax Increment Financing Plan.

Proposed action:
- Modification to the Development Program for Redevelopment Project No. 1. The modification represents a continuation of the goals and objectives set forth in the Development Program for Redevelopment Project No. 1.
- Establishment of the Parkway Residences Tax Increment Financing District (District) and the adoption of a Tax Increment Financing Plan (TIF Plan).

Type of TIF District: Redevelopment District

Parcel Numbers:

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<th>Parcel Numbers</th>
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<tr>
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<tr>
<td>06-028-24-11-0021</td>
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Proposed Development:
The District is being created to facilitate the construction of an approximate 95-unit market rate apartment in the City. The EDA intends to enter into an agreement with Sela Investments and construction is anticipated to commence in mid-late 2020. Please see Appendix A of the TIF Plan for a more detailed project description.

Maximum duration:
The duration of the District will be 25 years from the date of receipt of the first increment (26 years of increment). The EDA elects to receive the first tax increment in 2022. It is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after December 31, 2047, or when the TIF Plan is satisfied.

Estimated annual tax increment: Up to $747,349
Authorized uses: The TIF Plan contains a budget that authorizes the maximum amount that may be expended:

- Land/Building Acquisition................................. $ 2,000,000
- Site Improvements/Preparation ......................... $ 2,530,000
- Utilities ............................................................... $ 600,000
- Other Qualifying Improvements ......................... $ 3,188,168
- Administrative Costs (up to 10%) ....................... $ 659,134

**PROJECT COSTS TOTAL ........................................ $ 8,977,302**

- Interest ............................................................... $ 5,523,734

**PROJECT COSTS TOTAL ........................................ $ 14,501,036**

See Uses of Funds on page 8 of the TIF Plan for the full budget authorization.

Form of financing: The project is proposed to be financed by a pay-as-you-go note and interfund loan.

Administrative fee: Up to 10% of annual increment, if costs are justified.

Interfund Loan Requirement: The EDA will be approving an interfund loan to pay for administrative and/or capital expenses that will be incurred prior to receiving the first TIF dollars from the District.

4 Year Activity Rule (§ 469.176 Subd. 6) After four years from the date of certification of the District one of the following activities must have been commenced on each parcel in the District:
- Demolition
- Rehabilitation
- Renovation
- Other site preparation (not including utility services such as sewer and water)

If the activity has not been started by approximately May 2024, no additional tax increment may be taken from that parcel until the commencement of a qualifying activity.

5 Year Rule (§ 469.1763 Subd. 3) Within 5 years of certification revenues derived from tax increments must be expended or obligated to be expended.

Any obligations in the District made after approximately May 2025, will not be eligible for repayment from tax increments.

The reasons and facts supporting the findings for the adoption of the TIF Plan for the District, as required pursuant to M.S., Section 469.175, Subd. 3, are included in Exhibit A of the City resolution.
Executive summary

Title: Redevelopment contract with Sela Group and affiliates – Parkway Residences

Recommended action: **Due to the COVID-19 emergency declaration, this item is considered essential business and is categorized as a Required Action**
- Motion to adopt EDA Resolution approving the Redevelopment Contract between the EDA, Parkway Place, LLC and other affiliates of Sela Group, LLC.

Policy consideration: Does the EDA wish to approve the proposed redevelopment contract with Parkway Place, LLC and affiliates, to facilitate the Parkway Residences project?

Summary: Parkway Place, LLC and various other Sela entities (“redeveloper”) are proposing a multi-phase redevelopment called Parkway Residences along 31st Street West near Glenhurst Avenue South adjacent to its recently completed Parkway 25 project. The $92 million redevelopment entails the removal of 12 existing buildings and construction of four new multi-family housing buildings with a total of up to 211 new units. The project also includes the rehabilitation of three existing apartment buildings that contain 24 units between them for a project total of 235 residential units. Of these units, 24 are designated as naturally occurring affordable housing (NOAH) units which would be affordable to households at or below 50% Area Median Income (AMI), and 6 units would be affordable to households at or below 60% AMI. There are considerable extraordinary costs associated with preparing the Building 1 site for redevelopment which negatively impact the project’s financial feasibility. In order for the redevelopment to achieve a market rate of return, the redeveloper applied to the EDA for tax increment financing (TIF) assistance. The EDA/city council received a staff report detailing the redeveloper’s TIF Application at the February 24, 2020 study session along with a recommendation for the appropriate level of assistance. Key business terms for providing the proposed financial assistance were provided in the April 13, 2020 study session staff report.

Financial or budget considerations: Under the proposed redevelopment contract, the redeveloper agrees to construct the proposed multi-phase, multi-family redevelopment as specified under the PUD approved February 3, 2020 and the EDA agrees to reimburse the redeveloper for qualified redevelopment costs related to Building 1 of the redevelopment up to $3.35 million in pay-as-you-go tax increment generated by Building 1 upon its completion. The financial assistance would be provided on a pay-as-you-go basis over a maximum term of 15 years.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion
EDA resolution

Prepared by: Greg Hunt, economic development coordinator
Reviewed by: Karen Barton, community development director
Approved by: Tom Harmening, city manager, EDA executive director
Discussion

**Background:** The proposed Parkway Residences project includes 15 properties currently consisting of single-family homes and an assortment of smaller apartment buildings along both sides of 31st Street West between Inglewood Avenue South and Glenhurst Avenue South in the Triangle Neighborhood. The buildings range in age from 41 to 113 years old with all but one of the buildings at least 50 years old. Consulting firm LHB determined that the buildings proposed for removal related to Building 1 are structurally obsolete and all but one display noticeable material blight. The total redevelopment project area is approximately 2.5 acres and is underutilized from a market value perspective given the new multi-story buildings to the north and its half-mile proximity to two planned light rail stations.

**Proposed Project:** Parkway Place, LLC, and three related entities, Parkway Plats, LLC, Sela Group, LLC, and Sela Investments, Ltd., LLP (together “redeveloper”) are proposing a multi-phase redevelopment called Parkway Residences along 31st Street West near Glenhurst Avenue South adjacent to its recently completed Parkway 25 project. The redevelopment entails the removal of 12 existing buildings and construction of four new multi-family housing buildings with up to a total of 211 new units. The redeveloper also plans to rehabilitate three existing apartment buildings along 31st Street that contain 24 units between them for a total of 235 new or renovated residential units within the project. The redevelopment plan segments the project into four building sites to be built in phases: west campus, north campus, southwest campus and southeast campus plus the three apartment buildings to be rehabbed. The development properties are not all contiguous, thus the project will be built amongst other existing buildings. The four building sites are described below.

**Site 1** (the north campus – see map below) is toward the center of the site and includes six existing residential buildings north of 31st Street West. The homes will be replaced with a 4-story, 95-unit apartment building with two-levels of underground parking. This first apartment building (“Building 1”) will have total area of 163,000 square feet.

**Site 2** (the southeast campus – see map below) consists of two single-family homes that will be redeveloped as a 6-unit apartment. The apartment will be developed with affordable units as part of the city’s inclusionary housing policy requirement to provide replacement housing for the naturally occurring affordable housing (NOAH) existing in the project area that will be removed as part of the project. It will have total area of 7,500 square feet.

**Site 3** (the southwest campus – see map below) is at the corner of Inglewood Avenue South and 31st Street West. It includes the removal of three existing single-family homes for the construction of a 4-story, 37-unit apartment building with one level of underground parking.

**Site 4** (the west campus – see map below) includes an existing strip center at the southeast corner of Inglewood Avenue South and County Road 25 that will be replaced with an 11-story apartment building. The building will consist of eight-floors of residential units (73 units) with parking and lobby space in the first two floors and the top floor dedicated to amenity space. It will also have one-level of underground parking.
The three apartment buildings to be renovated lie on the south side of 31st Street West (Buildings 5a, 5b, and 5c in the map below). The apartments include a total of 24 units of which 22 are considered naturally occurring affordable housing (NOAH) and will remain as NOAH designated housing units by covenant for 25 years.

The redeveloper has also agreed to include a number of energy efficient design features and components into the multi-phase redevelopment (detailed further in this report) which exceed the city’s Green Building Policy requirements and consequently the Climate Action Plan. The Second Reading of the Ordinance creating the PUD to allow construction of the proposed multi-phase redevelopment site was approved by the city council on February 3, 2020.

**Redeveloper’s request for tax increment financing assistance:** The estimated total development cost (TDC) to construct the proposed Parkway Residences is approximately $92 million. Of that total, the TDC to construct the 95-unit apartment building (“Building 1”) within...
Phase I is approximately $38.4 million. There are considerable extraordinary costs associated with redeveloping the entire redevelopment site and the Building 1 site in particular. These include soil correction, excavation, shoring and grading work, stormwater management for the neighborhood, and underground parking. It is estimated that the entire development will incur about $7.6 million in extraordinary site preparation costs and the Building 1 site will incur approximately $3.7 million in such costs, preventing the proposed project from achieving a market rate of return. To enable the project to proceed, the redeveloper applied to the EDA for tax increment financing (TIF) assistance to offset a portion of these costs.

**Level and type of financial assistance:** In summary, the redeveloper’s sources and uses statements, cash flow projections, and investor rate of return (ROR) related to the proposed multi-phase redevelopment were reviewed by staff and Ehlers (the EDA’s financial consultant). Based upon its analysis of the redeveloper’s financial proforma, Ehlers determined that the redevelopment in general and Building 1 in particular would not be reasonably expected to occur in the foreseeable future but for the provision of up to $3,350,000 in tax increment assistance.

The TIF assistance would be made available to reimburse the redeveloper for a portion of the qualified site preparation costs related to Building 1 exclusively. Upon completion of Building 1 and verification of the redeveloper’s qualified Public Redevelopment costs, tax increment generated from the increased value of the property would be provided to the redeveloper on a "pay-as-you-go" basis, which is the preferred financing method under the city's TIF Policy. It is projected that the TIF Note would be retired in approximately 15 years with increment generated by Building 1 which is consistent with other redevelopments the EDA has previously facilitated.

**TIF application process:** The EDA/city council received a staff report detailing the Redeveloper’s TIF Application at the February 24, 2020 study session. Key business terms for providing the proposed financial assistance were provided in the April 13, 2020 study session staff report.

**Job Creation:** Sela expects to create approximately 5 to 7 full-time equivalent (FTE) positions upon completion of all phases of the proposed project.

**Property Value and Taxes:** The current combined assessed market value of the 6 parcels that constitute the Building 1 site is just over $3 million. This is the proposed TIF District’s Base Value. The estimated market value of the Building 1 site upon completion (for TIF estimation purposes) is approximately $25,650,000. Most of this value would be captured as tax increment and used to make payments on the TIF Note until it is paid off and the TIF district is terminated. Upon completion and occupancy of Building 1, it is estimated to generate over $432,600 annually in total property taxes. The city, county and school district would continue to receive the property taxes collected on the subject site’s Base Value.

Buildings 2, 3, 4 and 5 will not be included in the proposed TIF District and therefore will make an immediate increased contribution to the tax base upon their completion. These developments will have a combined estimated market value of over $34 million and will generate an estimated $523,600 annually in total property taxes.
Once the TIF Note is retired and the TIF district is decertified, the additional property taxes generated by the project would accrue to the local taxing jurisdictions. Based on current estimates, the entire Parkway Residences redevelopment will generate approximately $956,000 in total property taxes annually.

**Proposed redevelopment contract:** The proposed redevelopment contract specifies the mutual obligations between the EDA and the redeveloper as well as the terms of the financial assistance to be provided. The following is a summary of the proposed key business terms between the St. Louis Park Economic Development Authority ("EDA") and the redeveloper, which are consistent with the EDA’s TIF Policy, past practices and previous discussions with the EDA/city council. For clarification purposes, the Redevelopment Property consists of those properties shown in the aerial photo below outlined in red.

**Properties comprising the Parkway Residences’ “Redevelopment Property”**

1. The redeveloper agrees to construct a phased multifamily rental development on the Redevelopment Property consisting of the following “Minimum Improvements”:

   - Phase I, comprising of a four-story, 95-unit apartment building and two levels of underground parking (“Building 1”), the construction of a two-story, six-unit apartment building (“Building 2”), and the renovation of three apartment buildings with a total of 24 units (“Buildings 5a, 5b, 5c”);

   - Phase II, comprising of a four-story, approximately 37-unit apartment building and one level of underground parking (“Building 3”);

   - Phase III, comprising of an 11-story, approximately 73-unit apartment building and associated structured parking (“Building 4”).
2. The EDA agrees to reimburse the redeveloper for a portion of redeveloper’s Public Redevelopment Costs (defined as building demolition, soil mitigation, earthwork, radon mitigation, soil retention, excavation, shoring and site grading, as well as construction of storm water management systems and structured parking) associated with the Building 1 site through tax increment financing (TIF) up to $3,350,000. The TIF assistance will not constitute a business subsidy under Minnesota statutes because the assistance is for housing.

3. The EDA agrees to issue a tax increment revenue note to the redeveloper in the maximum principal amount of $3,350,000 (the “TIF Note”) payable from available tax increment, generated by Building 1 on a “pay-as-you-go” basis, over a period not to exceed 15 years. The TIF Note will bear interest at the lesser of 4% or redeveloper’s actual financing interest rate.

4. In order to provide the tax increment to the redeveloper, the EDA agrees to establish a new redevelopment TIF district including the following six parcels:

- 4000 W. 31st Street
- 4008 W. 31st Street
- 4012 W. 31st Street
- 4020 W. 31st Street
- 4100 W. 31st Street
- 4108 W. 31st Street

5. The EDA will issue the TIF Note to Parkway Place, LLC upon redeveloper providing the EDA with a statement specifying the Public Redevelopment Costs incurred by the redeveloper related to Building 1 along with evidence that each identified Public Redevelopment Cost has been paid or incurred by the redeveloper.

6. A two-part "look back" provision will be incorporated into the proposed Contract. The look back will be performed by Ehlers, the EDA’s financial consultant upon Buildings 1 and 2’s stabilization (the date they both achieve 93% lease-up). The look back provision ensures that if Building 1’s total development costs are lower or if Buildings 1 and 2 perform financially better upon stabilization than the redeveloper’s estimates, the EDA shares economically in the success of the project by reducing the amount of TIF assistance provided. In addition, the TIF Note will be subject to adjustment if the Redeveloper fails to commence construction of Phase II and/or III of the Minimum Improvements by specified dates. The principal amount of the TIF Note will be reduced by $550,000 for each Phase for which construction has not commenced (subject to unavoidable delays) by the date required under the Contract.

7. Construction of Phase I will commence by August 30, 2020 and will be substantially completed by April 30, 2022; construction of Phase II will commence by June 30, 2022 and will be substantially completed by September 30, 2023; and construction of Phase III will commence by April 30, 2024 and will be substantially completed by December 31, 2025.
8. Redeveloper will comply with the city’s current Inclusionary Housing Policy. Specifically, redeveloper agrees to a 25-year covenant designating the 24 units within Buildings 5a, 5b, and 5c as affordable to households at or below 50% AMI and designating the 6 units of housing within Building 2 as affordable to households at or below 60% AMI. In addition, Redeveloper agrees to assist any current residents in the Buildings 5a, 5b, and 5c with relocation and moving and transition costs during the Phase I construction period.

9. In the construction of all Phases, redeveloper will comply with the city’s current Green Building Policy and will use commercially reasonable efforts to obtain “green” certification for each phase of the redevelopment. Sustainable features to be incorporated into the redevelopment include solar panels on Building 1, solar-ready roofs on Buildings 3 and 4; white roofs and partial green roofs throughout the Minimum Improvements; insulated underground parking structures and EV charging outlets serving the majority of indoor parking spaces; and LED lighting. In addition, the redeveloper will construct Building 2 as a Demonstration Building, including a near net-zero energy performance design, high-performance insulation and windows, energy-efficient lighting and mechanical systems, and solar roof panels.

10. The redeveloper will install public art and dedicated wired fiber optic connections for the Minimum Improvements in conformity with the city’s Planning Development Contract.

11. The redeveloper and EDA mutually agree to enter into a Minimum Market Value Assessment Agreement setting a minimum property tax value for Building 1.

12. The redeveloper agrees to pay reasonable administrative costs incurred by the EDA, including consultant and attorney fees, in connection with the project.

A copy of the redevelopment contract is available for review in the community development department.

Summary: As indicated in the February 24, 2020 study session staff report, the proposed $92 million multi-phase Parkway Residences redevelopment has a verified financial gap and is not financially feasible but for the provision of tax increment financing. To offset this gap, it is proposed that the EDA consider reimbursing the redeveloper up to $3.35 million in pay-as-you-go tax increment generated by Building 1 of the redevelopment for a term of approximately 15 years.

Providing tax increment financing assistance to the proposed redevelopment makes it possible to construct four, high quality multi-family apartment buildings and rehabilitate three existing apartment buildings consistent with the Comprehensive Plan, to bring the subject properties to optimal market value, and provide the community with additional market rate and affordable housing units with numerous energy efficient features.

Sela’s proposed Parkway Residences redevelopment meets the minimum and desired qualifications, and the city’s objectives for the provision of Tax Increment Financing as specified in the city’s TIF Policy. The proposed amount of TIF assistance is in-line with other developments the EDA has previously assisted.
**Recommendation:** Staff supports approval of the proposed redevelopment contract with Parkway Place, LLC and affiliates as outlined above so as to advance the multi-phase Parkway Residences redevelopment. The attached resolution of approval allows for modifications to the contract that do not alter the substance of the transaction without bringing the contract back to the EDA for amendment.

**Next steps:** Upon execution of the redevelopment contract, the redeveloper plans to begin construction on Buildings 1 and 2 and complete renovations to Buildings 5a, 5b, and 5c (the three existing apartment buildings).
EDA Resolution No. 20 -

Resolution approving contract for private redevelopment and awarding the sale of, and providing the form, terms, covenants and directions for the Issuance of its Tax Increment Revenue Note (Parkway Residences Project) to Parkway Place, LLC

Be it resolved BY the Board of Commissioners (“Board”) of the St. Louis Park Economic Development Authority, St. Louis Park, Minnesota (the “Authority”) as follows:

Section 1. Authorization; Award of Sale.

1.01. Authorization. The Authority and the City of St. Louis Park have approved the establishment of Parkway Residences Tax Increment Financing District (the “TIF District”) within Redevelopment Project No. 1 (“Project”), and have adopted a tax increment financing plan for the purpose of financing certain improvements within the Project.

Pursuant to Minnesota Statutes, Section 469.178, the Authority is authorized to issue and sell its bonds for the purpose of financing a portion of the public development costs of the Project. Such bonds are payable from all or any portion of revenues derived from the TIF District and pledged to the payment of the bonds. The Authority hereby finds and determines that it is in the best interests of the Authority that it issue and sell its Tax Increment Revenue Note (Parkway Residences Project) (the “Note”) for the purpose of financing certain public redevelopment costs of the Project.

1.02. Approval of Agreement; Issuance, Sale, and Terms of the Note.

(a) The Contract for Private Redevelopment between the Authority and Parkway Place, LLC (the “Owner”) et al., as presented to the Board, is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the Agreement by such officials shall be conclusive evidence of approval. Authority staff and officials are authorized to take all actions necessary to perform the Authority’s obligations under the Agreement as a whole, including without limitation execution of any documents to which the Authority is a party referenced in or attached to the Agreement, all as described in the Agreement.

(b) The Authority hereby authorizes the President and Executive Director to issue the Note in accordance with the Agreement. All capitalized terms in this resolution have the meaning provided in the Agreement unless the context requires otherwise.

(c) The Note shall be issued in the maximum aggregate principal amount of $3,350,000 to Parkway Place, LLC (the “Owner”) in consideration of certain eligible costs incurred by the Owner under the Agreement, shall be dated the date of delivery thereof, and shall bear interest at the lesser of 4.0% or the actual rate of financing obtained by the Owner, from the date of issue per annum to the earlier of maturity or prepayment. The Note will be issued in the
principal amount of Public Redevelopment Costs submitted and approved in accordance with Section 3.4 of the Agreement, and shall be subject to adjustment in accordance with Section 3.5 of the Agreement. The Note is secured by Available Tax Increment, as further described in the form of the Note herein. The Authority hereby delegates to the Executive Director the determination of the date on which the Note is to be delivered, in accordance with the Agreement. The Note will mature on the earlier of (i) the date that all outstanding principal and accrued interest has been paid, or (ii) the thirtieth semiannual Payment Date.

**Section 2. Form of Note.** The Note shall be in substantially the form attached hereto as Exhibit A, with the blanks to be properly filled in and the principal and interest rate amounts adjusted as of the date of issue.

**Section 3. Terms, Execution and Delivery.**

3.01. Denomination, Payment. The Note shall be issued as a single typewritten note numbered R-1.

The Note shall be issuable only in fully registered form. Principal of and interest on the Note shall be payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. Principal of and interest on the Note shall be payable by mail to the owner of record thereof as of the close of business on the fifteenth day of the month preceding the Payment Date, whether or not such day is a business day.

3.03. Registration. The Authority hereby appoints the City Finance Director to perform the functions of registrar, transfer agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the Authority and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of ownership of the Note and the registration of transfers and exchanges of the Note.

(b) Transfer of Note. Upon surrender for transfer of the Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Note of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

(c) Cancellation. The Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the Authority.

(d) Improper or Unauthorized Transfer. When the Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the
endorsement on such Note or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. The Authority and the Registrar may treat the person in whose name the Note is at any time registered in the bond register as the absolute owner of the Note, whether the Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner’s order shall be valid and effectual to satisfy and discharge the liability of the Authority upon such Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of the Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

(g) Mutilated, Lost, Stolen or Destroyed Note. In case any Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Note of like amount, Termination Dates and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case the Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Note was lost, stolen, or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it, in which both the Authority and the Registrar shall be named as obligees. The Note so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the Authority. If the mutilated, lost, stolen, or destroyed Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.04. Preparation and Delivery. The Note shall be prepared under the direction of the Executive Director and shall be executed on behalf of the Authority by the signatures of its President and Executive Director. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Note has been so executed, it shall be delivered by the Executive Director to the Owner thereof in accordance with the Agreement.


4.01. Pledge. The Authority hereby pledges to the payment of the principal of and interest on the Note all Available Tax Increment as defined in the Note.

Available Tax Increment shall be applied to payment of the principal of and interest on the Note in accordance with the terms of the form of Note set forth in Section 2 of this resolution.
4.02. Bond Fund. Until the date the Note is no longer outstanding and no principal thereof or interest thereon (to the extent required to be paid pursuant to this resolution) remains unpaid, the Authority shall maintain a separate and special “Bond Fund” to be used for no purpose other than the payment of the principal of and interest on the Note. The Authority irrevocably agrees to appropriate to the Bond Fund on or before each Payment Date the Available Tax Increment in an amount equal to the Payment then due, or the actual Available Tax Increment, whichever is less. Any Available Tax Increment remaining in the Bond Fund shall be transferred to the Authority’s account for the TIF District upon the termination of the Note in accordance with its terms.

4.03. Additional Obligations. The Authority will issue no other obligations secured in whole or in part by Available Tax Increment unless such pledge is on a subordinate basis to the pledge on the Note.

Section 5. Certification of Proceedings.

5.01. Certification of Proceedings. The officers of the Authority are hereby authorized and directed to prepare and furnish to the Owner of the Note certified copies of all proceedings and records of the Authority, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the Authority as to the facts recited therein.

Section 6. Effective Date. This resolution shall be effective upon approval.

Reviewed for Administration: Adopted by the St. Louis Park Economic Development Authority May 18, 2020

Thomas K. Harmening, executive director
Rachel Harris, president

Attest

Melissa Kennedy, secretary
EXHIBIT A to AUTHORIZING RESOLUTION

UNITED STATE OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN
ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

No. R-1 $________________

TAX INCREMENT REVENUE NOTE
(PARKWAY RESIDENCES PROJECT)

Rate of Original Issue

___% ___________, 20__

The St. Louis Park Economic Development Authority (the “Authority”) for value received, certifies that it is indebted and hereby promises to pay to Parkway Place, LLC or registered assigns (the “Owner”), the principal sum of $__________ and to pay interest thereon at the rate of _____ percent (___%) per annum, solely from the sources and to the extent set forth herein. Capitalized terms shall have the meanings provided in the Contract for Private Redevelopment between the Authority and the Owner and affiliated entities, dated as of ___________________, 2020 (the “Agreement”), unless the context requires otherwise.

1. Payments. Principal and interest (“Payments”) shall be paid on August 1, 20__ and each February 1 and August 1 thereafter to and including February 1, 20__ (“Payment Dates”) in the amounts and from the sources set forth in Section 3 herein. Payments shall be applied first to accrued interest, and then to unpaid principal. Interest accruing from the date of issue through and including February 1, 20__ shall be compounded semiannually on February 1 and August 1 of each year and added to principal.

   Payments are payable by mail to the address of the Owner or such other address as the Owner may designate upon thirty (30) days written notice to the Authority. Payments on this Note are payable in any coin or currency of the United States of America which, on the Payment Date, is legal tender for the payment of public and private debts.

2. Interest. Interest at the rate stated herein shall accrue on the unpaid principal, commencing on the date of original issue. Interest shall be computed on the basis of a year of 360 days and charged for actual days principal is unpaid.

3. Available Tax Increment. (a) Payments on this Note are payable on each Payment Date solely from and in the amount of Available Tax Increment, which shall mean, on each Payment Date, Ninety-five percent (95%) of the Tax Increment attributable to the Phase I Large
Apartment of the Minimum Improvements and Redevelopment Property that is paid to the Authority by Hennepin County in the six months preceding the Payment Date.

(b) The Authority shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment and the failure of the Authority to pay the entire amount of principal or interest on this Note on any Payment Date shall not constitute a default hereunder as long as the Authority pays principal and interest hereon to the extent of Available Tax Increment. The Authority shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final Payment on February 1, 20__.

4. **Default.** If on any Payment Date there has occurred and is continuing any Event of Default under the Agreement, the Authority may withhold from payments hereunder under all Available Tax Increment. If the Event of Default is thereafter cured in accordance with the Agreement, the Available Tax Increment withheld under this Section shall be deferred and paid, without interest thereon, within thirty (30) days after the Event of Default is cured. If the Event of Default is not cured in a timely manner, the Authority may terminate this Note by written notice to the Owner in accordance with the Agreement.

5. **Prepayment.** (a) The principal sum and all accrued interest payable under this Note is prepayable in whole or in part at any time by the Authority without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular Payment otherwise required to be made under this Note.

(b) Upon completion of the lookback calculations as described in Section 3.5(c)(i), (ii), or (iii) of the Agreement, any amounts resulting from such calculations will be deemed to constitute, and will be applied to, prepayment of the principal amount of this Note. Such deemed prepayment is effective as of the date of delivery of such statement to the Owner, and will be recorded by the Registrar in its records for the Note. Upon request of the Owner, the Authority will deliver to the Owner a statement of the outstanding principal balance of the Note after application of the deemed prepayment under this paragraph.

6. **Nature of Obligation.** This Note is one of an issue in the total principal amount of $________, issued to aid in financing certain public redevelopment costs and administrative costs of a Project undertaken by the Authority pursuant to Minnesota Statutes, Sections 469.001 through 469.047, and is issued pursuant to an authorizing resolution (the “Resolution”) duly adopted by the Authority on ________, 2020, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 to 469.1794, as amended. This Note is a limited obligation of the Authority which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.
7. **Registration and Transfer.** This Note is issuable only as a fully registered note without coupons. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the Authority kept for that purpose at the principal office of the City Finance Director, by the Owner hereof in person or by such Owner’s attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the Authority, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the Authority with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

   Except as otherwise provided in Section 3.3(d) of the Agreement, this Note shall not be transferred to any person or entity, unless the Authority has provided written consent to such transfer.

   **IT IS HEREBY CERTIFIED AND RECITED** that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen, and to be performed in order to make this Note a valid and binding limited obligation of the Authority according to its terms, have been done, do exist, have happened, and have been performed in due form, time and manner as so required.

   IN WITNESS WHEREOF, the Board of Commissioners of the St. Louis Park Economic Development Authority have caused this Note to be executed with the manual signatures of its President and Executive Director, all as of the Date of Original Issue specified above.

   

   ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

   

   Executive Director  
   President
REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the City’s Chief Financial Officer, in the name of the person last listed below.

<table>
<thead>
<tr>
<th>Date of Registration</th>
<th>Registered Owner</th>
<th>Signature of Chief Financial Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>________<strong>, 20</strong></td>
<td>Parkway Place, LLC</td>
<td></td>
</tr>
</tbody>
</table>

Federal Tax I.D No_____________  ____________________________
1. **Convene the local board of appeal and equalization**

The St. Louis Park local board of appeal and equalization convened at 6:20 p.m.

2. **Roll call – declaration of quorum**

Board Members present: Chair Jake Spano, Tim Brausen, Anne Mavity, Larry Kraft, Rachel Harris, Nadia Mohamed, and Margaret Rog

Board Members absent: none

Staff present: City Manager (Mr. Harmening), City Assessor (Mr. Bultema), Senior Management Analyst (Ms. Solano), Recording Secretary (Ms. Pappas)

Guests: Janene Hebert, Hennepin County

3. **Appoint chair**

*It was moved by board member Rog, seconded by board member Kraft, to appoint board member Spano as Chair of the April 27, 2020 local board of appeal and equalization meeting.*

*The motion passed 7-0.*

4. **Acknowledgement of trained member (Kraft and Rog)**

The board acknowledged board members Kraft and Rog as trained members.

5. **Acknowledgement of assessing staff members in attendance**

The Board acknowledged Cory Bultema (City Assessor) and Janene Hebert (Hennepin County).

6. **Accept roster of appellants and call for any additions**

Mr. Bultema presented the initial roster of appellants to the Board.

The Board accepted a total of 19 parcels into the record, for local board of appeal and equalization actions. The copy of the roster is attached to these minutes.

A call for roster additions was made. No other appellants appeared.
7. **Determination of date and time for continued proceedings (reconvene)**

   It was moved by board member Brausen, seconded by board member Mavity, to reconvene the local board of appeal and equalization on April 27, 2020 at 6:30 p.m. prior to the study session in the council chambers, and also request appellants to present in writing ahead of time and be available for questions during the April 27, 2020 reconvened meeting.

   The motion passed 7-0.

8. **Instruct assessor to:**
   a. Inform appellants for reconvene date via telephone and mail
   b. Inform appellants of board process
   c. Inform appellants of the county board application date (5/20/2020)
   d. Re-inspect and re-appraise parcels under appeal

9. **Completion of the local board certification form**

   The board completed the local board of appeal and equalization certification form

10. **Recess**

    The local board of appeal and equalization recessed the meeting at 6:31 p.m.

STATE OF MINNESOTA  
COUNTY OF HENNEPIN  
CITY OF ST. LOUIS PARK  

The undersigned, being the duly qualified city clerk of the City of St. Louis Park, Minnesota, certifies that the foregoing is a full, true and correct copy of the official local board of appeal and equalization minutes of April 13, 2020 that are on file in the office of the city clerk.

WITNESS my hand and the seal of the City of St. Louis Park this_______day of May, 2020.

________________________
Melissa Kennedy, city clerk

Date: May______, 2020
<table>
<thead>
<tr>
<th>Name</th>
<th>Property Address</th>
<th>Property ID #</th>
<th>Reference 2019 Value</th>
<th>Classification</th>
<th>Appealed 2020 Value</th>
<th>Assessing Revaluation</th>
<th>Owner Indicated</th>
<th>Board Action</th>
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</thead>
<tbody>
<tr>
<td>Karin Larson</td>
<td>320 Ford Rd #8</td>
<td>01-117-22-11-0035</td>
<td>$142,100</td>
<td>X-Condominium - H</td>
<td>$157,100</td>
<td>Sustain</td>
<td>Appeal</td>
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<tr>
<td>Thomas Snook</td>
<td>3725 Huntington Ave S</td>
<td>06-028-24-44-0170</td>
<td>$718,400</td>
<td>R-Single Family - H</td>
<td>$730,700</td>
<td>$680,000</td>
<td>Appeal</td>
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<td>Brent LaMar</td>
<td>2061 Utah Ave S</td>
<td>07-117-21-11-0018</td>
<td>$431,000</td>
<td>R-Single Family - H</td>
<td>$440,000</td>
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<td>Appeal</td>
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<tr>
<td>Brenda Rosenhamer</td>
<td>4262 Wooddale Ave</td>
<td>07-028-24-31-0125</td>
<td>$368,300</td>
<td>R-Single Family Non</td>
<td>$379,700</td>
<td>Sustain</td>
<td>Appeal</td>
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<tr>
<td>James Malisow</td>
<td>2819 Aquila Ave S</td>
<td>07-117-21-43-0038</td>
<td>$462,000</td>
<td>R-Single Family - H</td>
<td>$481,800</td>
<td>$450,000</td>
<td>Appeal</td>
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<tr>
<td>Edward Roche</td>
<td>7414 22nd St W #103</td>
<td>08-117-21-21-0003</td>
<td>$98,600</td>
<td>X-Condominium - RH</td>
<td>$118,100</td>
<td>Sustain</td>
<td>Appeal</td>
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<td>MMP (by representative)</td>
<td>5901 Wayzata Blvd</td>
<td>04-117-21-32-0088</td>
<td>$9,032,000</td>
<td>Commercial-Hotel</td>
<td>$9,032,000</td>
<td>Pending</td>
<td>Appeal</td>
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<tr>
<td>MMP (by representative)</td>
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<td>$7,420,000</td>
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<td>Appeal</td>
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<tr>
<td>36 Park, LLC</td>
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<td>06-028-24-33-0019</td>
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<td>$47,671,000</td>
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<td>HSSLP, LLC (by representative)</td>
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<td>Richard Harrison</td>
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<td>Paul Bischel</td>
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<td>$491,400</td>
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<td>$517,500</td>
<td>$491,400</td>
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<tr>
<td>William Kordaris</td>
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<td>$289,700</td>
<td>R-Single Family - H</td>
<td>$299,800</td>
<td>$279,000</td>
<td>Agree</td>
<td></td>
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<tr>
<td>Matthew Delisle</td>
<td>4272 Wooddale Ave</td>
<td>07-028-24-31-0128</td>
<td>$411,600</td>
<td>R-Single Family - H</td>
<td>$423,600</td>
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<td>Richard Cohen</td>
<td>2222 Oregon Ct</td>
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<td>$228,000</td>
<td>$216,600</td>
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<td>Lauren Sticha</td>
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<td>$288,600</td>
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<tr>
<td>David Krocak</td>
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<td>$307,000</td>
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<tr>
<td>Abraham Jungbauer</td>
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<td>$528,000</td>
<td>$470,000</td>
<td>Agree</td>
<td></td>
</tr>
</tbody>
</table>
1. **Call to order**

Mayor Spano called the meeting to order at 7:18 p.m.

Councilmembers present: Mayor Jake Spano, Tim Brausen, Rachel Harris, Larry Kraft, Anne Mavity, Nadia Mohamed, and Margaret Rog

Councilmembers absent: None

Staff present: City Manager (Mr. Harmening), City Attorney (Mr. Mattick), Economic Development Coordinator (Mr. Hunt), Community Development Director (Ms. Barton), Communications Manager (Ms. Smith), Senior Planner (Mr. Walther), Planner (Ms. Monson), CIO (Mr. Pires), and Recording Secretary (Ms. Pappas)

Guests: None

1a. **Pledge of allegiance**

1b. **Roll call**

2. **Presentations**

2a. **National Volunteer Week proclamation and annual volunteer update**

Mayor Spano read the proclamation.

Councilmember Harris acknowledged all who serve on the city’s boards and commissions, noting she wrote thank you cards to all in Ward 3 who serve.

Mayor Spano concurred with Councilmember Harris, adding that those who serve at the Nature Center volunteer over 4,000 hours of service each year. He stated many volunteers in St. Louis Park are not even residents of the city.

2b. **National Public Safety Telecommunications Week**

Mayor Spano read the proclamation. He acknowledged and thanked the work of dispatchers in the city’s fire department and police force, and the importance of those first contacted for 911 calls.

3. **Approval of minutes**

3a. **City council meeting minutes of March 2, 2020**
Councilmember Kraft noted on page 6, 2nd paragraph it should read, “...such as mostly
paint and signs.”

*It was moved by Councilmember Rog, seconded by Councilmember Kraft, to approve the
March 2, 2020 city council meeting minutes as amended.*

The motion passed 7-0.

**3b. Study session minutes of March 9, 2020**

*It was moved by Councilmember Rog, seconded by Councilmember Mavity, to approve
the March 9, 2020 study session minutes as presented.*

The motion passed 7-0.

**3c. City council meeting minutes of March 16, 2020**

Councilmember Rog noted on page 6, 3rd paragraph down, it should read, “... public art
being proposed is a fraction of the cost of the bridge.”

*It was moved by Councilmember Rog, seconded by Councilmember Kraft, to approve the
March 16, 2020 city council meeting minutes as amended.*

The motion passed 7-0.

**4. Approval of agenda and items on consent calendar**

**4a.** Approve second reading and adopt Ordinance No. 2584-20 adding Section 36-268-
PUD 16 to the zoning code and amending the zoning map from R-C high-density
multiple-family residence to PUD 16 and approve the Summary Ordinance for
publication.

**4b.** Adopt Resolution No. 20-074 accepting work and authorizing final payment in the
amount of $20,998.05 for the 2019 Alley reconstruction project with G.L.
Contracting, Inc. - city contract No. 97-19.

**4c.** Adopt Resolution No. 20-075 declaring the official intent of the City of St. Louis
Park to reimburse certain expenditures from the proceeds of bonds to be issued by
the city.

**4d.** Approve an extension until April 20, 2021 to act upon the approved conditional use
permit (CUP) and variance at 8105 Minnetonka Boulevard.

**4e.** Designate GMH Asphalt the lowest responsible bidder and authorize execution of a
contract with the firm in the amount of $412,947.10 for street maintenance-
project no. 4020-1200.

*It was moved by Councilmember Mavity, seconded by Councilmember Rog, to approve
the agenda as presented and items listed on the consent calendar; and to waive reading
of all resolutions and ordinances.*

The motion passed 7-0.
5. **Boards and commissions - none**

6. **Public hearings**

6a. **Amendment to Ordinance 2581-20 vacating portions of alley right-of-way – 31st Street W.**

Ms. Monson presented the staff report.

Mayor Spano opened the public hearing. No speakers were present. Mayor Spano closed the public hearing.

*It was moved by Councilmember Rog, seconded by Councilmember Brausen, to approve first reading of ordinance amending and reinstating Ordinance 2581-20 vacating the right-of-way between 31st Street W. and the Highway 7 frontage road between Glenhurst Avenue and Inglewood Avenue and set the second reading of the ordinance for May 4, 2020.*

*The motion passed 7-0.*

7. **Requests, petitions, and communications from the public – none**

8. **Resolutions, ordinances, motions and discussion items - none**

9. **Communications**

Councilmember Mohamed stated she is interested in applying to be a board member of STEP. Mr. Harmening stated he will discuss this with Councilmember Mohamed, in light of potential conflict of interest issues or the perception of a conflict.

Councilmember Mohamed also noted that Ramadan begins on Friday, April 24.

Councilmember Kraft noted Wednesday, April 22, is the 50th anniversary of Earth Day. He reminded folks that many events planned are now virtual, noting Earth Day is a good reminder that we are all globally connected and the climate crisis continues.

Councilmember Brausen agreed with Councilmember Kraft and stated because of climate change, 800,000 people die of respiratory illnesses each year. He stated we need to start reacting to this and press our legislators.

10. **Adjournment**

The meeting adjourned at 7:40 p.m.

__________________________________________  ______________________________________
Melissa Kennedy, city clerk                           Jake Spano, mayor
Executive summary

**Title:** Bid tab Monterey Drive improvements (Phase 1) – Project 4020-1101

**Recommended action:** **Due to the COVID-19 emergency declaration, this item is considered essential business and is categorized as a Required Action**

- Motion to designate Thomas and Sons Construction the lowest responsible bidder and authorize a contract with the firm in the amount of $586,676.30 for Monterey Drive improvements (Phase 1) – project 4020-1101

**Policy consideration:** Does the city council wish staff to continue to pursue the bikeway and roadway improvements identified in this report?

**Summary:** A total of five (5) bids were received for this project on May 7, 2020. A summary of the bid results is as follows:

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>BID AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomas and Sons Construction</td>
<td>$586,676.30</td>
</tr>
<tr>
<td>Ramsey Companies</td>
<td>$612,127.15</td>
</tr>
<tr>
<td>Bituminous Roadways, Inc.</td>
<td>$639,475.98</td>
</tr>
<tr>
<td>S.M. Hentges &amp; Son, Inc.</td>
<td>$669,508.15</td>
</tr>
<tr>
<td>GMH Asphalt Corporation</td>
<td>$688,030.16</td>
</tr>
<tr>
<td>Engineer’s estimate</td>
<td>$653,800.00</td>
</tr>
</tbody>
</table>

The bid review indicates Thomas and Sons Construction submitted the lowest responsible bid. Thomas and Sons Construction has completed this type and size of work successfully in other cities. Staff recommends that a contract be awarded to the firm in the amount of $586,676.30

**Financial or budget considerations:** This project is included in the city’s Capital Improvement Plan (CIP) for 2020. A combination of development funds, municipal state aid, sanitary sewer, storm sewer and watermain funds are expected to be utilized to fund this phase. Additional information on the breakdown of the funding can be found later in this report.

**Strategic priority consideration:** St. Louis Park is committed to providing a variety of options for people to make their way around the city comfortably, safely and reliably.

**Supporting documents:** Discussion
Project overview map

**Prepared by:** Jack Sullivan, senior engineering project manager
**Reviewed by:** Debra Heiser, engineering director
**Approved by:** Tom Harmening, city manager
Discussion

Background: Council approved the final plans and specifications and authorized bidding documents on March 16, 2020.

An advertisement for bids was published in the St. Louis Park Sun Sailor on April 9, 2020 and April 16, 2020, and in Finance and Commerce on April 9 through April 22, 2020. Email notification was provided to four (4) minority associations, and final printed plans were available for viewing at City Hall. In addition, plans and specifications were made available electronically via the internet on the city’s eGram website.

Thirty-three (33) contractors/vendors obtained plan sets, including two (2) Disadvantage Business Enterprises (DBE).

Project scope: The limits of the project on Monterey Drive (Phase 1) are from Excelsior Boulevard to just north of Park Commons Drive. The project was initiated as a project to enhance biking along Monterey Drive to connect it to the larger existing and proposed bike network in the city. There are numerous related infrastructure projects that have been added to the scope of this project. An overview of the aspects of the project can be found below:

- Restrict the intersection of Park Commons Drive and Monterey Drive to a three-fourths access (no left turn to northbound Monterey Drive from eastbound Park Commons Drive)
- Improvements to the sidewalk adjacent to Bridgewater Bank
- Improvements to the sanitary sewer forcemain
- Rehabilitation of the existing pavement
- Add space for on-street bike facilities- these will be installed as a part of phase 2
- Reduction from four lanes of traffic to three lanes north of Park Commons Drive
- Changes to the signal system at the intersections at Excelsior Boulevard Monterey Drive to prioritize the safety of all users of the intersection with emphasis on pedestrians and bicyclists
- No changes to parking restrictions

Financial considerations: A combination of development funds, municipal state aid, sanitary sewer, storm sewer and watermain funds are expected to be utilized to fund this phase. The CIP anticipated using general obligation bonds to pay for the sidewalk and bikeway costs included with this project, however, in order to reduce the future bond sale amount, municipal state aid funds are being used.

The lead time on delivery for items such as traffic signal poles and streetlights is 3 to 6 months. In order to ensure the traffic signal pole at the northeast corner of Excelsior Boulevard and Monterey Drive could be installed this summer, the city ordered the new pole in January separate from the current bid from Thomas and Sons Construction.

There are some savings present in the current design when compared to the CIP shown below. During the plan development, the condition and location of the existing westerly curb line, storm sewer or multiuse trail adjacent to the curb did not need to be removed and replaced as
part of the project. Leaving this infrastructure in place results in considerable savings to certain funding sources. Based on the low bid received, cost and funding details are as follows:

<table>
<thead>
<tr>
<th></th>
<th>CIP</th>
<th>Low bid</th>
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</thead>
<tbody>
<tr>
<td>Construction costs</td>
<td>$1,000,000</td>
<td>$586,676.30</td>
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<tr>
<td>Traffic signal pole purchase</td>
<td>n/a</td>
<td>$16,073.00</td>
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<tr>
<td>Engineering and administration (25%)</td>
<td>$250,000</td>
<td>$150,687.33</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$1,250,000</strong></td>
<td><strong>$753,436.63</strong></td>
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**Funding sources**

<table>
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<tr>
<th>Funding source</th>
<th>CIP</th>
<th>Low bid</th>
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<tbody>
<tr>
<td>Development fund</td>
<td>$75,000</td>
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<tr>
<td>Sidewalks and bikeways (GO bonds)</td>
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<tr>
<td>Municipal state aid</td>
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<td>$589,492.25</td>
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<td>Sanitary sewer</td>
<td>$131,250</td>
<td>$81,763.75</td>
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<tr>
<td>Stormwater utility</td>
<td>$187,500</td>
<td>$24,501.25</td>
</tr>
<tr>
<td>Watermain</td>
<td>$25,000</td>
<td>$7,875.00</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$1,250,000</strong></td>
<td><strong>$753,436.63</strong></td>
</tr>
</tbody>
</table>

Due to the nature of our construction projects, unexpected costs do come up. To address this, past practice has been to show a contingency for all aspects of the project. What follows is a table that shows this contingency and how this would affect the project costs.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Low Bid</th>
<th>Contingency (5%)</th>
<th>Engineering</th>
<th>Total</th>
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<tr>
<td>Development Funds</td>
<td>$39,843.50</td>
<td>$1,992.18</td>
<td>$10,458.92</td>
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<tr>
<td>Sidewalk and Bikeway (GO Bond)</td>
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<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
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<td>Municipal State Aid</td>
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<td>$23,579.69</td>
<td>$123,793.37</td>
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<td>Sanitary Sewer</td>
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<td>$17,170.39</td>
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<tr>
<td>Stormwater Utility</td>
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<td>$5,145.26</td>
<td>$25,726.31</td>
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<tr>
<td>Watermain</td>
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<td>$315.00</td>
<td>$1,653.75</td>
<td>$8,268.75</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$602,749.30</strong></td>
<td><strong>$30,137.47</strong></td>
<td><strong>$158,221.69</strong></td>
<td><strong>$791,108.46</strong></td>
</tr>
</tbody>
</table>

**Schedule and next steps**: Monterey Drive near Excelsior Boulevard is an active area with limited room for a contractor to work. There are expected to be numerous lane shifts necessary to facilitate safely completing the work. These site constraints are expected to increase the duration of the work. The intersection of Park Commons Drive and Monterey Drive is expected to be closed for approximately two weeks to safely complete the work at this location.

Construction for Phase 1 is expected to start in early June and be completed in August of 2020.
City council meeting of May 18, 2020 (Item No. 4a)
Title: Bid tab Monterey Drive improvements (Phase 1) – Project 4020-1101

Monterey Drive
Beltline Boulevard
& 36th Street
Bikeway Improvements
Overview Map

Proposed Roundabout

City council meeting of May 18, 2020 (Item No. 4a) Title: Bid tab Monterey Drive improvements (Phase 1) – Project 4020-1101

Page 4
Executive summary

**Title:** Public Hearing - establishment of the Parkway Residences Tax Increment Financing District

**Recommended actions:** **Due to the COVID-19 emergency declaration, this item is considered essential business and is categorized as a Required Action**

- Mayor to open public hearing, take testimony, and then close the public hearing. Motion to adopt Resolution approving the establishment of the Parkway Residences Tax Increment Financing District (a redevelopment district).

*(The EDA will have considered establishment of the Parkway Residences TIF District earlier in the evening.)*

**Policy consideration:** Does the city council wish to support the establishment of a redevelopment tax increment financing district to facilitate construction of the proposed Parkway Residences multi-family housing project?

**Summary:** A staff report regarding Sela Group and affiliates’ (“redeveloper”) application for tax increment financing (TIF) assistance in connection with its proposed Parkway Residences project was provided at the February 24, 2020 study session. As stated in the report, constructing the multi-phase project is not financially feasible but for the use of the proposed tax increment assistance for which there was consensus support. On March 16, 2020 the EDA adopted a resolution designating certain buildings along 31st Street structurally substandard to a degree requiring removal in conjunction with the proposed redevelopment TIF district. It is now time to take the final steps in the TIF process which is to formally authorize the creation of the redevelopment TIF district and approve the proposed Redevelopment Contract. Such authorizations enable the EDA to designate tax increment generated from the 94-unit apartment building (“Building 1”) of the multi-phase Parkway Residences project as partial reimbursement for certain qualified redevelopment costs incurred in connection with the construction of the project so as to make it financially feasible.

**Financial or budget considerations:** Authorizing the establishment of the Parkway Residences TIF District does not in itself, commit the city to any specific level of financial assistance for the proposed project. Procedurally, it simply creates the funding vehicle to reimburse the redeveloper for a portion of its qualified project costs. The terms and amount of TIF assistance are specified within the Redevelopment Contract with Sela Group, LLC which is also scheduled for consideration May 18, 2020.

**Strategic priority consideration:** St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

**Supporting documents:** Discussion
Resolution
TIF District Overview (provided in the related EDA staff report)

**Prepared by:** Greg Hunt, economic development coordinator

**Reviewed by:** Karen Barton, community development director

**Approved by:** Tom Harmening, city manager, EDA executive director
Discussion

Background: The proposed Parkway Residences project includes 15 properties currently consisting of single-family homes and an assortment of smaller apartment buildings along both sides of 31st Street West between Inglewood Avenue South and Glenhurst Avenue South in the Triangle Neighborhood. The buildings range in age from 41 to 113 years old with all but one of the buildings at least 50 years old. Consulting firm LHB has determined that the buildings to removed are structurally obsolete and all but one display noticeable material blight. The total redevelopment project area is approximately 2.5 acres and is underutilized from a market value perspective given the new multi-story buildings to the north and its half-mile proximity to two planned light rail stations.

Site information:

Site area (acres):
2.5 acres

Current use:
Commercial, single-family, duplex, and multi-family residential uses

Surrounding land uses:
North: Multi-family residential and right-of-way
East: Multi-family residential
South: Multi-family residential
West: single-family and multi-family residential uses.

Proposed Project: Sela Group’s proposed redevelopment is to be constructed immediately adjacent to its Parkway 25 project (a 112-unit, mixed-use development with 12,000 square feet of commercial) completed in 2018. The proposed Parkway Residences would entail the removal of 12 existing buildings and construction of four new multi-family housing buildings with up to 211 new units. The redeveloper also plans to rehabilitate three existing apartment buildings along 31st Street that contain 24 units creating a total of 235 new or renovated residential units. The redevelopment plan segments the project into four building sites to be built in phases: west
campus, north campus, southwest campus and southeast campus plus the three apartment buildings to be rehabbed. The development properties are not all contiguous, thus the project will be built amongst other existing buildings. The four building sites are described below.

**Site 1** (the north campus—see map below) is toward the center of the site and includes six existing residential buildings north of 31st Street West. The homes will be replaced with a 4-story, 95-unit apartment building called “Parkway Place” with two-levels of underground parking. This apartment building is planned to be the first phase of the project. The total area of this building is 163,000 square feet.

**Site 2** (the southeast campus—see map below) consists of two single-family homes that will be redeveloped as a 6-unit apartment building. The apartment building will be developed with affordable units as part of the city’s inclusionary housing policy requirement to provide replacement housing for the naturally occurring affordable housing (NOAH) existing in the project area that will be removed as part of the project. It is 7,500 square feet in size.

**Site 3** (the southwest campus—see map below) is at the corner of Inglewood Avenue South and 31st Street West. It includes the removal of three existing single-family homes for the construction of a 4-story, 37-unit apartment building with one level of underground parking. The southwest campus is proposed to be a later phase of the project.

**Site 4** (the west campus—see map below) includes an existing strip center at the southeast corner of Inglewood Avenue South and County Road 25 that will be replaced with an 11-story apartment building. The building will consist of eight-floors of residential units (73 units) with parking and lobby space in the first two floors and the top floor dedicated to amenity space. There is one-level of underground parking.

The three apartment buildings to be renovated lie on the south side of 31st Street West (**Buildings 5a, 5b, and 5c** in the map below). The apartments include a total of 24 units of which 22 are considered naturally occurring affordable housing (NOAH) and will remain as NOAH designated housing units by covenant for 25 years.

The Second Reading of the Ordinance creating the PUD to allow construction of the proposed multi-phase redevelopment site was approved by the city council on February 3, 2020.
Redeveloper’s request for public financing assistance and TIF Application review: Please see the corresponding February 24, 2020 EDA staff report.

TIF district approvals: On March 16, 2020 the EDA adopted a resolution designating certain buildings along 31st Street as structurally substandard to a degree requiring removal and authorized demolition of those buildings pending inclusion of the parcels in the proposed redevelopment TIF district.

TIF District Overview and Plan: The attached Tax Increment Financing District Overview summarizes the basic elements of the proposed Parkway Residences TIF District. Additional details of the proposed TIF District may be found in the larger Parkway Residences TIF District Plan (available by contacting the Community Development Department). Both the Overview and TIF Plan were prepared by the EDA’s TIF consultant, Ehlers. The TIF Plan establishes the
proposed TIF district’s classification, geographic boundaries, maximum duration, maximum budget authority for tax increment revenues and expenditures, fiscal disparities election as well as estimated impact on various taxing jurisdictions along with findings which statutorily qualify the district. The specific mutual obligations between the EDA and the redeveloper as well as the specific terms of the financial assistance are contained in the separate Redevelopment Contract between the parties. Both the TIF Plan and the Redevelopment Contract need to be approved in order for redevelopment projects requiring tax increment to proceed.

**Synopsis of the proposed Parkway Residences TIF District:** The entire Parkway Residences redevelopment site and proposed TIF district is within the City’s Redevelopment Project Area which is the portion of the city where the EDA may statutorily establish TIF districts. In order to provide the redeveloper with the proposed tax increment, a new Redevelopment TIF District needs to be established and is shown in the map below.
Location of proposed Parkway Residences TIF District

In this case, it was determined that the entirety of the tax increment to be provided to the redeveloper would be derived exclusively from the Building 1 site. Therefore, the proposed redevelopment TIF district includes the following six parcels which constitute the Building 1 site:

- 4000 W. 31st Street
- 4008 W. 31st Street
- 4012 W. 31st Street
- 4020 W. 31st Street
- 4100 W. 31st Street
- 4108 W. 31st Street

Qualifications of the proposed TIF district: Consulting firm LHB conducted a TIF district feasibility analysis to determine if the subject Building 1 site qualified as a Redevelopment District under the MN TIF Act. After inspecting and evaluating the subject properties and applying current statutory criteria, LHB determined the site qualifies under the MN TIF Act as a redevelopment TIF district.

Duration of the proposed TIF district: Under the MN TIF Act, the duration of redevelopment districts is up to 25 years after receipt of the first increment by the city (a total of 26 years of tax increment). The first tax increment for this project is expected to be received in 2022. Thus, the full term of the district is estimated to terminate after 2047. The EDA and city have the right to
decertify the district prior to the legally required date. The city’s expressed obligations to the redeveloper, per the terms of the Redevelopment Contract, are estimated to be satisfied in approximately 15 years. Once those obligations are satisfied, the city may terminate the district.

**TIF district budget:** The TIF Plan authorizes the use of tax increment funds generated by the District to reimburse the redeveloper for certain qualified redevelopment costs incurred in connection with the construction of Building 1 the project. It should be noted that the Sources of Revenue and Uses of Funds within the TIF Plan is a not-to-exceed budget and not the actual expected project budget.

**Recommendation:** The EDA’s financial consultant, Ehlers, prepared the *Parkway Residences TIF Plan* in consultation with the EDA’s legal counsel, Kennedy & Graven and staff; all of whom recommend approval of the establishment the Parkway Residences Tax Increment Financing District.

**Next steps:** The redevelopment contract between the EDA and Sela Group and affiliates which specifies the terms, conditions and amount of TIF assistance related to the proposed Parkway Residences project is also scheduled for consideration by the EDA on May 18, 2020.
Resolution No. 20-___

A Resolution approving a modification to the development program for Redevelopment Project No. 1, the establishment of Parkway Residences Tax Increment Financing District; and the adoption of a Tax Increment Financing Plan for the TIF District

Whereas, the City of St. Louis Park, Minnesota (the “City”) and the St. Louis Park Economic Development Authority (the “Authority”) have previously established Redevelopment Project No. 1 (the “Redevelopment Project”) within the City, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and Minnesota Statutes, Sections 469.090 through 469.1081, as amended (together, the “Act”); and

Whereas, the City and the Authority have proposed to approve a modification to the Development Program (the “Program Modification”) for the Redevelopment Project and a tax increment financing plan (the “TIF Plan”) for the establishment of Parkway Residences Tax Increment Financing District (the “TIF District”), a redevelopment district, within the Redevelopment Project, pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”), as described in a plan document presented to the City Council of the City (the “City Council”) on the date hereof; and

Whereas, pursuant to Section 469.174, subdivision 2 of the TIF Act, the proposed Program Modification and TIF Plan and the estimates of the fiscal and economic implications of the TIF Plan were presented to the Board of Education of Independent School District No. 283 (St. Louis Park Public Schools) and to the Board of Commissioners of Hennepin County, Minnesota (the “County”) at least 30 days prior to the date hereof; and

Whereas, the City Council has reviewed the contents of the Program Modification and TIF Plan and on this date conducted a duly noticed public hearing on these documents, at which the views of all interested parties were heard.

Now, therefore, be it resolved as follows:

Section 1.  Findings for the Program Modification for the Redevelopment Project.

(a) It is hereby found and determined that within the Redevelopment Project there exist conditions of obsolescence, underutilization, and inappropriate use of land constituting blight within the meaning of the Act.

(b) It is further specifically found and determined that (i) the land within the Redevelopment Project would not be made available for redevelopment without the public intervention and financial assistance described in the Program Modification; (ii) the Program Modification will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment of the Redevelopment Project by private enterprise; and (iii) the Program Modification conforms to the general plan for the development of the City as a whole.
Section 2. Findings for the Establishment of the TIF District.

(a) It is found and determined that it is necessary and desirable for the sound and orderly development of the Redevelopment Project, and for the protection and preservation of the public health, safety, and general welfare, that the authority of the TIF Act be exercised by the City to provide financial assistance to the TIF District and the Redevelopment Project.

(b) It is further found and determined, and it is the reasoned opinion of the City, that the development proposed in the TIF Plan could not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value expected to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the TIF Plan.

(c) The proposed public improvements to be financed in part through tax increment financing are necessary to permit the City to realize the full potential of the TIF District and the Redevelopment Project in terms of housing density, elimination of blight and blighting factors, and increased tax base.

(d) The TIF Plan conforms to the general plan for development of the City as a whole, as the development has gone through extensive planning and zoning approvals and a Planned Unit Development for the development has been approved by ordinance.

(e) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the TIF District and the Redevelopment Project by private enterprise because it will enable the construction of diverse housing options, retain naturally occurring affordable housing units, and eliminate blight and blighting factors within the Project and City.

(f) The TIF District is a redevelopment district under Section 469.174, subdivision 10 of the TIF Act.

(g) Reasons and facts supporting all the above findings are set forth in Appendix C of the TIF Plan and are incorporated herein by reference. The City Council has also relied upon reports and recommendations of its staff and consultants, as well as the personal knowledge of members of the City Council, in reaching its conclusions regarding the TIF Plan.

Section 2. Public Purpose. The adoption of the TIF Plan conforms in all respects to the requirements of the Act. The TIF Plan will help facilitate development that will create diverse housing opportunities and retain naturally occurring affordable housing units, eliminate blighting factors, and improve the tax base. The City expressly finds that any private benefit to be received by a private developer is incidental, as the tax increment assistance is provided solely to make the development financially feasible and thus produce the public benefits described. Therefore, the City finds that the public benefits of the TIF Plan exceed any private benefits.
Section 3. Approvals; Further Proceedings.

(a) The TIF Plan for the TIF District is hereby approved and adopted in substantially the form on file at City Hall.

(b) The City Council authorizes and directs the Authority to file a request for certification of the TIF District with the Taxpayer Division Services Manager of the County and to file a copy of TIF Plan with the Minnesota Commissioner of Revenue and the Office of the State Auditor as required by the TIF Act.

(c) The Taxpayer Division Services Manager of the County is requested to certify the original net tax capacity of the TIF District, as described in the TIF Plan.

(d) City staff, advisors, and legal counsel are authorized and directed to proceed with the implementation of the TIF Plan and to negotiate, draft, prepare, and present to the City Council for its consideration all further plans, resolutions, documents, and contracts necessary for this purpose.

Reviewed for administration:  
Adopted by the City Council May 18, 2020

Thomas K. Harmening, city manager  
Jake Spano, mayor

Attest:

Melissa Kennedy, city clerk
Executive summary

Title: Public hearing and first reading of an ordinance establishing South Cedar Trails Homeowners Association HIA

Recommended action: **Due to the COVID-19 emergency declaration, this item is considered essential business and is categorized as Time-Sensitive**
- Mayor to reopen the public hearing, take testimony, and then close the public hearing.
  Motion to approve first reading of an ordinance establishing the South Cedar Trails Homeowners Housing Improvement Area pursuant to Minnesota statutes 428A.11 to 428A.21 and to set second reading date for June 1, 2020.

Policy consideration: Does the city council support the creation of a Housing Improvement Area for the South Cedar Trails Homeowners Association?

Summary: The city is authorized by the state to establish HIAs as a finance tool for private housing improvements. 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 city adopted an HIA policy in 2001 and has previously established seven HIAs. The South Cedar Trails HIA proposal meets the intent of the city policy.

In April 2020, the South Cedar Trails Homeowners Association (Association) submitted signed petitions from a majority of owners requesting the city council schedule a public hearing to establish the HIA and impose fees. Per state statute, cities may only establish an HIA when 50% or more of the association owners petition the city to do so. As of April 28, petitions have been received and validated from 88%, or 28 of the 32 owners.

Following the petition process the association and city were notified of some windows and a garage door that did not need to be replaced. The city will work with the association and Ehlers to update the fee schedule prior to adoption of the resolution on June 1.

The public hearing was held May 4 and the mayor kept the hearing open for testimony until May 18. Written comments received by May 13 are attached to the report.

Financial or budget considerations: HIA will be funded using an internal loan from the housing rehab fund. The total project cost, including soft costs is $623,300.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion
  Public comments
  Resolution
  Ordinance

Prepared by: Marney Olson, assistant housing supervisor
Reviewed by: Michele Schnitker, housing supervisor and Karen Barton, CD director
Approved by: Tom Harmening, city manager
Discussion

Background: The city is authorized by the state to establish HIAs as a finance tool for private housing improvements. 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 city adopted an HIA policy in 2001 for private housing improvements for condominium and townhouse associations. At that time Vision St. Louis Park and the city’s comprehensive plan stated that the two primary housing goals are to provide a balanced and sustainable housing stock and to ensure all housing is safe and well maintained. In 2001 the city’s strategy to preserve and enhance its housing stock did not address condominium and townhouse structures. The HIA tool was seen as similar to commercial special service districts in that cities may issue bonds to pay for improvements, and levy fees to the homeowners, via property taxes. After much discussion the council proceeded with the HIA policy ensuring that the HIA tool would serve as “lender of last resort” and that the average unit market value within the association’s complex did not exceed the maximum home purchase price established for the Minnesota Housing First Time Homebuyer program. The city has previously adopted seven HIAs and the South Cedar Trails HIA proposal meets the intent of the city policy.

The association first expressed interest in learning about the HIA process in spring 2019 to assist with financing needed repairs. The association board began meeting with city staff April 2019. At the June 2019 association meeting the association voted 32-0 to move forward with the HIA. The association had urgent roof and siding repairs that need to be completed more quickly due to weather concerns and insurance requirements. With the tight timeline required the association passed an assessment of $7,000 per unit for the siding and roofing only and that work has been completed.

The association conducted a physical needs assessment and financial plan review, known as a reserve study, to assist in making decisions related to property improvements. Per the city’s policy, HIA financial assistance is last resort financing and should not be provided to projects that have the financial feasibility to proceed without the benefit of HIA financing. The association’s current reserve does not cover the cost of the work needed and the association has been turned down by Belle Bank and Royal Credit Union for funding.

On March 11, 2020 the city received the associations updated preliminary application for the HIA. In April 2020, the city and association hosted a virtual meeting with the owners to review the HIA process and walk through the petition that each homeowner received.

Petitions submitted: The South Cedar Trails Homeowners Association submitted signed petitions from a majority of owners April 14 requesting the city council schedule a public hearing to establish the HIA and impose fees. Per state statute, cities may only establish an HIA when 50% or more of the association owners petition the city to do so. As of April 28, petitions have been received and validated from 88%, or 28 of the 32 owners.

Filing an objection and veto period: Before the ordinance is adopted or at the hearing in which it is to be adopted, the owner of a housing unit in the proposed HIA may file a written objection with the city clerk asserting that the owners’ property should not be included in the HIA or should
not be subjected to a housing improvement fee and objecting to the inclusion of the housing unit in the HIA, for the reason that the property would not benefit from the proposed improvements.

If residents of 45 percent or more of the housing units in the HIA file an objection to the ordinance with the city clerk before the effective date of the ordinance, the ordinance will not become effective.

As of April 28, the city has not received any written objections to the HIA; however, one homeowner notified the city that they had made a down payment to the association on two windows and their garage door had already been replaced. The South Cedar Trails association has provided information to the city that five units made a down payment on windows and those windows were at 2019 prices, so the city will work with the association and Ehlers to update the fee schedule.

**Funding:** staff is recommending that the HIA loan be funded using internal funding based on the amount of the loan. The use of internal funds will earn interest income for the city and decrease the cost to the association compared to the cost of issuing bonds. The use of internal funds also allows owners the ability to pay off the balance of their fee in the future. The loan will come from the housing rehab budget.

**Association information:** South Cedar Trails is located at 4401 - 4561 Cedar Lake Road.
- The association is comprised of 32 townhomes built in 1977.
- There are 17 units with two bedrooms and 15 units with three bedrooms.
- The 2020 median estimated market value (EMV) is $202,150 and the range of EMV is $190,300-$216,800.
- 20 of the 32 units (63%) are homesteaded.

**Analysis of application:** The purpose of the city’s HIA policy is to establish the city’s position relating to the use of HIA financing for private housing improvements. The policy is used as a guide in processing and reviewing applications requesting HIA financing and is attached to this report.

The current HIA proposal has been reviewed by staff and meets the city’s HIA policy and intentions of the housing improvement area state statute. The city’s financial advisor, Ehlers and Associates, and legal counsel, Kennedy and Graven, have reviewed the HIA financing to ensure it is within applicable state statute and financial requirements.

1. HIA meets city goals. The proposed improvements meet the city HIA goal of preserving and upgrading the existing housing stock in a neighborhood.

2. The city’s HIA policy states the average market value of units in the association should not exceed the maximum home purchase price for existing homes under the state’s first-time home buyer program which is currently $330,100. The home values in this association meet this requirement. Metropolitan council considers a home valued at $254,500 to be affordable at 80% AMI and $199,500 affordable at 60% AMI. All of the townhomes at South Cedar Trails are affordable at 80% and a portion are affordable at 60% AMI.
3. The association contracted with a third party to conduct a reserve study. The association received the reserve study report in September 2019. The study includes a physical and capital needs assessment and a financial analysis of the existing and projected financial situation. It also includes recommended increases to the association dues required to meet maintenance and capital improvement needs in the future.

4. Project costs are eligible for use of the HIA. The association went out for bids in 2019 and then received updated bids based on 2020 prices. All of the work proposed in the scope of work is eligible for use of the HIA.

**Proposed scope of work scheduled for 2020.**

**Site work**
Remove and replace parking lot.
New landscaping and drainage to include a new French drain system, replacing retaining walls and new plant materials.
Remove and dispose of existing fence and install new privacy fence.

**Garage Doors**
Remove and replace 31 garage doors.

**Windows**
Remove and replace windows in individual units.

**Total loan amount:** The total loan amount is $623,300, comprising $598,300 for construction costs and $25,000 for city administrative, legal and financial costs. The term of the loan and imposed fees would be 15 years.

<table>
<thead>
<tr>
<th>South Cedar Trails HIA</th>
<th>15 Years</th>
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</thead>
<tbody>
<tr>
<td><strong>Breakdown of capital costs</strong></td>
<td></td>
</tr>
<tr>
<td>Parking Lot</td>
<td>$84,000</td>
</tr>
<tr>
<td>Landscaping/drainage</td>
<td>$115,500</td>
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<tr>
<td>Fencing</td>
<td>$80,850</td>
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<td>Garage doors</td>
<td>$27,300</td>
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<tr>
<td>Windows</td>
<td>$263,070</td>
</tr>
<tr>
<td>Contingency (5%)</td>
<td>$27,580</td>
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<tr>
<td><strong>Total capital costs</strong></td>
<td>$598,300</td>
</tr>
<tr>
<td><strong>Breakdown of soft costs</strong></td>
<td></td>
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<tr>
<td>City administrative fee</td>
<td>$5,000</td>
</tr>
<tr>
<td>Legal fee</td>
<td>$15,000</td>
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<tr>
<td>Financial advisor</td>
<td>$5,000</td>
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<tr>
<td><strong>Total</strong></td>
<td>$25,000</td>
</tr>
<tr>
<td><strong>Total project costs</strong></td>
<td>$623,300</td>
</tr>
</tbody>
</table>

Preliminary estimates of the fees to be imposed on housing units in the South Cedar Trails Housing Improvement Area are based on an interest rate of 3.71%. This interest rate is subject to change based on market conditions. The fee schedule was prepared by Ehlers and Associates.
5. The city requires the majority of owners to support the HIA. The association board has been meeting with the association since spring of 2019 and the city has participated in two meetings with the HIA. Per submitted minutes the association members voted 32-0 in support of the HIA at their June 26, 2019 meeting. The association met the petitioning requirements with 88% of homeowners petitioning for the creation of the HIA.

6. HIA financing is necessary for this project. The association’s current reserve does not cover the work needed and the association has been turned down by two banks. This meets the requirement that HIA financial assistance is last resort financing.

7. Fees and loan terms. The fee per unit (prepayment amount) ranges from $11,257 - $22,404. The annual fee per unit if paid over the 15-year term will range from $1,041.66 - $2,073.13. If a homeowner does not prepay the HIA fee, their annual fee is calculated at 105% to cover delinquent or deferred payments. The interest rate is based on market conditions and is subject to change.

<table>
<thead>
<tr>
<th>Total Loan amount</th>
<th>$623,300</th>
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<tbody>
<tr>
<td>Term (years)</td>
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<tr>
<td>Interest Rate</td>
<td>3.71%</td>
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<tr>
<td>Average Annual Debt Service</td>
<td>$52,682</td>
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<td>Required coverage (105%)</td>
<td>$55,316</td>
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<tr>
<td>Total units</td>
<td>32</td>
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</table>

If the HIA is approved, owners not prepaying would begin making payments with their 2021 real estate tax payments. Funding the loan internally allows owners flexibility in prepaying without interest or paying off the loan in the future.

8. Association’s desired method of fee imposition. State statute 428A.14 requires that “if a fee is imposed on a basis other than the tax capacity or square footage of the housing unit, the council must make a finding that the alternative basis for the fee is more fair and reasonable.”

The association is requesting that fees be based as follows: The portion of the HIA fee attributable to common elements shall be divided evenly among the 32 housing units and the portion of the HIA fee attributable to windows shall be allocated based on the number of windows installed in each housing unit.

City staff consulted with Kennedy and Graven regarding the basis of the fees which have been found to meet statutory requirements of being more fair and reasonable since it is consistent with the association’s HOA dues which are divided evenly among the 32 housing units and the windows are being calculated separately so homeowners only pay for widows they are having installed.

Homeowner issues or concerns: The association held multiple meetings related to the proposed scope of work and costs associated with improvements. The association initially approved up to $800,000 for the HIA but the costs came in much lower. City staff met with the association in spring 2019 to give an overview of the HIA process and held a meeting in early April to walk through the petition and explain the petition and public hearing process.
The city’s attorney, Kennedy and Graven, drafted the petition according to state statute and the city included an information piece explaining the process and fees. The signed petitions were submitted to the city and the city clerk and assistant housing supervisor reviewed, counted and verified the petitions. There were three petitions in question that the city consulted with Kennedy and Graven on and they were verified.

The terms of the HIA loan provide a low interest, 15-year loan. The city also allows for hardship deferrals for low income seniors and low-income disabled owners. The hardship deferral allows the fee, including interest, to be deferred until the owner occupant sells or transfers title. Hardship deferral information was included in the petition packet which was both mailed and emailed to homeowners.

The HIA will be funded using an internal loan from the housing rehab fund. Funding the HIA with internal funding allows owners more flexibility in paying off the assessment in the future.

The HIA process does allow for an objection and veto period. Although the city has not received any written objections to the creation of the HIA, the city is working with the association to remedy the window and garage door discrepancy of at least one homeowner. The city has consulted with Kennedy and Graven and the finalized numbers may not exceed the amount in the petition and notice of public hearing.

**City issues or concerns:** The city is protected from financial risk in several ways:

- Repayment of the loan is made through owner’s real estate tax payments.
- In foreclosure events, tax liabilities including special assessments, must be paid by any party that purchases the unit. In cases of foreclosure, HIA fees have been treated the same as special assessments.
- There is a 105% debt coverage as shown on the attached fee table.
- A development agreement is required which will provide additional contractual conditions to ensure financial stability of the association including, but not limited, to requiring the use of professional property management and submitting annual audits.

City staff have consulted with Kennedy and Graven to ensure all statutory requirements are met and Ehlers and Associates has prepared the HIA assessment structure and fee schedule.

**Next steps:** The next step in the HIA process is first reading of the ordinance followed by the second reading/adoptions of the ordinance and adoption of the resolution.

- June 1, 2020 Second reading/adoptions of ordinance and adoption of resolution
- By June 6, 2020 Mail summary of ordinance to unit owners
- By July 1, 2020 Mail ordinance to Commissioner of Revenue.
- July 15, 2020 Veto period ends
- July 27, 2020 Prepayments due
- August 3, 2020 Housing rehab fund loan and development agreement approved
- August 4, 2020 Association can move forward with construction
Public comments

The public hearing was held May 4 and the mayor kept the hearing open for testimony until May 18. The following comments were received as of May 13, 2020:

1. This email is in regard to the HIA at South Cedar Trails. I am a member of our board and have owned my townhouse since 2003. With the exception of new roofs and siding this past fall, no capital improvements have been made since I purchased my townhouse. Funds have only been used to put a bandaid on larger problems.

   We are currently in need of new windows, new fences, new garage doors, a new parking lot and major landscaping work to not only improve the grounds, but to manage drainage issues.

   We had to assess the owners for the siding and roofing. We are not in a situation where our owners will be able to afford additional assessments in the near future. I believe this inability to do an assessment and lack of funds will result in the further decay and destruction of our association buildings and grounds.

   An HIA from the City of St. Louis Park seems to be our only option to maintain our buildings and grounds as I know the city would like us to do. Thank you for your consideration of our HIA application and we are very hopeful the city will approve it so we can begin the improvements.

   Thank you, Jamie Bundul
   4517 Cedar Lake Rd

2. This email is to confirm our association would like to move forward with obtaining financing for our association from the city.

   With the repairs needed and lack of resources and access to funds, the establishment of the HIA is imperative in order for the association to move forward with the improvements and finish work that is needed.

   Shelli Wojciechowski, President South Cedar Trails Homeowners Association

3. I am fully supportive of the HIA and I fear that if it does not go through, there is only two outcomes for the South Cedar Trails Townhouses. One would be that the condition of the exterior of the units and the shared grounds will continue to deteriorate, as the HOA does not have the funding in reserves to properly maintain the units. With the conditions on the exteriors declining, I am worried that the value will go down meaning, which would mean that owners will stop investing in the inside of their units as well.

   Second, it that the HOA will have to issue assessment(s) to properly maintain all of the units. This will put a lot of the owners in tough situations as they do not have the capital today and might not have access to the full amount of capital. My worry is that if we cannot work something out, it might end up with the HOA putting property liens on the units. If
that was to happen, that would be devastating to the sense of community that we have built within South Cedar Trails.

As for the benefit of the city, I believe that these town-homes offer a great starter home for families that will end up drawing more of a younger demographic into the city. The location is terrific, being close to jobs, close to trails, close to lakes, close to entertainment, etc. This is why I believe it is important to the city to help properly maintain the homes and keep SLP an attractive option to keep it growing.

As for the association, we voted 32-0 to pursue this loan. That is unprecedented for our association as since I have lived here, we can barely get a majority to agree to a $20-$30/month increase in dues. There now might be a few members frustrated with how the loan was handled and the speed of it, but a majority are still in strong support, as you have seen from the petitions being sent it.

Thanks,
Nick Pugleasa, Secretary South Cedar Trails Homeowners Association

4. Please consider the following comments and observations intended to encourage the SLP City Council to approve the HIA loan request for SCTHA. Our observation while living in the city at this location for the last 17 years is the city has made a tremendous investment in the development of luxury apartments in the immediate West End area that continues to this day. At the same time, there seems to be little consideration for the existing affordable aging housing. Especially multi-family dwellings.

Our townhomes were built in 1977, There has been no major required maintenance done due to inefficient management. The current president recognized the seriousness of this problem as our homes were deteriorating and losing value. She, along with the board, took action to hire a contractor who secured insurance money for the association based on previous damage. Unfortunately this was not enough to complete all of the required work. We look to the city of St. Louis Park to invest in the existing affordable housing stock for the current long term, committed residents of this association and for future generations. We come to the city for this HIA after exhausting all traditional financing options.

A council member at the introductory meeting held on May 4th inquired about our ability to pay back the loan. It appeared she asked this jokingly. We take this matter seriously and would like to point out that 88% of the association’s homeowners approved the loan. That demonstrates their understanding and obligation to repay. It is also our understanding that the annual amount will be due with our real estate taxes on the property and paid with them.

Thank you for your consideration.

Respectfully,
Robert Kozlowski
Marlene Typpo
4513 Cedar Lake Rd, SCTHA
Ordinance No. _____-20

Ordinance establishing the South Cedar Trails Homeowners Association Housing Improvement Area pursuant to Minnesota Statutes, Sections 428A.11 to 428A.21

The City of St. Louis Park does hereby ordain:

Section 1. Recitals.

1.01. The City of St. Louis Park (the "city") is authorized under Minnesota Statutes, Sections 428A.11 to 428A.21 (the "Act") to establish by ordinance a housing improvement area within which housing improvements are made or constructed and the costs of the improvements are paid in whole or in part from fees imposed within the area.

1.02. The City Council of the city (the “council”) adopted a Housing Improvement Area policy on July 16, 2001 (the “HIA Policy”).

1.03. The city has determined a need to establish the South Cedar Trails Homeowners Association Housing Improvement Area (South Cedar Trails HIA) as further defined herein, in order to facilitate certain improvements to property known as South Cedar Trails Homeowners Association, Inc. (the “Association”), all in accordance with the HIA Policy.

1.04. The city has consulted with the Association and with residents in the proposed South Cedar Trails HIA regarding the establishment of the South Cedar Trails HIA and the housing improvements to be constructed and financed under this ordinance.

Section 2. Findings.

2.01. The council finds that, in accordance with Section 428A.12 of the Act, owners of at least 50 percent of the housing units within the proposed South Cedar Trails HIA have filed a petition with the City Clerk requesting a public hearing regarding the establishment of the South Cedar Trails HIA.

2.02. The council conducted a public hearing on May 4, 2020, duly noticed in accordance with Section 428A.13 of the Act, regarding adoption of this ordinance, at which all persons, including owners of property within the proposed South Cedar Trails HIA, were given an opportunity to be heard.

2.03. The council finds that, without establishment of the South Cedar Trails HIA, the Housing Improvements (as hereinafter defined) could not be made by the Association or the owners of housing units therein.

2.04. The council further finds that designation of the South Cedar Trails HIA is needed to maintain and preserve the housing units within such area.

2.05. The council further finds that by Resolution No. _____ adopted on the date hereof (the “Fee Resolution”), the city has provided full disclosure of public expenditures, loans, or other
financing arrangements in connection with the South Cedar Trails HIA, and has determined that the Association will contract for the Housing Improvements.

2.06. The city will be the implementing entity for the South Cedar Trails HIA and the Housing Improvement Fee (as set forth in the Fee Resolution and Section 5 below).

2.07. The council finds that the South Cedar Trails HIA meets each of the approval criteria contained in the HIA Policy (listed as 4.01A- 4.01N), including the criterion that a majority of the association owners support the project and the financing thereof. The Association presented evidence to the council adequate to demonstrate that these criteria were met, including presentation to the council of the petitions described in 2.01 above.

Section 3. Housing Improvement Area Defined.

3.01. The South Cedar Trails HIA is hereby defined as the area of the city legally described in Exhibit A attached hereto.

3.02. The South Cedar Trails HIA contains 32 housing units as of the date of adoption of this ordinance, along with garage units and common areas.

Section 4. Housing Improvements Defined.

4.01. For the purposes of this ordinance, the Fee Resolution, and the South Cedar Trails HIA, the term "Housing Improvements" shall mean the following improvements to housing units, garages, and common areas within the South Cedar Trails HIA: remove and replace parking lot; new landscaping and drainage to include a new French drain system, replacing retaining walls and new plant materials; remove and dispose of existing fence and install new privacy fence; remove and replace 32 garage doors; remove and replace windows as needed in individual units.

4.02. The Housing Improvements shall also be deemed to include:

(a) all administration, legal and consultant costs in connection with the South Cedar Trails HIA;

(b) costs of arranging financing for the Housing Improvements under the Act; and

(c) interest on the internal loan as described in Section 6.01.

Section 5. Housing Improvement Fee.

5.01. The city may, by resolution adopt in accordance with the petitions, hearing and notice procedures required under Section 428A.14 of the Act, impose a fee on the housing units within the South Cedar Trails HIA, at a rate, term or amount sufficient to produce revenues required to finance the construction of the Housing Improvements (hereinafter referred to as the "Housing Improvement Fee"), subject to the terms and conditions set forth in this Section.
5.02. The portion of the Housing Improvement Fee attributable to the Common Elements shall be divided evenly among the 32 housing units, and the portion of the Housing Improvement Fee attributable to windows shall be allocated based on the number of windows installed in each housing unit.

5.03. The Housing Improvement Fee shall be imposed and payable for a period no greater than 15 years after the first installment is due and payable.

5.04. Housing unit owners shall be permitted to prepay the Housing Improvement Fee in accordance with the terms specified in the Fee Resolution.

5.05. The Housing Improvement Fee shall not exceed the amount specified in the notice of public hearing regarding the approval of such fee; provided, however, that the Housing Improvement Fee may be reduced after approval of the Fee Resolution setting the Housing Improvement Fee, in the manner specified in such resolution.

Section 6. Housing Improvement Area Loan.

6.01. At any time after a contract with the Association for construction of all or part of the Housing Improvements has been entered into or the work has been ordered, and the period for prepayment without interest of the Housing Improvement Fee has begun as described in Section 5.04 hereof, the council may begin disbursement to the Association of the proceeds of an internal loan (the “Loan”) of available city funds in the principal amounts necessary to finance the cost of the Housing Improvements that have not been prepaid, together with administrative costs.

Section 7. Annual Reports.

7.01. No later than August 15, 2021, and each August 15 thereafter until there are no longer any outstanding obligations issued under the Act in connection with the South Cedar Trails HIA, the Association (and any successor in interest) shall submit to the City Clerk a copy of the Association’s audited financial statements.

7.02. The Association (and any successor in interest) shall also submit to the city any other reports or information at the times and as required by any contract entered into between the Association and the city, or as the city may request.

Section 8. Notice of Right to File Objections.

8.01. Within five days after the adoption of this ordinance, the City Clerk is authorized and directed to mail to the owner of each housing unit in the South Cedar Trails HIA: a summary of this ordinance; notice that owners subject to the proposed Housing Improvement Fee have a right to veto this ordinance if owners of at least 45 percent of the housing units within the South Cedar Trails HIA file a written objection with the City Clerk before the effective date of this ordinance; and notice that a copy of this ordinance is on file with the City Clerk for public inspection.

Section 9. Amendment.

9.01. This ordinance may be amended by the council upon compliance with the public hearing and notice requirements set forth in Section 428A.13 of the Act.
Section 10. This ordinance shall take effect 45 days after adoption hereof.

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<th>Event</th>
<th>Date</th>
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<tr>
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<td>May 18, 2020</td>
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<td>Second reading</td>
<td>June 1, 2020</td>
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<td>Date of publication</td>
<td>June 11, 2020</td>
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<td>Date ordinance takes effect</td>
<td>July 15, 2020</td>
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Reviewed for administration: Thomas K. Harmening, city manager

Adopted by the City Council June 1, 2020

Attest: Melissa Kennedy, city clerk

Approved as to form and execution:

Soren Mattick, city attorney
Exhibit A to Ordinance No. ____-20

Legal description

Lots 1-64, both inclusive, Block 1, South Cedar Trails, Hennepin County, Minnesota

and

Lot 65, Block 1, South Cedar Trails, Hennepin County, Minnesota
Resolution No. 20-_____ 

Resolution approving a housing improvement fee for the South Cedar Trails Homeowners Association Housing Improvement Area pursuant to Minnesota statutes, sections 428A.11 to 428A.21

Be it resolved by the City Council of the City of St. Louis Park as follows:

Section 1. Recitals.

1.01. The City of St. Louis Park (the "city") is authorized under Minnesota Statutes, Sections 428A.11 to 428A.21 (the "Act") to establish by ordinance a housing improvement area within which housing improvements are made or constructed and the costs of the improvements are paid in whole or in part from fees imposed within the area.

1.02. The City Council of the city (the “council”) adopted a Housing Improvement Area policy on July 16, 2001 (the “HIA Policy”).

1.03. By Ordinance No. _________ adopted on June 1, 2020 (the "Enabling Ordinance"), the council has established the South Cedar Trails Homeowners Housing Improvement Area (the “South Cedar Trails HIA”) in order to facilitate certain improvements to property known as the "South Cedar Trails Homeowners Association, Inc." (the “Association”) all in accordance with the HIA Policy and the Act.

1.04. In accordance with Section 428A.12 of the Act, owners of at least 50 percent of the housing units within the South Cedar Trails HIA have filed petitions with the City Clerk of the city requesting a public hearing regarding imposition of a housing improvement fee for the South Cedar Trails HIA.

1.05. The council conducted a public hearing on May 4, 2020, duly noticed in accordance with Section 428A.13 of the Act, regarding adoption of this resolution at which all persons, including owners of property within the South Cedar Trails HIA, were given an opportunity to be heard.

1.06. The council finds that the South Cedar Trails HIA meets each of the approval criteria contained in the HIA Policy (listed as 5.01A- 5.01M), including the criterion that a majority of the condominium association owners support the project and the financing thereof.

1.07. Prior to the date hereof, the Association has submitted to the city a financial plan prepared by Cedar Management, Inc., an independent third party, that provides for the Association to finance maintenance and operation of the Common Elements in the Association (as defined in the Association’s bylaws) and a long-range plan to conduct and finance capital improvements therein, all in accordance with Section 428A.14 of the Act.

1.08. For the purposes of this resolution, the terms "South Cedar Trails HIA" and "Housing Improvements" have the meanings provided in the Enabling Ordinance.

Section 2. Housing Improvement Fee Imposed.
2.01. The city hereby imposes a fee on each housing unit within the South Cedar Trails HIA (the "Housing Improvement Fee"), as specified in Exhibit A attached hereto, which is imposed for (i) Housing Improvements divided evenly among the housing units, and (ii) windows based on the number of windows installed in each unit, all as prescribed in the Amended and Restated Declaration of South Cedar Trails Association.

2.02. The council hereby finds that the Housing Improvement Fee for the Common Elements is imposed based on 1/32 ownership of the Common Elements, as provided in the Association’s bylaws. The Housing Improvement Fee is divided evenly among the 32 units in the South Cedar Trails HIA, with the exception of the portion of the Housing Improvement Fee allocated to windows, which is based on the number of windows installed in each unit. The Council expressly finds that this basis for allocation of costs aligns with the ownership and Association fee methodology in effect for the Association, and is thus more fair and reasonable than imposition of a Housing Improvement Fee on the basis of tax capacity or square footage.

2.03. Housing unit owners may prepay the Housing Improvement Fee in total and without interest thereon between the effective date of this resolution and July 27, 2020. The amount of the prepayment is shown under the heading “Total Cost (Prepayment Amount)” in Exhibit A attached hereto. Partial prepayment of the Housing Improvement Fee shall not be permitted. Prepayment must be made to the City Treasurer. Housing unit owners may also fully prepay the unpaid portion of their Housing Improvement Fee in any subsequent year. If a prepayment is made by November 15 of any year, the amount must include interest at the rate of 3.71% through the end of that calendar year. If the prepayment is made after November 15, the amount must include interest through the end of the following calendar year.

2.04. If the total Housing Improvement Fee is not paid between the effective date of this resolution and July 27, 2020, the Housing Improvement Fee shall be imposed as an annual fee, in the amount shown under the heading “Annual Fee” in Exhibit A. The Housing Improvement Fee shall be imposed in equal installments, beginning in 2021, for a period no greater than 15 years after the first installment is due and payable. The Annual Fee shall be deemed to include interest on the unpaid portion of the total Housing Improvement Fee. Interest at an annual interest rate of 3.71 percent per annum shall begin to accrue on the Housing Improvement Fee from the date of closing on the loan of city or Economic Development Authority funds to finance the Housing Improvements. The Annual Fee shall be structured such that estimated collection of the Annual Fee will produce at least five percent in excess of the amount needed to meet, when due, the principal and interest on the Housing Improvement Fee.

2.05. Unless prepaid between the effective date of this resolution and July 27, 2020, the Housing Improvement Fee shall be payable at the same time and in the same manner as provided for payment and collection of ad valorem taxes, as provided in Sections 428A.15 and 428A.05 of the Act. As set forth therein, the Housing Improvement Fee is not included in the calculation of levies or limits on levies imposed under any law or charter.

2.06. A de minimis fee may be imposed by Hennepin County for services in connection to administration required in order for the fee to be made payable at the same time and in the same manner as provided for payment and collection of ad valorem taxes.

Section 3. Notice of Right to File Objections.
3.01. Within five days after the adoption of this resolution, the City Clerk is authorized and directed to mail to the owner of each housing unit in the South Cedar Trails HIA: a summary of this resolution, notice that owners subject to the Housing Improvement Fee have a right to veto this resolution if owners of at least 45 percent of the housing units within the South Cedar Trails HIA file a written objection with the City Clerk before the effective date of this resolution, and notice that a copy of this resolution is on file with the City Clerk for public inspection.

Section 4. Effective Date.

4.01. This Resolution shall be effective 45 days after adoption hereof.

Section 5. Filing of Housing Improvement Fee.

5.01. After July 28, 2020, the City Clerk shall file a certified copy of this resolution together with a final update of Exhibit A hereto to the Hennepin County Director of Taxation to be recorded on the property tax lists of the county for taxes payable in 2021 and thereafter.

Reviewed for administration: Adopted by the City Council June 1, 2020

Thomas K. Harmening, city manager Jake Spano, mayor

Attest:

Melissa Kennedy, city clerk
Exhibit A to Resolution No. 20-

City of St. Louis Park

Housing Improvement Area - South Cedar Trails HIA

Assessment Allocation

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<th>Total Financing &amp; Soft Costs</th>
<th>Total Construction Cost for 2 Windows</th>
<th>Total Construction Cost for 3 Windows</th>
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GRAND TOTAL 100.00% $335,230.00 $25,000.00 $107,012.00 $156,058.00 $623,300.00 $57,675.93 $865,139.01

* Note: Annual fee amount is calculated based upon payment of total costs at 105%
Executive summary

Title: Consider complaint of alleged violations of the St. Louis Park Home Rule Charter

Recommended action: Review information provided in staff report, hear the basis for the complaint from the complainants, and allow Councilmember Mavity to provide a response to the complaint. Unless the council determines that more information is needed, the council is then asked to deliberate and vote on the issue of whether or not a violation of Section 2.09 has occurred. If the council determines that a violation has occurred, the council must follow the requirements of Section 2.09 related to public censure and imposition of any additional penalty.

Policy consideration: Does the city council have the information needed to determine if a violation of the St. Louis Park Home Rule Charter Section 2.09 occurred?

Summary: On March 12, 2020 the city manager received a written complaint from the communications committee for the UCC/PPL development proposal in Elmwood alleging that Councilmember Mavity violated multiple sections of the city charter (attached). The complaint in essence alleges two violations. The first allegation is that Councilmember Mavity violated Section 2.09 of the charter by interfering with city staff regarding the UCC/PPL proposal. The second allegation is that Councilmember Mavity has a conflict of interest regarding the UCC/PPL proposal, specifically Sections 12.01, 12.18, 12.19 and 12.20 of the charter.

On April 22, 2020 Councilmember Mavity submitted an email to the city manager declaring in writing a conflict of interest with the UCC/PPL development application (attached). By declaring the conflict of interest, Councilmember Mavity must recuse herself from any future vote(s) regarding the project, whether that vote occurs as a member of the council or EDA. Because Councilmember Mavity has declared a conflict of interest, the city attorney has opined there is no further action required of the council regarding the alleged violations of Sections 12.01, 12.18, 12.19 and 12.20 of the charter.

The remaining item for council to consider is whether a violation of Section 2.09 occurred:
“Section 2.09. Interference with administration. Except for the purpose of inquiry, the council and its members shall deal with and control the administrative services solely through the city manager, and neither the council nor any member thereof shall give orders to any of the administrative personnel of the city, other than the city manager, either publicly or privately. If this section is violated by any member of the city council, such violation shall result in the public censure by the council of the offending party, and may, in addition, result in the imposition of a civil penalty to be paid to the city in an amount equal to one (1) month’s compensation payable by the city to such member. The determination whether any violation of the provisions of this section has occurred shall be made by the council upon its own inquiry and by a two-thirds (2/3) majority of all of the councilmembers except the councilmember or members being charged with the violation.”

Supporting documents: Exhibit A – complaint; Exhibit B – St. Louis Park Charter Sections; Exhibit C – Declaration of conflict of interest; Exhibit D – Written statements of alleged violation of Section 2.09; Exhibit E – Email correspondence; Exhibit F – information provided by complainant

Prepared by: Tom Harmening, City Manager
Complaint of Alleged Violations of Home Rule Charter (City Charter) by an Elected Official and Officer of the City Anne Mavity

Delivery Method: Via hard copy to City Manager and City Attorney

Background and Allegations of Misconduct

Upon reason and belief Council Member Mavity violated multiple sections of the City Charter, including sections 2.09, 12.01, 12.18, 12.19 and 12.20 of the City Charter (attached) and engaged in inappropriate conversations and actions with, including with but not limited to, Project for Pride in Living (PPL) and Union Congregational Church (UCC).

On or about the fall of 2019, there is reason and belief that Council Member Mavity communicated with both PPL and UCC. These conversations lacked independence, were not impartial, were meant to avoid normal channels, and had an inherent conflict of interest. Furthermore they were exclusive, deliberately intended to avoid an established practice of an inclusive interactive process, which assures the equality of rights of all resident stakeholders in St. Louis Park.

Upon reason and belief Council Member Mavity for her own benefit, now and in the future, engaged in actions that purposefully set and framed the components of the project. Direct or indirect communication, involvement, or requests that are an attempt to influence or induce the process, where there is known conflict of interest, is a clear violation of the City Charter and the sections referenced within.

Upon information and belief Council Member Mavity has consulted in the past for PPL and personally stands to gain by enhancing her position with PPL now and in the future through her actions. As information you can find Council Member Mavity, as a spokesperson, on PPL’s media marketing.

Upon reason and belief Council Member Mavity guided the UCC on how best to minimalize the public process of relevant stakeholders to help assure the project would be expedited and to prevent any changes in the project and/or that would jeopardize PPL being the developer, in which she had an established relationship.

On or about September of 2019, the pastor of UCC communicated to a stakeholder that she was not to share, at the time, any details of the PPL project, even though information was
available about the plans and design. UCC was uneasy and was unwilling to share any details, inferring those details would come later when the plans were fully completed. It was evident they were not interested in collaboration and would share the finished product with resident stakeholders when they felt best, with only the interest of UCC, PPL, and Council Member Mavity considered - all benefactors of the development.

On or about October of 2019, Council Member Mavity confided in a stakeholder that the neighbors will be more concerned on what she was going to place on the UCC property versus other proposed development projects, including the proposed development on the Jessen Printing site.

In the fall of 2019, the pastor of UCC stated to a neighborhood leader that there will absolutely not be discussion about their project at an upcoming neighborhood meeting being held at the UCC. It is noteworthy she felt empowered to dictate and control such a message and timing to relevant stakeholders. UCC exuded confidence in their position due to connections with a person in a positon of power at both the City and PPL.

Upon reason and belief Council Member Mavity has inferred that she is the driver and decision maker on projects not the Mayor or her peers on the council. There has been angst and redirection by Council Member Mavity when she has been asked or urged to help find a balance with an adjusted or alternative project and/or developer. In this case, working cooperatively and collaboratively with all stakeholders towards a solution that would balance all needs is not an option for Council Member Mavity due to the conflict of interest.

Upon reason and belief UCC, PPL, and Council Member Mavity worked to conceal and delay communication on this project until staged with a pre-packaged outcome to help advance its approval.

Upon reason and belief Council Member Mavity's proactively framing of this project intended strategically to lead and influence city staff, so they will consider significant concessions, ignoring precedent and adopted studies, supporting around 1 million in city funding, ultimately hopeful they would go along with her project driven by partiality and a conflict of interest.

Upon reason and belief on or around late January or early February of 2020, the pastor of UCC communicated to a stakeholder that the initial delay in having neighborhood meetings was from city guidance. There is reason and belief that Council Member Mavity had undue influence in a number of areas including the timing of stakeholder meetings.

Upon information and belief on December 19, 2019, Council Member Mavity stated publicly, as part of her paid profession, that her goal was 300,000 new affordable housing be built. Although this is a worthwhile goal and one that the City and stakeholders would want to help
achieve with the proper balance and mix, her personal and professional goals result in a lack of independence, are of conflict, and thus actions she has taken have been exclusionary, and are adversely disadvantaging relevant stakeholders. Her responsibilities as a Ward Council Member are to assure fair representation and to execute such duties independently and free from any conflict of interest whatsoever, to the best of her ability. Council Member Mavity’s actions have led to nefarious influence and an unjust process that has detrimental influence on affected stakeholders. This is contrary to the proper democratic operation of the city that requires public officials, under the charter, to be impartial and responsible to the people.

Upon reason and belief Council Member Mavity played a part in having the PPL project placed on a city study session on January 13, 2020. Since she has previously served PPL, it is reasonable to assume that Council Member Mavity stands to personally benefit now and in the future by circumventing and controlling the process, by taking actions to induce and sway other decision makers, through securing early knowledge and support, to get a major project approved for a developer in which she has a relationship. At this meeting, months after her efforts to push this project began; Council Member Mavity finally disclosed her relationship with PPL as an attempt to appear to be transparent. This delay was clearly inappropriate and was done strategically only after one poorly communicated meeting with relevant parties and the damage had already been done. It is also noteworthy that the January 13, 2020, study session agenda was arranged prior to any neighborhood meetings occurring. This further illustrates the insincerity of the process and personal motives of Council Member Mavity.

On February 20, 2020, Council member Mavity acknowledged to a stakeholder that she in fact had conversations with UCC prior to any meetings that involved both stakeholder residents and city staff.

Council Member Mavity worked to put the burden of any community meeting communication on neighborhood leaders not PPL or UCC. This was for the purpose of minimizing and discouraging public input. This was done to have a process that excluded genuine input and to set up the project to benefit UCC, PPL, and Council Member Mavity. Moreover Council Member Mavity was specific in inferring that the poor meeting communication was the neighborhood leaders’ fault and their responsibility. The burden must be on the parties wanting a significant zoning change and a Planned Unit Development to communicate effectively. It is uncommon to pass this on to unincorporated and aggrieved stakeholders. Council Member Mavity’s actions in regards to the aforementioned are further evidence of attempting to silence stakeholders and being disingenuous in really wanting any meaningful public input. Rather her actions for the sole purpose of advancing her own interests. When a second meeting was finally considered ultimately the communication increased only marginally due to the demands and efforts of neighborhood leaders.
Based upon information and belief, and as memorialized in UCC publications, the UCC Church Council held a meeting on February 23, 2020, to approve the project in its entirety and the contract with PPL. This was ratified and publicized February 25, 2020. Furthermore this was done to pre-empt any stakeholder input and a neighborhood meeting was strategically delayed until after they had secured such approval. The reasons for approval included UCC’s financial problems. Relevant stakeholders should not be subject to an unjust and a corrupt process due to their financial woes, while benefiting UCC, Council Member Mavity, and PPL.

On or about February 2020, a stakeholder had a direct conversation with PPL. During this conversation PPL communicated that from the beginning they have been taking direction from UCC, the city, and that ongoing conversations had occurred for several months. They also were clear they did not seek out this project. These early conversations were ‘behind closed doors’ before any disclosures.

Upon reason and belief Council Member Mavity proactively engaged residents and others for the purpose of encouraging them to come forward and support projects that ultimately are intended to benefit her personally now and in her future endeavors. Such actions exhibit a clear lack of independence and illustrates she will do whatever is necessary to benefit herself personally.

Upon reason and belief Council Member Mavity guided UCC to have members that live in the community come out publicly in support of the PPL project without disclosing her conflict of interest and her opportunity to personally gain.

Upon information and belief around late February or March 2020 UCC and PPL informed city staff they would be putting in formal applications, and subsequently executed this action, in advance of the already scheduled community meeting. This is noteworthy as they were confident Council Member Mavity was in full support of the project prior to the March 10, 2020, meeting with stakeholders. The meeting on March 10, 2020, included the stakeholders doing much of the communication about the meeting, and what would be normal and proper notice was minimalized and late. This is evidence that the community meeting was mere ‘window dressing’ and there was never any intention to take substantive action on imperative input.

Such conduct is unbecoming of a sitting City Council Member, was deliberate to place undue influence on the process, is of conflict, lacks independence, and is for personal gain past, present, and future. The actions of Council Member Mavity has thwarted the values of the community and honest/forthright government, was done to work around collaboration with intent to avoid inclusiveness of relevant stakeholders. The damage to stakeholders from detrimental and nefarious influence is significant as they have been excluded in any meaningful
input or facets of the project. It would be irresponsible not to address these serious concerns and take immediate corrective action. St. Louis Park dealt with a similar breach, although one could argue less egregious, that involved a conflict of interest with personal/family interests in the 1970's, that resulted in an elected official resigning/ending their term from office. The City recognized to protect the City's integrity and professional ethics, it was essential to adhere to very high standard and expectations for all elected officials/officers to not erode the public's confidence. Similarly situated and relevant decision makers must assure they do not inappropriately except and lobby around such actions but assure rectifying action. The ultimate responsibility is not to an individual, but to the community.

The City Manager, in conjunction with the City Attorney, are empowered and have a duty under 5.02 of the City Charter, to commence a process and assure rectifying action is taken to preserve the city's values and integrity. The City Charter is designed to assure that such violations are not defended, but addressed, and recognized principled conduct is fundamental to the ethics of the organization. City Attorneys, in similar cases, in other jurisdictions have taken appropriate action, putting the protection of the intent and spirit of the City's Charter first.

Relief

At a minimum, due to multiple City Charter violations including but not limited to sections 2.09, 12.01, 12.18, 12.19 and 12.20, the approval for this project must be immediately halted, including denying and voiding any applications submitted as called for under the charter. Appropriate timely action must be taken to stop further irreparable damage to stakeholders and disenfranchised relevant and entitled parties. Fundamental to the City Charter is that the public must have the confidence of the integrity of its local government. This code of ethics must be enforced to the highest of standards; harsh action must be taken against any party when abuses occur, especially in cases where an individual is in a position of power and can utilize their position for personal gain. It would be irresponsible and inconsistent with the City Charter to, rationalize, or to take these actions by Council Member Mavity lightly. Moreover, any application or transaction must be voided as Council Member Mavity had a personal financial interest in driving this project since inception, lacked independence, and had an established conflict of interest. City Council Mavity's actions were a clear attempt to circumvent the spirit of the City Charter. Additionally, this in violation of the oath Council Member Mavity took before entering the duties of the office as an elected officer, her actions were deliberate, and were intended to interfere with established practice. The late attempt at
the disclosure of conflict of interest lacks genuineness and cannot undue the irreparable
damage to the flawed process induced to set up the project, and her inappropriate actions,
including moving the project forward fast, even after such disclosure. Any late recusal at this
juncture would be an attempt to appear to be non-biased after the damage to the process has
already occurred. It is imperative under the City Charter, that even a mere perception of
conflict of interest, be dealt with forcefully. Any reasonable person would conclude that
stakeholders have been silenced and disenfranchised through an underhanded attempt to
show process by UCC, PPL and Council Member Mavity, and stakeholders are entitled to
immediate action and relief. A review of past and present practices along with patterns of
conduct illustrates these concerns. Moreover, these kinds of rogue actions and violations must
not be tolerated in a Home Rule Charter form of government. Council Member Mavity’s
Actions alone, even without the established conflict interest, circumvent the system, constitute
undue influence, abuse of power of her office inconsistent with the charter, and fail to be both
independent and impartial as required under the City Charter. With the multitude of these
egregious actions it would be unjust and just plain wrong if left to stand.

The Elmwood area is known for its history, inclusiveness of diversity including socio economic
diversity, and has worked collaboratively to welcome many changes including more affordable
housing, as evident in other completed developments. So any insinuation that this is not the
case is false and would be redirection for one’s own benefit. What the stakeholders in
Elmwood should be able to expect is a process of inclusion, actual input where subsequent
action on a significant change is taken, and genuine independent representation from their
elected official. Council Member Mavity’s actions, driven by a conflict of interest and her
position of power, have been anything less than representation with integrity, and are
inconsistent with the ethics contained within the City Charter.

Real concern exists that Council Member Mavity could retaliate and/or disparage those
aggrieved stakeholders who come forward to voice validated concerns. Furthermore there is
concern she would use her power to work to divide folks within the community. Council
Member Mavity’s actions set forth above make it certainly not unreasonable, that one could
anticipate she would use her position of power to further disadvantage these stakeholders. This
could include, not only to the design of this project, but subsequent area developments. Thus,
protection could be sought under appropriate anonymity/whistle blower statues. Upon serious
consideration it was felt best, based on the compelling facts, that the communications
committee for the UCC project would execute this complaint on behalf of multiple affected
stakeholders, with trust that good judgment will be used to prevent any such actions including
but not limited to retaliation.
Respectfully submitted this 12th day of March 2020 by the communications committee for the UCC Project:

Carol Fracassi

Christel Chong

JW Starrett

Sue Basill

Heather Simonett

Vicky Knudson

Correspondence Via: Communications committee for the UCC project in Elmwood at: enccucc@gmail.com
Section 2.09. Interference with Administration

Except for the purpose of inquiry, the Council and its members shall deal with and control the administrative services solely through the City Manager, and neither the Council nor any member thereof shall give orders to any of the administrative personnel of the City, other than the City Manager, either publicly or privately. If this section is violated by any member of the City Council, such violation shall result in the public censure by the Council of the offending party, and may, in addition, result in the imposition of a civil penalty to be paid to the City in an amount equal to one (1) month's compensation payable by the City to such member. The determination whether any violation of the provisions of this section has occurred shall be made by the Council upon its own inquiry and by a two-thirds (2/3) majority of all of the Councilmembers except the Councilmember or members being charged with the violation.

Section 12.01. Declaration of Policy.

The proper operation of democratic government requires that public officials be independent, impartial and responsible to the people; that governmental decisions and policy be made in the proper channels of the governmental structure; that public office not be used for personal gain, and that the public has confidence in the integrity of its government. In recognition of these goals, there is hereby established a Code of Ethics for all public officials. The purpose of this Code is to establish ethical standards of conduct for all such officials by setting forth those acts or actions that are incompatible with the best interests of the City and by directing disclosure by such officials of private financial or other interests in matters affecting the City. The provisions and purpose of this Code and such rules and regulations as may be established are hereby declared to be in the best interests of the City of St. Louis Park.

Section 12.18. Personal Financial Conflicts of Public Officials.

(a) Contracts Void. Except for any contract permitted by M.S.A. § 471.88, any public official who is authorized to take part in any manner in making a sale, lease or contract in his/her official capacity shall have no personal financial interest in that sale, lease or contract or personally benefit financially therefrom unless the effect on the public official's personal financial interest is no greater than on any other person and/or property similarly situated. Any sale, lease, or contract entered into by the City with regard to which a public official has acted in violation of this section is void. Any money which is paid by the Council in violation of this paragraph may be recovered from any and all persons interested therein. Any vote pursuant to M.S.A. § 471.88 must be unanimous by Council.

(b) Noncontractual transactions voidable. Any public official who in the discharge of his/her duties would be authorized to take an action, vote, or make a decision concerning a noncontractual transaction of the City which would affect the public official's interests, unless the effect on his/her interests is no greater than on other persons and/or property similarly situated, shall disqualify himself/herself from such action, vote or decision. Any transaction entered into by the City with regard to which a public official has acted in violation of this paragraph is voidable at the option of the Council. Any money, which was paid by the Council in violation of this paragraph, may be recovered from any and all persons interested therein.

Any public official who in the discharge of his/her duties would be authorized to take an action, vote or make a decision concerning a contractual or noncontractual transaction which would affect the interests of his/her associates, unless the effect on the interests of his/her associates is no greater than on other persons and/or property similarly situated, shall disqualify himself/herself from such action, vote or decision.

Any contract or transaction entered into by the City with regard to which a public official has acted in violation of this Section is voidable at the option of the Council. Any money, which was paid by the Council in violation of this section, may be recovered from any and all persons interested therein.

Section 12.20. Gifts and Favors.

No public official shall accept any valuable gift, whether in the form of money, service, loan, thing or promise, from any person, firm or corporation which to his/her knowledge is concerned, directly or indirectly, in any manner whatsoever in business dealings with the City; nor shall any public official accept any gift, favor or thing of value that may tend to influence his/her in the discharge of his/her duties; or (2) grant in the discharge of his/her duties any improper favor, service, or thing of value or accept an offer which would not have been given if he/she were not an official; or (3) accept or receive anything of value through sale or gift of goods or services which would result directly or indirectly from his/her position as a public official of the City of St. Louis Park.
Soren Mattick

From: Anne Mavity <anne@annemavity.org>
Sent: Wednesday, April 22, 2020 2:10 PM
To: tharmening@stlouispark.org
Cc: Soren Mattick; slpcouncil@stlouispark.org
Subject: Affordable Housing Project Recusal Notification

Dear Tom,

As I have discussed generally over the past several years, and specifically on declared recusals on projects, because of my current position advancing affordable housing at the Minnesota Housing Partnership (MHP), I am sometimes faced with the need to recuse myself from a project that engages a development entity from whom MHP receives funding for affordable housing advocacy.

Today, with the city now having an active zoning application from such a development entity, I am writing this email to inform you that I have a conflict of interest that requires me to recuse myself from voting on the zoning application or other project-specific votes, related to the Union Congregational project with Project of Pride in Living.

To be clear, as I have in similar situations in the past, I will recuse myself from any votes taken by the City Council on this development project. While I disclosed my conflict during the study session on January 13, 2020, this email is intended to put in writing what I stated at that meeting. I am copying the rest of the council with this email. Please feel free to share this email with others as you feel appropriate.

Thank you for your attention to this matter.

Anne

Anne Mavity
St. Louis Park City Councilmember
MEMORANDUM

Date: May 8, 2020

To: Soren Mattick, Esq.
Campbell Knutson

From: Karen Barton, Community Development Director

RE: Charter Complaint – Anne Mavity

In response to your request regarding my interactions with council member Anne Mavity relating to the proposed Project for Pride in Living (PPL) project on the Union Congregational Church property, to the best of my recollection, I have not had any direct conversations with CM Mavity about the project. I have, however, been copied on several emails in which she was notified about the planning process and timeline, as well as an inquiry from a resident regarding the project.

CM Mavity has not directed my work in relation to this project, nor am I aware of her having provided work direction to any of my staff in relation to this project. In one of the email’s I was copied on CM Mavity did inquire about the project timeline, seeking additional information regarding the timing of consideration of project-based section 8 vouchers and noting the timeline PPL was working under to apply for low-income housing tax credits. However, there was no inference, direct or indirect of work direction to staff in the email.
May 12, 2020

To whom it may concern:

I have had little direct communication with Councilmember Anne Mavity regarding the Project for Pride in Living (PPL) development proposal for the Union Congregational Church property.

The emails I received were messages that I was forwarded or copied on. These included routine messages from staff about planned neighborhood meetings or email exchanges between residents and Councilmember Mavity. Those emails are summarized at the bottom of the page.

I did not have any phone conversations on this subject with Councilmember Mavity.

Councilmember Mavity attended two of the neighborhood meetings that PPL held at Union Congregational Church on January 7 and March 10, 2020. I recall briefly exchanging pleasantries with Councilmember Mavity immediately following the second neighborhood meeting.

The only direct communication I received from Councilmember Mavity in which she expressed her opinions and views was during the January 13, 2020, city council study session on this topic which is public record. At this meeting staff introduced the development concept to the city council and requested preliminary feedback from councilmembers in order to gauge their willingness to consider the requests which would include several discretionary actions.

I did not receive any work direction from Councilmember Mavity.

Emails:

- October 15, 2019 email from Karen Barton asking Jacquelyn Kramer to inform Ward Councilmember Anne Mavity that UCC/PPL intended to hold a neighborhood meeting and city council study session.
- Forwarded an email from Mayor Jake Spano to Tom Harmening and Councilmember Anne Mavity dated February 7, 2020. The email requests information about when the project was on city staff’s radar, what public process/outreach had occurred regarding the proposal, and additional details on the affordable housing being proposed. Jacquelyn Kramer and I each prepared email responses that were sent to Karen Barton on February 7, 2020.
- Copied on two emails from Councilmember Anne Mavity responding to messages from Mr. Mike Ritter on March 22, 2020 and March 23, 2020. The first email referring Mr. Ritter to city staff for details regarding when the formal application was received, the expected timing of the public hearing and the city’s deadlines to act upon the application. The email did not direct staff to take any specific actions.
- I was copied on email exchanges between Councilmember Anne Mavity and Mr. Scott Simonett dated March 30 and March 31, 2020 and April 2 and 3, 2020. Initially, I was copied because Councilmember Mavity was referring Mr. Simonett to me to respond to questions regarding the city’s formal process requirements for zoning applications.
- April 7, 2020 email from Jacquelyn Kramer to Councilmember Mavity informing her of delay in public hearing date. Response from Anne Mavity acknowledging receipt.

Respectfully submitted,

Sean J. Walther, AICP
May 5, 2020

To whom it may concern:

Below is a written summary of my interactions to date with Councilmember Mavity relating to the proposed development at 3700 Alabama Avenue and 6027 37th Street West.

On March 4, 2020, I emailed Councilmember Mavity to inform her city staff had received planning applications for a proposed affordable housing development to be located at 3700 Alabama Avenue and 6027 37th Street West. In this email I explained the tentative schedule for the project. Councilmember Mavity replied asking for further clarification on the schedule and a question on the timing of a request to the housing authority. We exchanged a few more emails discussing the schedule of the project. We did not discuss the specifics of the proposal, and she did not give me any direction regarding how to proceed with the applications.

On April 7, 2020, I emailed Councilmember Mavity to inform her the applicant requested a delay in the public hearing of their planning applications. I explained the updated project schedule, the public outreach activities staff had already undertaken for the project, and further outreach efforts city staff would take to inform residents of the public hearing delay and revised project schedule. She thanked me for the update in a reply email.

I have had no further email correspondence with Councilmember Mavity regarding this project, and we have not discussed the project in person or over the phone. I have included the two email chains referenced above with this letter. Please let me know if further information on this matter is required.

Thank you.

Sincerely,

Jacquelyn Kramer, associate planner
952.928.1375
jkramer@stlouispark.org

Enclosed:
030620-email-jkramer.pdf
040720-email-jkramer.pdf
Jean Olson

From: Michele Schnitker <MSCHNITKER@stlouispark.org>
Sent: Wednesday, January 8, 2020 1:47 PM
To: Karen Barton; Sean Walther; Marney Olson
Subject: Fwd: Union Congregational - New Housing Development
Attachments: ELMWOOD invite to 1.7.20.pdf

Just an fyi - I'm assuming you you knew about this meeting

Get Outlook for Android

From: Jake Spano <mayorjakespano@gmail.com>
Sent: Monday, January 6, 2020 5:24:49 PM
To: Anne Mavity <amavity@stlouispark.org>; Tom Harmening <THARMENING@stlouispark.org>; Michele Schnitker <MSCHNITKER@stlouispark.org>
Subject: Fwd: Union Congregational - New Housing Development

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Just FYI for everyone. I won’t be able to be there.

Jake Spano
Mayor
St. Louis Park, Minnesota

Begin forwarded message:

From: ElmwoodNeighborhood Email Group <elmwood.slp.mn@gmail.com>
Date: January 6, 2020 at 1:23:12 PM CST
To: elmwood.slp.mn@gmail.com
Subject: Union Congregational - New Housing Development

Elmwood Neighbors,

Union Congregational Church at Alabama & Oxford in our neighborhood is holding a meeting to share their ideas for redeveloping the property into transit-oriented high density housing.

The meeting will be tomorrow night at the church. Please join so you can hear their plans and share your thoughts with the developers and city staff who will be present.

Tuesday, January 7th @ 7:00PM
3700 Alabama Ave. S.
St. Louis Park, MN 55416
https://goo.gl/maps/nbgrq3jVZiJ6cJoYA

Attached is their letter which they posted on NextDoor.
Thank you,
Elmwood Neighborhood Association Board
To: The Elmwood Neighborhood
From: Union Congregational United Church of Christ
December 19, 2019

Dear Neighbors,

Union Church would like to invite you to attend a neighborhood meeting on TUESDAY, JANUARY 7th, 2020 at 7:00 p.m. We would like to share Union’s vision of building transit-oriented housing that is affordable for the work force of St. Louis Park. The current plan is to develop the north section of the property while saving the older stone sanctuary building and updating the entrance or Narthex area. City leaders and our partner developer, Project for Pride in Living, will be in attendance to answer questions. Refreshments will be served!

The church wants to remain as a welcoming religious presence by:

➤ continuing to be a valuable neighbor
➤ deepening our relationship with our community by enhancing the inside of our current space
➤ continuing to make space available to AA, Al Anon, and other groups.

THINGS to know about Union:

➤ Union Church is the oldest congregation in St. Louis Park, formed in 1883. The church has been in this location since 1941 with the newest addition (the education wing) built in 1951.
➤ We are passionate about environmental justice
➤ We value every person and all faith traditions
➤ We believe everyone deserves a home

“We are grounded in God’s love, with a spirit of wonder and inclusion, we work as a community toward a just society.”

We look forward to seeing you on January 7th at 7:00 p.m.!

Alabama Ave. S., St. Louis Park, MN 55416 ~ 952-929-8566 ~ www.unionslp.com
From: Anne Mavity <amavity@stlouispark.org>
Sent: Monday, February 3, 2020 4:59 PM
To: J.W. Starrett <jwstarrett@gmail.com>
Cc: spano@stlouispark.org; Margaret Rog <mrog@stlouispark.org>; Nadia Mohamed <NMohamed@stlouispark.org>; Larry Kraft <LKraft@stlouispark.org>; Rachel Harris <rharris@stlouispark.org>; Tim Brausen <tbrausen@stlouispark.org>; Sean Walther <swalther@stlouispark.org>; Jacquelyn Kramer <jkraker@stlouispark.org>; Dale Taterek <dale.taterek@gmail.com>; Karen Barton <kbarton@stlouispark.org>; Tom Harmening <THARMENING@stlouispark.org>
Subject: Re: Elmwood Development - Union Congregational Church

Thanks JW. Let me review this and get back to you. I didn’t see a note about a neighborhood mtg so I’m sorry I missed that discussion.

To help me understand the thinking on this, what incomes do you think should be permissible here? As we try to have more options for our current residents, and to not to have quite so many luxury Apts, we have tried to ensure development would be within reach of current residents too. So understanding your thinking would be great. Eg a starting police officer or teacher makes about $50k. Or seniors on a limited income (pension or social security). In the housing finance world they would all need “affordable units” since the area median income is $100k and this type of project has limits if $60k. Is that what you want to limit? Or is it something else?

Understanding the thinking behind it will help me understand the neighborhood desires.

Anne Mavity

Sent from my iPhone

On Feb 3, 2020, at 3:06 PM, J.W. Starrett <jwstarrett@gmail.com> wrote:

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Council Member Mavity,

Subsequent to our meeting on January 7, 2020 with the potential developer for Union Congregational Church's property at 37th St. and Alabama Ave., the Elmwood Neighborhood Association met and needs your help with this project. Collectively, we have developed a position statement that we would like you to champion as our representative.

“The Elmwood Neighborhood Association supports development on the Union Congregational Church site that fits the scale and scope of this historic neighborhood, transitioning down in height as it approaches the single-family
homes, with ample off-street parking, and integrated affordable housing (including both senior and non-senior components) not to exceed 20% of the housing units."

We believe this finds balance for all stakeholders. As our Ward 2 representative, we hope you can support and advocate the spirit and intent of this position with this developer or a different one.

Thank you! We look forward to the next steps in this process and providing any additional neighborhood feedback.

- The Elmwood Neighborhood Association
Jean Olson

From: Jacquelyn Kramer <jkramer@stlouispark.org>
Sent: Friday, February 7, 2020 4:26 PM
To: Karen Barton
Cc: Sean Walther
Subject: RE: Union Congregational United Church of Christ Project

Sean, can you fill in any blanks from conversations I wasn’t a part of?

1. Staff first met with PPL on October 14 to review their preliminary site plan. We met again on November 8 to review a revised plan. Originally they were going to hold a neighborhood meeting in November and present the project to council in a study session in December. They delayed for a month to have more time to revise the plans based on staff feedback. They’ve revised their plans based on staff, neighborhood, and council feedback.

2. The project team connected with Councilmember Mavity in late October/early November. They held a neighborhood meeting on Jan. 7, 2020 and presented the project to council on Jan. 13.

3. Staff haven’t received exact numbers on the unit mixes and the levels of affordability. The units will be a mix of studios, one, two, three and possibly four bedroom units. Rents will be held affordable to households ranging from 30% of AMI to 80% of AMI. Most of the units will be set aside for households at or below 50% and 60% of AMI and the average income level for the building will be below 60% of the Area Median.

Jacquelyn Kramer (she/her/hers)
Associate Planner | City of St. Louis Park
5005 Minnetonka Blvd, St. Louis Park, MN 55416
Office: 952.928.1375
www.stlouispark.org
Experience LIFE in the Park.

From: Karen Barton <kbarton@stlouispark.org>
Sent: Friday, February 7, 2020 3:50 PM
To: Jennifer Monson <jmonson@stlouispark.org>; Jacquelyn Kramer <jkramer@stlouispark.org>
Cc: Sean Walther <swalther@stlouispark.org>
Subject: RE: Union Congregational United Church of Christ Project

Terrific! Thanks! And thanks, Jacquelyn!

From: Jennifer Monson <jmonson@stlouispark.org>
Sent: Friday, February 7, 2020 3:30 PM
To: Karen Barton <kbarton@stlouispark.org>; Jacquelyn Kramer <jkramer@stlouispark.org>
Cc: Sean Walther <swalther@stlouispark.org>
Subject: RE: Union Congregational United Church of Christ Project

Hi Karen,

I’m going to forward this to Jacquelyn, as she has been the primary staff on this so far.

Jennifer
From: Karen Barton <kbarton@stlouispark.org>
Sent: Friday, February 7, 2020 3:28 PM
To: Jennifer Monson <jmonson@stlouispark.org>
Cc: Sean Walther <swalther@stlouispark.org>
Subject: FW: Union Congregational United Church of Christ Project

Jennifer,

I think you’re the lead on the UCC project?? Can you please put together answers to Jake’s questions and I’ll forward them on to Jake.

Thank you!
Karen

---

From: Jake Spano <jspano@stlouispark.org>
Sent: Friday, February 7, 2020 9:21 AM
To: Tom Harmening <THARMENING@stlouispark.org>; Anne Mavity <amavity@stlouispark.org>
Subject: Fwd: Union Congregational United Church of Christ Project

Good morning-
Passing along for awareness and a couple of questions.

First, can someone tell me when this project first got on our radar? Usually I get a heads up about projects one way or another several weeks/months before they go public but the first time I recall hearing about this was the week leading up to their appearance before council.

Second, can someone lay out the process/outreach that was done on this project so I have some sense of what’s been done?

Third, I don’t have the agenda from that meeting so can someone remind me the balance of units at the various affordability levels?

I’ve received a few emails this week frustrated about this project and there are apparently people who have had PPL projects in their neighborhoods in STP and Mpls who are telling folks here how bad it’s been for their neighborhoods so I just want to make sure I understand the arc of the project.

Thanks,
Jake

Sent from my iPhone

Begin forwarded message:

From: mark leonard <marklnrd@gmail.com>
Date: February 6, 2020 at 10:10:27 PM CST
To: Jake Spano <jspano@stlouispark.org>
Subject: Union Congregational United Church of Christ Project
Dear Mayor Spano,

As a resident of Elmwood Neighborhood who is **directly** across the street from the proposed Union Congregation Church development we are writing to you for your assistance.

Just recently the church notified the neighborhood of their project, the developer that they have chosen, and their time frame. This came as a complete surprise to us yet, the Church has stated they have been working on this for almost a year without any neighborhood input. Working with property owners who will be affected by a significant zoning change, early on, would seem to not only be prudent but respectful.

The Pastor of the Church is rigid, letting residents know this is the project, and its fits their Christian mission, and there are no alternatives. Just recently they finally commenced their very first meeting in which they invited residents. You need to be made aware this meeting was informational only. They do hear the many concerns but are also very clear and forthright they have no plans to make any changes. Furthermore, they have eluded that the delay in involving neighbors was under guidance given from city officials. Living in St. Louis Park since 1999, in two different neighborhoods, I find this hard to believe.

Thus, we are asking you to direct them to start the process over, working and engaging residents from the beginning. We bought our house knowing the zoning around us. They would like to change the zoning greatly for their own benefit not caring about the adverse effects for the surrounding area. Granting them a rezoning when they did not genuinely engage the community does not seem fair or just. They have a strong mission as a Church and we understand their desire to push what they want, but to do it at the expense of others, affecting quality of life of others, seems inconsistent with the values of the church or our city. With a genuine team approach and inclusive process it is very possible a win win can be accomplished. A process of collaboration from the onset can result in a project that would both, assist them with their goals, and find compatibility that is not detrimental to the neighborhood.

Thank you for your help.

Colleen and Mark Leonard

6200 Oxford St, St. Louis Park, MN 55416
Jean Olson

From: Karen Barton <kbarton@stlouispark.org>
Sent: Friday, February 7, 2020 9:44 PM
To: Sean Walther
Cc: Jacquelyn Kramer
Subject: Re: Union Congregational United Church of Christ Project

Thank you both for the info! I compiled it and sent it off to the mayor.

Enjoy your weekend! 😊

-Karen

From: Sean Walther <swalther@stlouispark.org>
Sent: Friday, February 7, 2020 5:22:58 PM
To: Karen Barton <kbarton@stlouispark.org>
Cc: Jacquelyn Kramer <jkramer@stlouispark.org>
Subject: RE: Union Congregational United Church of Christ Project

Karen, here is some info. If you want me to clean this up a bit and respond directly to the Mayor, instead of to you, please let me know.

- I have an email from March 20, 2018, that indicated a staff member was told by a church member that the church had an idea about this kind of project in late 2017.
- The same email indicated that they were now seriously considering the possibility.
- Staff met with an architect and former church member that were helping the church do research, explore options, and advising the church as they began their planning as a church in August 2018.
- We traded a few more emails in October 2018 about the 2040 comprehensive plan update process. At the time we were wrapping up the draft and we would be on a freeze for an amendments until at least April 2019.
- We first saw a concept plan prepared by the church’s advisers, not PPL, in July 2019. Staff provided some initial feedback on the concept plans on July 18, 2019.
- Our first meeting that included PPL was in October 2019, as Jacquelyn indicates below. That is when the likelihood of a development was far more certain, and the Ward councilperson was notified shortly thereafter.

We often have such meetings with interested parties. Many of these development inquiries do not materialize. Developers generally do not begin to reach out to neighbors prematurely, because it causes disruption unnecessarily if the project is not likely to proceed to an application. We do not advise developers to contact the neighborhood until they have a concept plan, and ideally a concept plan that has responded to some of staff’s comments. We typically strongly encourage an application-related neighborhood meetings either just before or just after they have made a formal application. In this case, they are much earlier reaching out to neighbors than most other developers.

Regarding the comments about “this is the plan.” Well, that approach may not fly for the church or PPL, if that is how they handle it. If they fail to get city support, then the plan will not be approved or built. Then PPL or the church will have to consider other options. My guess is that PPL and the architects will try to be responsive to some degree to city council and neighborhood comments, at least to the extent that it is still financially viable.

Sean Walther, AICP
Planning and Zoning Supervisor | City of St. Louis Park
5005 Minnetonka Blvd, St. Louis Park, MN 55416
Office: 952.924.2574
From: Jacquelyn Kramer <jkramer@stlouispark.org>  
Sent: Friday, February 7, 2020 4:26 PM  
To: Karen Barton <kbarton@stlouispark.org>  
Cc: Sean Walther <swalther@stlouispark.org>  
Subject: RE: Union Congregational United Church of Christ Project

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Jacquelyn Kramer (she/her/hers)  
Associate Planner | City of St. Louis Park  
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Office: 952.928.1375  
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Experience LIFE in the Park.

From: Karen Barton <kbarton@stlouispark.org>  
Sent: Friday, February 7, 2020 3:50 PM  
To: Jennifer Monson <jmonson@stlouispark.org>; Jacquelyn Kramer <jkramer@stlouispark.org>  
Cc: Sean Walther <swalther@stlouispark.org>  
Subject: RE: Union Congregational United Church of Christ Project

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Sent: Friday, February 7, 2020 3:30 PM  
To: Karen Barton <kbarton@stlouispark.org>; Jacquelyn Kramer <jkramer@stlouispark.org>  
Cc: Sean Walther <swalther@stlouispark.org>  
Subject: RE: Union Congregational United Church of Christ Project

Hi Karen,

I’m going to forward this to Jacquelyn, as she has been the primary staff on this so far.

Jennifer
From: Karen Barton <kbarton@stlouispark.org>
Sent: Friday, February 7, 2020 3:28 PM
To: Jennifer Monson <jmonson@stlouispark.org>
Cc: Sean Walther <swalther@stlouispark.org>
Subject: FW: Union Congregational United Church of Christ Project

Jennifer,

I think you’re the lead on the UCC project?? Can you please put together answers to Jake’s questions and I’ll forward them on to Jake.

Thank you!
Karen

From: Jake Spano <jspano@stlouispark.org>
Sent: Friday, February 7, 2020 9:21 AM
To: Tom Harmening <THARMENING@stlouispark.org>; Anne Mavity <amavity@stlouispark.org>
Subject: Fwd: Union Congregational United Church of Christ Project

Good morning-
Passing along for awareness and a couple of questions.

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Thanks,
Jake

Sent from my iPhone

Begin forwarded message:

From: mark leonard <marklnrd@gmail.com>
Date: February 6, 2020 at 10:10:27 PM CST
To: Jake Spano <jspano@stlouispark.org>
Subject: Union Congregational United Church of Christ Project
Dear Mayor Spano,

As a resident of Elmwood Neighborhood who is directly across the street from the proposed Union Congregation Church development we are writing to you for your assistance.

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Thus, we are asking you to direct them to start the process over, working and engaging residents from the beginning. We bought our house knowing the zoning around us. They would like to change the zoning greatly for their own benefit not caring about the adverse effects for the surrounding area. Granting them a rezoning when they did not genuinely engage the community does not seem fair or just. They have a strong mission as a Church and we understand their desire to push what they want, but to do it at the expense of others, affecting quality of life of others, seems inconsistent with the values of the church or our city. With a genuine team approach and inclusive process it is very possible a win win can be accomplished. A process of collaboration from the onset can result in a project that would both, assist them with their goals, and find compatibility that is not detrimental to the neighborhood.

Thank you for your help.

Colleen and Mark Leonard

6200 Oxford St, St. Louis Park, MN 55416
Jean Olson

From: Karen Barton <kbarton@stlouispark.org>
Sent: Monday, February 10, 2020 7:39 AM
To: Sean Walther, Jacquelyn Kramer
Subject: FW: Union Congregational United Church of Christ Project

FYI

From: Tom Harmening <THARMENING@stlouispark.org>
Sent: Friday, February 7, 2020 9:24 AM
To: mark leonard <marklnrd@gmail.com>; Nancy Deno <ndeno@stlouispark.org>
Cc: Karen Barton <kbarton@stlouispark.org>
Subject: RE: Union Congregational United Church of Christ Project

Hello Colleen and Mark — thanks very much for sharing your thoughts and concerns about the project UCC has proposed with PPL. I wanted to make sure you were aware of the communication J.W. Starrett representing the Elmwood Neighborhood Association sent to 2nd Ward Councilmember Anne Mavity recently expressing thoughts as well. Please see below. I would also encourage you to contact Councilmember Mavity. Her email address is amavity@stlouispark.org

Regards - Tom

Dear Council Member Mavity,

Subsequent to our meeting on January 7, 2020 with the potential developer for Union Congregational Church's property at 37th St. and Alabama Ave., the Elmwood Neighborhood Association met and needs your help with this project. Collectively, we have developed a position statement that we would like you to champion as our representative.

"The Elmwood Neighborhood Association supports development on the Union Congregational Church site that fits the scale and scope of this historic neighborhood, transitioning down in height as it approaches the single-family homes, with ample off-street parking, and integrated affordable housing (including both senior and non-senior components) not to exceed 20% of the housing units."

We believe this finds balance for all stakeholders. As our Ward 2 representative, we hope you can support and advocate the spirit and intent of this position with this developer or a different one.

Thank you! We look forward to the next steps in this process and providing any additional neighborhood feedback.

- The Elmwood Neighborhood Association

Tom Harmening (he, him, his)
City Manager | City of St. Louis Park
5005 Minnetonka Blvd, St. Louis Park, MN 55416
Office: 952-924-2526
www.stlouispark.org
Experience LIFE in the Park.
From: mark leonard <marklnrd@gmail.com>
Sent: Thursday, February 6, 2020 10:07 PM
To: Tom Harmening <THARMENING@stlouispark.org>; Nancy Deno <ndeno@stlouispark.org>
Subject: Union Congregational United Church of Christ Project

Dear City Manager and Deputy City Manager:

As a resident who is directly across the street from the Union Congregation Church development we are writing to you for your assistance.

Just recently the church notified the neighborhood of their project, the developer that they have chosen, and their time frame. This came as a complete surprise to us yet, the Church has stated they have been working on this for almost a year without any neighborhood input. Working with property owners who will be affected by a significant zoning change, early on, would seem to not only be prudent but respectful.

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Thank you for your help.

Colleen and Mark Leonard

6200 Oxford St, St. Louis Park, MN 55416
Jean Olson

From: Sean Walther <swalther@stlouispark.org>
Sent: Wednesday, March 4, 2020 11:28 AM
To: Tom Harmening; Karen Barton
Subject: RE: Proposed Union Congregation Church Project

Will do. Thanks for passing this along.

Sean Walther, AICP
Planning and Zoning Supervisor | City of St. Louis Park
5005 Minnetonka Blvd, St. Louis Park, MN 55416
Office: 952.924.2574
www.stlouispark.org
Experience LIFE in the Park.

From: Tom Harmening <THARMENING@stlouispark.org>
Sent: Wednesday, March 4, 2020 9:10 AM
To: Karen Barton <kbarton@stlouispark.org>; Sean Walther <swalther@stlouispark.org>
Subject: FW: Proposed Union Congregation Church Project

FYI – please make sure to keep these emails in the project file. Thanks

From: mark leonard <marklnrd@gmail.com>
Sent: Wednesday, March 4, 2020 9:03 AM
To: Anne Mavity <amavity@stlouispark.org>
Cc: Larry Kraft <LKraft@stlouispark.org>; Nadia Mohamed <NMohamed@stlouispark.org>; Rachel Harris <rharris@stlouispark.org>; Tim Brausen <tbrausen@stlouispark.org>; Margaret Rog <mrog@stlouispark.org>; Jake Spano <jspano@stlouispark.org>; Tom Harmening <THARMENING@stlouispark.org>; Nancy Deno <ndeno@stlouispark.org>
Subject: Re: Proposed Union Congregation Church Project

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Council Member Mavity,

Thank you very much for getting back to us.

We agree and I think you will generally find that neighbors understand that higher density with SWLRT is appropriate and that Elmwood has worked with developers in the past to accomplish this. An early example is the neighborhood worked in collaboration with both Quadrant Corporation and the city to design a project that increased density and found balance with design, population mix, and provide a flow into the single family homes of the Elmwood Neighborhood. This was accomplished knowing SWLRT would come and be a positive addition for everyone.
The Church so far has made absolutely no genuine effort to work with other property owners in regards to the design and mix of this project, as you mentioned this is everything. I find it more than a little concerning the Church has a final project that involved no input from the immediate community. Conversations with the Church and the single meeting we had, appear to dictate to the neighborhood the project is final and going forward regardless, true and meaningful engagement is much more than this. The church eluded that prior meetings with city officials (these all occurred prior to the first and only meeting with neighbors) have resulted in a blessing of the project as is and they are moving forward based on that given direction. To those of us that have made our home in the neighborhood feel this lack of engagement with the community feels as if the Church is only working to further its own agenda and working in its own interest without concern of the effect on its neighbors and/or other surrounding property owners. This is evident by the Church putting the onus on neighborhood leaders to advocate for and communicate any meetings. Normally, I would think, the party wanting a zoning change would be the one responsible for proactively coordinating and communicating effectively interactive meetings well in advance. Seems unreasonable and uncommon practice to put this burden onto the residents, unless it was known this would be an unpopular project, putting 100 plus new neighbors in an increasingly congested part of the city.

As our representative we need your help to encourage the Church to finally work in conjunction with all stakeholders on an overall design that will find the appropriate balance. If the Church won’t and are just going to attempt to push this through, as is, we need your support in leading the effort to deny any of these very significant zoning changes and other approvals. If not designed in collaboration with the interest of all parties involved it will have detrimental influence on the surrounding neighborhood. The Churches actions from the perspective of the neighborhood appear to have made a deliberate attempt to work on an unpopular project in the hope it could be fast tracked without community input. These actions are inconsistent with the values of our Elmwood Community as we feel we are good neighbors and attempt to find middle ground where possible. Lastly, we believe that if they would be just willing to work with the surrounding Elmwood Community this project can be a win win.

As you can see we are in great need of your assistance.

Thankfully,

Mark and Colleen Leonard

On Thu, Feb 20, 2020 at 2:15 PM Anne Mavity <amavity@stlouispark.org> wrote:

Thanks mark.

I met with them at their invitation prior to the neighborhood meeting and told them that more neighborhood engagement is better all around. Apparently the neighborhood reps didn’t get the mtg notice out with much lead time and I understand another meeting was scheduled by them to talk with neighbors again soon. I will show up to these meetings to listen to concerns and suggestions so I better understand those perspectives. I do believe that more density near the SWLRT is appropriate but design is everything in terms of how it works with neighboring properties.
They have not submitted an application to the city yet so it’s not officially under any city control in terms of reviews, notices, etc. but again my advice to them was to engage with neighbors more.

I’m happy to talk with you directly as well - call me at (952) 913-1108.

Anne Mavity

Sent from my iPhone

On Feb 20, 2020, at 11:33 AM, mark leonard <marklnrd@gmail.com> wrote:

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Council Members,

As a resident who is directly across the street from the Union Congregation Church development we are writing to you for your assistance.

Just recently the church notified the neighborhood of their project, the developer that they have chosen, and their time frame. This came as a complete surprise to us yet, the Church has stated they have been working on this for almost a year without any neighborhood input. Working with property owners who will be affected by a significant zoning change, early on, would seem to not only be prudent but respectful.

The Pastor of the Church is rigid, letting residents know this is the project, and its fits their Christian mission, and there are no alternatives. Just recently they finally commenced their very first meeting in which they invited residents. You need to be made aware this meeting was informational only. They do hear the many concerns but are also very clear and forthright they have no plans to make any changes. Furthermore, they have eluded that the delay in involving neighbors was under guidance given from city officials. Living in St. Louis Park since 1999, in two different neighborhoods, I find this hard to believe.

Thus, we are asking you to direct them to start the process over, working and engaging residents from the beginning. We bought our house knowing the zoning around us. They would like to change the zoning greatly for their own benefit not caring about the adverse effects for the surrounding area. Granting them a rezoning when they did not genuinely engage the community does not seem fair or just. They have a strong mission as a Church and we understand their desire to push what they want, but to do it at the expense of others, affecting quality of life of others, seems inconsistent with the values of the church or our city. With a genuine team approach and inclusive process it is very possible a win win can be accomplished. A process of collaboration from the onset can result in a project that would both, assist them with their goals, and find compatibility that is not detrimental to the neighborhood.

Thank you for your help.

Colleen and Mark Leonard

6200 Oxford St, St. Louis Park, MN 55416
Jean Olson

From: Karen Barton <kbarton@stlouispark.org>
Sent: Thursday, March 5, 2020 7:25 AM
To: Jacquelyn Kramer
Cc: Michele Schnitker; Sean Walther
Subject: FW: Union Congregational Church project update

Jaquelyn,

Check with Michele regarding the Project Based Assistance (Section 8) before responding to Anne. I know that PPL made a request, but we’re still evaluating it.

Karen

From: Anne Mavity <amavity@stlouispark.org>
Sent: Wednesday, March 4, 2020 5:25 PM
To: Jacquelyn Kramer <jkramer@stlouispark.org>
Cc: Karen Barton <kbarton@stlouispark.org>; Tom Harmening <THARMENING@stlouispark.org>
Subject: Re: Union Congregational Church project update

Thanks Jacque

But.... Public hearing scheduled for April 1st? Is it already on planning commission schedule? Any study session?

Also they inquired about PBA 8 which would come thru housing authority but might be a separated application. Is that the same timing then?

Anne Mavity

Sent from my iPhone

On Mar 4, 2020, at 1:12 PM, Jacquelyn Kramer <jkramer@stlouispark.org> wrote:

Good afternoon Councilmember Mavity,

I wanted to let you know that city staff have received planning applications from Union Congregational Church and PPL for their affordable housing proposal. Staff will conduct a completeness review this week, and a project page will be up on the city website by the end of the day. I’ve attached a flyer for the neighborhood meeting the church and PPL will host next week on the 10th. I will be attending to answer any questions on the city process side of things. Right now the public hearing is tentatively scheduled for April 1.

Please let me know if you have any questions. Thank you.

Jacquelyn Kramer (she/her/hers)
Associate Planner | City of St. Louis Park
5005 Minnetonka Blvd, St. Louis Park, MN 55416
Office: 952.928.1375
www.stlouispark.org
Experience Life in the Park.

<ELMWOOD invite to 3.10.20.pdf>
Soren Mattick

From: Karen Barton <kbarton@stlouispark.org>
Sent: Friday, April 10, 2020 11:01 AM
To: Soren Mattick
Subject: FW: Union Congregational Church project update

From: Anne Mavity <amavity@stlouispark.org>
Sent: Friday, March 6, 2020 10:36 AM
To: Jacquelyn Kramer <jkramer@stlouispark.org>
Cc: Karen Barton <kbarton@stlouispark.org>; Tom Harmening <THARMENING@stlouispark.org>
Subject: Re: Union Congregational Church project update

Thanks! It would be helpful to have a little more clarity on when and what the process steps might be for the city in considering a rental assistance request. For example I’m just not clear whether the HRA can act on its own and or what council action might be needed.

The timing is also a bit time sensitive because if the city does choose to deploy some vouchers to the project, the project funding applications might be more competitive if that decision is made before the June 4th state application deadline.

All this assumes a positive city council approval of some version of this project by June which of course is still unresolved.

Thanks.

Anne Mavity

Sent from my iPhone

On Mar 5, 2020, at 1:17 PM, Jacquelyn Kramer <jkramer@stlouispark.org> wrote:

Councilmember Mavity,

Michele Schnitker is in the process of determining the requirements and timeline for the PBA units. This particular application isn’t tied to the planning approvals at all, so it doesn’t have any impact on when the planning applications go before city council. At this time I’m not sure when the application will go before the housing authority.

Assuming the applications are complete, there’s usually a month between application submittal and the public hearing with planning commission. Right now we’re tentatively scheduled for April 1, but that date could be pushed back if staff asks the applicant to make significant revisions. I’ll be updating the project webpage with the schedule as it becomes finalized: https://www.stlouispark.org/government/departments-divisions/community-development/development-projects/union-congregational-church. I’m not aware of another study session for this project.

Thanks so much, and please let me know if you have any questions regarding the project.

Jacquelyn Kramer (she/her/hers)
From: Anne Mavity <amavity@stlouispark.org>
Sent: Wednesday, March 4, 2020 5:25 PM
To: Jacquelyn Kramer <jkramer@stlouispark.org>
Cc: Karen Barton <kbarton@stlouispark.org>; Tom Harmening <THARMENING@stlouispark.org>
Subject: Re: Union Congregational Church project update

Thanks Jacque

But.... Public hearing scheduled for April 1st? Is it already on planning commission schedule? Any study session?

Also they inquired about PBA 8 which would come thru housing authority but might be a separated application. Is that the same timing then?

Anne Mavity

Sent from my iPhone

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Good afternoon Councilmember Mavity,

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Please let me know if you have any questions. Thank you.

Jacquelyn Kramer (she/her/hers)
Associate Planner | City of St. Louis Park
5005 Minnetonka Blvd, St. Louis Park, MN 55416
Office: 952.928.1375
www.stlouispark.org
Experience LIFE in the Park.

<ELMWOOD invite to 3.10.20.pdf>
Jean Olson

From: Sean Walther <swalther@stlouispark.org>
Sent: Tuesday, March 10, 2020 7:26 PM
To: Karen Barton
Subject: UCC/PPL neighborhood meeting

Big turnout. ~122 people. About 6 from the church. About 7 from other neighborhoods. Plus a few consultants, 2 staff and Anne Mavity. Could be a long one if it goes like a public hearing.

Sent from my iPhone
Jean Olson

From: Jacquelyn Kramer <jkramer@stlouispark.org>
Sent: Monday, March 23, 2020 8:25 AM
To: Sean Walther
Subject: Re: Union Congregational Church - staff comments
Attachments: 15 day letter.docx

Yes, I sent the attached incomplete letter Friday afternoon. I'm writing a reply to Mike Ritter now, and I'll cc Anne, Karen, Tom, and you. Thanks.

From: Sean Walther <swalther@stlouispark.org>
Sent: Monday, March 23, 2020 8:22 AM
To: Jacquelyn Kramer <jkramer@stlouispark.org>
Subject: Re: Union Congregational Church - staff comments

Did the incomplete notice go out on Friday for the vacation application?

Also, do you want me to respond to the email from Mike Ritter & Anne Mavity?

From: Jacquelyn Kramer <jkramer@stlouispark.org>
Sent: Friday, March 20, 2020 5:13 PM
To: Abbie Loosen <Abbie.Loosen@ppl-inc.org>
Cc: Sean Walther <swalther@stlouispark.org>
Subject: Union Congregational Church - staff comments

Abbie,

Attached are staff comments on your applications for the Union Congregational Church project. As I mentioned earlier, once your team has had a chance to look over the comments, let's set up a check-in call. Thanks, and have a good weekend.
March 20, 2020

Abbie Loosen
1035 East Franklin Avenue
Minneapolis, MN 55404

Re: Application for an alley vacation

The city received an application for an alley vacation from you on March 2, 2020. Pursuant to Minn.Stat. 15.99, the city has 15 working days to review the application and determine whether or not it is complete. I am writing to notify you, that staff has reviewed the submittal and determined that the application is incomplete.

The issues below must be resolved and additional information must be submitted to the city, and determined to meet the requirements of the application before the application can be considered complete.

1. The vacation application states, "it [the petition] must be signed by the majority of owners of property adjacent to the alley or easement in the block where the alley or easement is situated, whether or not the petition requests vacation of the entire alley or easement." This alley part of block 48 and includes 4 properties. The church owns two lots and there are two single family lots. You will need another signature OR the city would have to be the applicant.

2. The proposal to not vacate, just move, the alley is not technically how this is handled. You can request to vacate the present alley and dedicate a new alley in the plat. This option would need to show that the remaining lot west of the new alley location meets the city’s current minimum lot dimension standards. It cannot create an orphaned and unbuildable lot.

3. Alternatively, we can try to work out an agreement to leave the alley in place and allow the current encroachment to continue and have an ingress/egress agreement in the church’s desired location. The details of this agreement would be included in the planning development contract.

Upon confirmation of a complete application, the city will begin processing this application and schedule it for consideration by city council.

Please contact me if you have any questions regarding this letter.

Jacquelyn Kramer, Associate Planner
952.928.1375
jkramer@stlouispark.org
I do not take positions on projects prior to them coming to the City Council for consideration.

Anne Mavity
St. Louis Park City Council member
952-913-1108

On Apr 2, 2020, at 12:13 PM, Scott Simonett <scotts@epicpropertyservicesinc.com> wrote:

Anne,

This is my third email asking you for where you stand on this issue. I am a bit perplexed as to why you are not or will not respond. Is this how the council and there staff typically deal with complex issues?

I would be happy to try other resources but unfortunately you are the only one who can answer my question. Please advise if there is something I am not doing properly.

Thank you!

Scott E. Simonett
12550 West Frontage Road, Suite 205
Burnsville, MN 55337
Dir 952-666-7411 Cell 952-484-8503
Office 952-666-7410

<image001.png>
Is it possible to get a response on this? It is very important for us to understand whom and what you support as our city representative of Ward 2.

Thank you!

Scott E. Simonett
12550 West Frontage Road, Suite 205
Burnsville, MN 55337
Dir 952-666-7411 Cell 952-484-8503
Office 952-666-7410

From: Scott Simonett
Sent: Tuesday, March 31, 2020 3:15 AM
To: Anne Mavity <anne@annemavity.org>
Cc: Sean Walther <swalther@stlouispark.org>
Subject: RE: UCC proposed project,

Anne,

I never got a reply back to this email?

Scott E. Simonett
12550 West Frontage Road, Suite 205
Burnsville, MN 55337
Dir 952-666-7411 Cell 952-484-8503
Office 952-666-7410

From: Scott Simonett
Sent: Monday, March 30, 2020 12:06 PM
To: Anne Mavity <anne@annemavity.org>
Cc: Sean Walther <swalther@stlouispark.org>
Subject: RE: UCC proposed project,

Anne,

I understand all of this procedurally, my questions and concerns are for you specifically. I am wondering where you are at as the representative of the 2nd Ward and the constituents you represent.

Thank you,

Scott E. Simonett
12550 West Frontage Road, Suite 205
From: Anne Mavity <anne@annemavity.org>
Sent: Monday, March 30, 2020 12:00 PM
To: Scott Simonett <scotts@epicpropertyservicesinc.com>
Cc: Sean Walther <swalther@stlouispark.org>
Subject: Re: UCC proposed project,

Scott,

The city is legally required to respond to development applications. I’ve cc’d Sean on this email so that he can guide you to our statutory requirements for action.

Obviously there will be much deeper and thorough analysis and review from the city staff and city council to evaluate it, and the requests the developer is asking of the city (I haven’t seen what those are).

Again, I have heard concerns from neighbors, and Sean was at the last meeting to hear them as well. Those concerns are certainly a significant factor in how the city evaluates this application.

Anne Mavity
St. Louis Park City Councilmember
952-913-1108

On Mar 30, 2020, at 11:56 AM, Scott Simonett <scotts@epicpropertyservicesinc.com> wrote:

Anne,

Now that you have heard some feedback from the neighbors about their questions and concerns have you formulated any kind of opinion as to how we should proceed?

Thank you,

Scott E. Simonett
12550 West Frontage Road, Suite 205
Burnsville, MN 55337
Dir 952-666-7411   Cell 952-484-8503
Office 952-666-7410
From: Anne Mavity <anne@annemavity.org>
Sent: Monday, March 30, 2020 11:53 AM
To: Scott Simonett <scotts@epicpropertieservicesinc.com>
Subject: Re: UCC proposed project,

Scott,

I’ve been coming to the church meetings to make sure I’m hearing what neighbors are saying and their concerns and questions.

Now that the application was finally received by the city, a formal review process and timeline has started, which you can see on the city’s website, and which city Planning Sean Walther can update you on as well.

I’m continuing to review information.

Anne Mavity
St. Louis Park City Councilmember
952-913-1108

On Mar 30, 2020, at 9:37 AM, Scott Simonett <scotts@epicpropertieservicesinc.com> wrote:

Anne,

I have been meaning to follow up with you for several days if not weeks but with the current situation we are all going through lost track.

I saw you at the meeting even though you didn’t address the people in attendance and was wondering if you could tell me where you stand with regard to this project and moving forward on it. If you could be as specific as possible I would greatly appreciate it.

Thank you in advance for your feedback,

Scott E. Simonett
12550 West Frontage Road, Suite 205
Burnsville, MN 55337
Dir 952-666-7411  Cell 952-484-8503
Office 952-666-7410

<image001.png>
Jean Olson

From: Anne Mavity <amavity@stlouispark.org>
Sent: Tuesday, April 7, 2020 10:20 PM
To: Jacquelyn Kramer
Cc: Karen Barton; Tom Harmening; Sean Walther
Subject: Re: Union Congregational Church development: public hearing delay

Thanks!

Anne Mavity

Sent from my iPhone

On Apr 7, 2020, at 1:36 PM, Jacquelyn Kramer <jkramer@stlouispark.org> wrote:

Good afternoon Councilmember Mavity,

Project for Pride in Living (PPL) has requested a delay in the public hearing, originally scheduled for April 15, for their planning applications related to the proposed housing development at 3700 Alabama Avenue (Union Congregational Church). PPL would like more time to revise their plans in order to address some of the neighborhood concerns. They plan on engaging the neighborhood before resubmitting plans to the city. Staff anticipate these revised plans in a few weeks, and have tentatively planned for a public hearing on May 20. If this schedule holds, council would take action on the applications sometime in June. They have also formally requested an extension to the 60 day rule, so that council may take action on the applications in time.

The city has already advertised the April 15 public hearing in the Sun Sailor, as well as sent out public hearing notices to all properties within 500 feet of the project site. Today staff are sending out another letter to those properties informing them of the delay. Staff have updated the city website (https://www.stlouispark.org/government/departments-divisions/community-development/development-projects/union-congregational-church); we will communicate this schedule change to the Elmwood Neighborhood Association; and we will update residents through social media. Once a new public hearing date is confirmed, we will re-advertise in the newspaper and social media, and send out mailers to all residents within 500 feet of the site.

Please let me know if you have any questions about this schedule change. Thank you.

Jacquelyn Kramer (she/her/hers)
Associate Planner | City of St. Louis Park
5005 Minnetonka Blvd, St. Louis Park, MN 55416
Office: 952.928.1375
www.stlouispark.org
Experience LIFE in the Park.
Jean Olson

From: Soren Mattick
Sent: Friday, April 10, 2020 11:49 AM
To: Jean Olson
Subject: FW: UCC/Mavity email correspondence
Attachments: 030620-email-kramer.pdf; 040720-email-kramer.pdf

Please print

Soren M. Mattick
CAMPBELL KNUTSON P.A.
1380 Corporate Center Curve • Suite 317 • Eagan, MN 55121
☎ (651) 234-6217 • Fax: (651) 452-5550
✉ smattick@ck-law.com • www.ck-law.com

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From: Jacquelyn Kramer <jkrramer@stlouispark.org>
Sent: Friday, April 10, 2020 11:48 AM
To: Soren Mattick <SMattick@ck-law.com>
Subject: UCC/Mavity email correspondence

Soren, here are the two email exchanges I’ve had with Councilmember Mavity regarding the Union Congregational Church project. Let me know if you need anything else. Thanks.

Jacquelyn Kramer (she/her/hers)
Associate Planner | City of St. Louis Park
5005 Minnetonka Blvd, St. Louis Park, MN 55416
Office: 952.928.1375
www.stlouispark.org
Experience LIFE in the Park.
Thanks! It would be helpful to have a little more clarity on when and what the process steps might be for the city in considering a rental assistance request. For example I’m just not clear whether the HRA can act on its own and or what council action might be needed.

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Thanks.

Anne Mavity

Sent from my iPhone

On Mar 5, 2020, at 1:17 PM, Jacquelyn Kramer <jkraker@stlouispark.org> wrote:

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Thanks so much, and please let me know if you have any questions regarding the project.

Jacquelyn Kramer (she/her/hers)
Associate Planner | City of St. Louis Park
5005 Minnetonka Blvd, St. Louis Park, MN 55416
From: Anne Mavity <amavity@stlouispark.org>
Sent: Wednesday, March 4, 2020 5:25 PM
To: Jacquelyn Kramer <jkramer@stlouispark.org>
Cc: Karen Barton <kbarton@stlouispark.org>; Tom Harmening <THARMENING@stlouispark.org>
Subject: Re: Union Congregational Church project update

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Experience LIFE in the Park.

<ELMWOOD invite to 3.10.20.pdf>
From: Anne Mavity
To: Jacquelyn Kramer
Cc: Karen Barton; Tom Harmaning; Sean Waither
Subject: Re: Union Congregational Church development: public hearing delay
Date: Tuesday, April 7, 2020 10:20:18 PM

Thanks!

Anne Mavity

Sent from my iPhone

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Good afternoon Councilmember Mavity,

Project for Pride in Living (PPL) has requested a delay in the public hearing, originally scheduled for April 15, for their planning applications related to the proposed housing development at 3700 Alabama Avenue (Union Congregational Church). PPL would like more time to revise their plans in order to address some of the neighborhood concerns. They plan on engaging the neighborhood before resubmitting plans to the city. Staff anticipate these revised plans in a few weeks, and have tentatively planned for a public hearing on May 20. If this schedule holds, council would take action on the applications sometime in June. They have also formally requested an extension to the 60 day rule, so that council may take action on the applications in time.

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Office: 952.928.1375
www.stlouispark.org
Experience LIFE in the Park.
From: Soren Mattick  
Sent: Friday, April 10, 2020 11:22 AM  
To: Jean Olson  
Subject: FW: Union Congregational Church  
Attachments:  
Re: Union Congregational Church development: public hearing delay; Union Congregational Church development: public hearing delay; Re: UCC proposed project; Re: UCC proposed project; RE: UCC proposed project; RE: UCC proposed project; RE: UCC proposed project; Re: Union Congregational Church - neighborhood comments; Re: Union Congregational Church - neighborhood comments; UCC/PPL neighborhood meeting; FW: Union Congregational Church project update; FW: Proposed Union Congregational Church Project; RE: Proposed Union Congregational Church Project; FW: Proposed Union Congregational Church Project; Re: Elmwood Development - Union Congregational Church; FW: Union Congregational United Church of Christ Project; Re: Union Congregational United Church of Christ Project; Re: Union Congregational United Church of Christ Project; RE: Union Congregational United Church of Christ Project; Fwd: Union Congregational - New Housing Development

Please print.

Soren M. Mattick  
CAMPBELL KNUTSON P.A.  
1380 Corporate Center Curve • Suite 317 • Eagan, MN 55121  
(651) 234-6217 • Fax: (651) 452-5550  
smattick@ck-law.com • www.ck-law.com

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From: Sean Walther <swalther@stlouispark.org>  
Sent: Friday, April 10, 2020 11:16 AM  
To: Soren Mattick <SMattick@ck-law.com>  
Subject: Union Congregational Church

Attached are several emails that seemed to be pertinent to our discussion this morning. It obviously isn’t every communication, but if it included Councilmember Anne Mavity or Mayor Jake Spano I included it here. Sorry that some may be repeats since they were not the last in the email chain.

Meeting dates:
- First neighborhood meeting was January 7, 2020.
- City council study session on January 13, 2020.
- Second neighborhood meeting was March

Anne Mavity’s response to neighbor, Scott Simonett, in email dated 4/2/2020:
“I do not take positions on projects prior to them coming to the City Council for consideration.”
My email to Karen Barton dated 2/27/2020 includes the timeline of interactions city staff had with UCC/PPL up to that point and that I prepared in response to the Mayor’s email, and just to save you a little time finding it in the list above, I am including the text of that email here:

“Karen, here is some info. If you want me to clean this up a bit and respond directly to the Mayor, instead of to you, please let me know.

- I have an email from March 20, 2018, that indicated a staff member was told by a church member that the church had an idea about this kind of project in late 2017.
- The same email indicated that they were now seriously considering the possibility.
- Staff met with an architect and former church member that were helping the church do research, explore options, and advising the church as they began their planning as a church in August 2018.
- We traded a few more emails in October 2018 about the 2040 comprehensive plan update process. At the time we were wrapping up the draft and we would be on a freeze for amendments until at least April 2019.
- We first saw a concept plan prepared by the church’s advisers, not PPL, in July 2019. Staff provided some initial feedback on the concept plans on July 18, 2019.
- Our first meeting that included PPL was in October 2019, as Jacquelyn indicates below. That is when the likelihood of a development was far more certain, and the Ward councilperson was notified shortly thereafter.

We often have such meetings with interested parties. Many of these development inquiries do not materialize. Developers generally do not begin to reach out to neighbors prematurely, because it causes disruption unnecessarily if the project is not likely to proceed to an application. We do not advise developers to contact the neighborhood until they have a concept plan, and ideally a concept plan that has responded to some of staff’s comments. We typically strongly encourage an application-related neighborhood meetings either just before or just after they have made a formal application. In this case, they are much earlier reaching out to neighbors than most other developers.

Regarding the comments about “this is the plan.” Well, that approach may not fly for the church or PPL, if that is how they handle it. If they fail to get city support, then the plan will not be approved or built. Then PPL or the church will have to consider other options. My guess is that PPL and the architects will try to be responsive to some degree to city council and neighborhood comments, at least to the extent that it is still financially viable.”

Let me know if you have follow up questions or need us to provide you more information, emails or other communications. Thank you.

Sean Walther (he/him/his)
Planning and Zoning Supervisor | City of St. Louis Park
5005 Minnetonka Blvd, St. Louis Park, MN 55416
Office: 952.924.2574
www.stlouispark.org
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Tom and Soren,
Thank you as well for the meeting. We appreciate you listening to the complaints.

Attached are some of the applicable portions included in the informational guidance memo, in regards to official conflict of interest and ethics, from the League of Minnesota Cities (LMC). This guidance further substantiates and brings credence to the complaint submitted.

You are aware that we were very concerned about retaliation, intimidation, and continued undue influence on the entire process and multiple parties. Thus we are hopeful that the guidance provided by the LMC is followed including the section on self judgement.

Again we appreciate your time and attention to this matter.

The UCC Communication Committee
I. Ethical responsibilities of local office in Minnesota

Most Minnesotans can run for and hold elected office at the federal, state, or local level. Candidates need not pass a civics test, attend mandatory trainings, obtain a specific degree or certification, or otherwise demonstrate their fitness. Nevertheless, election or appointment to public office may impact one’s personal and professional life—perhaps quite significantly.

Some of the most important regulations impacting local governments address the ethical responsibilities of public office—laws that can apply to both elected and appointed city officials. Such safeguards exist to:

- Ensure integrity in government.
- Protect the city’s and/or the city residents’ interests.
- Limit the opportunity for officials to benefit (personally or financially) from public office.

Unfortunately, such regulations also are some of the most misunderstood. City officials—particularly those new to their positions—need to be aware of their responsibilities and the types of prohibited conduct. Various regulations:

- Limit an official’s ability to act independently.
- Provide the public access to the decision-making process.
- Prohibit public officials from accepting gifts.
- Prohibit conflicts of interest.
- Prohibit officials from holding incompatible offices.
- Require public officials to disclose conflicts or economic interests when they do arise.

This memo examines the ethical responsibilities of local office in Minnesota.
Since so many individuals can get involved in the decision-making process, trying to distinguish between city “employees” and “officials” becomes quite difficult. As a result, the safest course of action is to assume the law applies to all employees, regardless of their title or job responsibilities.

2. Interested persons

State law defines an “interested person” as a person or representative of a person or association that has a direct financial interest in a decision that a local official is authorized to make.

An interested person likely includes anyone who may provide goods or services to a city such as engineers, attorneys, financial advisers, contractors, and salespersons. However, virtually every resident or person doing business in the city could have a direct financial interest in a decision that an official is authorized to make. These may include:

- Special assessments
- Property tax levies.
- Licenses and permits.
- Land use decisions.

If an individual could benefit financially from a decision or recommendation that a city official would be authorized to make, he or she might qualify as an interested person for purposes of the gift law.

B. Exceptions

The gift law allows the following types of gifts:

- Lawful campaign contributions.
- Services to assist an official in the performance of official duties. Such services can include (but are not limited to) providing advice, consultation, information, and communication in connection with legislation and services to constituents.
- Services of insignificant monetary value.
- A plaque or similar memento. Such items are permitted when given in recognition of individual services in a field of specialty or to a charitable cause.
- A trinket or memento costing $5 or less.
- Informational material of unexceptional value.
- Food or beverage given at a reception, meal, or meeting. This exception only applies if the recipient is making a speech or answering questions as part of a program located away from the recipient’s place of work.
A. Contracts

1. General prohibition

A public officer, who has authority to take part in making any sale, lease, or contract in his or her official capacity, shall not voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially from it. The term “public officer” certainly includes mayors, councilmembers, or other elected officials. It also may include appointed officers and employees who have influence over the decision-making process.

The attorney general has advised that the conflict of interest law applies to any councilmember “authorized to take part in any manner” in the making of the contract. Simply abstaining from voting on the contract is not sufficient. The attorney general reasoned that if the Legislature had only wanted to prohibit interested officers from voting on the contract, it would not have used the word “authorized.”

A literal reading of the statute might suggest that it only applies to city officers who enter into contracts on behalf of the city. However, the attorney general has given the statute a broader interpretation, which could affect more officials than just those directly involved in the decision-making process. As a result, cities may want to take a conservative approach regarding contracts with any city official.

a. Statutory cities

Statutory cities must consider an additional restriction. No member of a statutory city council may have a direct or indirect interest in any contract the council makes (notwithstanding the limited exceptions discussed below). This restriction may affect some contractual situations not covered by the general prohibition. For example, even though the actual contract is not with a councilmember, the fact that he or she has an indirect interest in it could be an issue.

b. Home rule charter cities

Many home rule charters contain provisions that address conflicts of interest in contracts as well. Some charters go beyond the statute to prevent all city officers and employees from having an interest in a city contract, whether or not the individual has a role in the process. Because charter provisions vary from city to city, this memo does not discuss them in any detail. However, the exceptions listed below apply to all cities, regardless of any other statute or city charter provision to the contrary.
RELEVANT LINKS:

This especially holds true when the matter concerns the member's character, conduct, or right to hold office. Conflicts can also arise when the official's own personal interest is so distinct from the public interest that the member cannot fairly represent the public interest.

In general, when an act of a council represents quasi-judicial decision, no member who has a personal interest may take part. Some would argue that the member's participation makes the decision voidable, even if his or her vote was not necessary. The bias of one councilmember could make a city council's decision arbitrary.

When a disqualifying personal interest exists, however, the action is not necessarily void. In contrast to the rules regarding conflict of interest in contract situations, the official action may remain valid if the required number of non-interested council members approved the action.

1. **Disqualifying interest—factors**

The Minnesota Supreme Court has utilized several factors when determining whether a disqualifying interest exists:

- The nature of the decision.
- The nature of the financial interest.
- The number of interested officials.
- The need for the interested officials to make the decision.
- Other means available, such as the opportunity for review.

Courts consider these factors in light of the conflict in issue.

When an administrative body has a duty to act on a matter and is the only entity capable of acting, the fact that members may have had a personal interest in the result may not disqualify them from performing their duties.

For example, courts consider whether other checks and balances exist to ensure city officials will not act arbitrarily or in furtherance of self-interests. In one case, the court took into account the fact that a decision by a board of managers could be appealed to the state water resources board. In another case, the court said that the ability to appeal to the district court would adequately protect owners from any possible prejudice.

2. **Common concerns**

a. **Self-judgment**

On the theory that no person should serve as the judge of his or her own case, courts have generally held that an officer may not participate in proceedings where he or she is the subject.
On the theory that no person should serve as the judge of his or her own case, courts have generally held that an officer may not participate in proceedings where he or she is the subject. As a result, councilmembers probably should not participate in a decision involving their own possible offense. For example, determination of a councilmember’s residency may represent one such issue from which an interested officer should abstain.

b. Self-appointment

Generally, city officials may not appoint a councilmember to fill a vacancy in a different elected position, even if the councilmember resigns from his or her existing position before the new appointment is made. However, councilmembers may be appointed mayor or clerk, but may not vote on their appointment. For example, this prohibits the mayor and a councilmember “switching” positions because they want to do so.

Resigning city councilmembers shall not participate in a vote to choose a person to replace the resigning member.

For appointments to non-elective positions, the general rule is that an official has a conflict in terms of self-interest. This conflict disqualifies the official from participating in the decision to appoint him- or herself. Appointing one council member to serve in two positions simultaneously triggers analysis of compatibility of the two offices or positions.

c. Council compensation

State law authorizes a council of any second, third, or fourth-class city in Minnesota to set its own salary and the salary of the mayor by ordinance. However, increases in salary cannot begin until after the next regular city election. Since every councilmember has a personal interest in his or her compensation, the need for interested officials to make the decision is unavoidable in this situation.

A special situation exists for setting the clerk’s salary in a Standard Plan statutory city. In these cities, the clerk is elected and is thus a voting member of the council. While the other councilmembers may vote on the clerk’s compensation without any disqualifying self-interests, it is probably best for the clerk not to vote on his or her own salary.

d. Family connections

In an informal letter opinion, the attorney general has advised that a councilmember was not disqualified from voting on a rezoning because his father owned legal title to the tract in question. The attorney general has further stated that a prohibited interest does not necessarily arise when the spouse of a city employee is elected mayor.
The opinion carefully avoids any statement about future action of the council on the existing employment relationship. Further, the court has stated that no conflict existed from a councilmember's brother's law firm representing the applicant for a preliminary plat.

The Minnesota Human Rights Act prohibits discrimination in employment based upon marital status. Making inquiries into the marital status of employees or applicants for city positions is not recommended.

e. Business connections

Business interests can also create conflicts—even if no personal financial interest arises under the general law.

In one situation, the attorney general advised that a housing authority commissioner had a conflict when—as a foreman—he would aid his employer, a contractor, in making a bid to the housing authority.

In a different opinion, the attorney general found that a mayor or councilmember would not be disqualified from office because he was an employee of a nonprofit corporation that provided public access cable service to the city, but the official must abstain from participating in any related actions.

f. Land use

Since a city council must deal with land matters within its jurisdiction, it is almost inevitable that such decisions will affect property owned or used by one of its members.

(1) Property ownership

Whether or not property ownership disqualifies a councilmember from participating in a land use decision will depend (to some extent) on the nature of the decision and the numbers of persons or properties affected.

At one extreme is adoption of a new zoning ordinance (or a comprehensive revision of an existing ordinance) that may impact all property in the city. In this situation, the councilmember's interest is not personal and he or she should be able to participate. If this was not allowed, such ordinances might never be adopted.

At the other extreme is the application for a zoning variance or special use permit that only applies to a councilmember's property. Such a specific, personal interest would likely disqualify the member from participating in the proceedings. However, the councilmember should still be able to submit the required application to the city.
RELEVANT LINKS:

E.T.O., Inc. v. Town of Marion, 375 N.W.2d 815 (Minn. 1985).

Minn. R. 7515.0430, subd. 5.

Nords v. City of Hastings, 284 Minn. 552, 170 N.W.2d 92 (1969).


However, whether an individual’s personal interest is sufficient to disqualify him or her from voting on the decision represents a question involving specific facts that must be determined on a case-by-case basis.

In a similar case, the Minnesota Supreme Court held that a town board member who owned property across from a bar could not vote on the license renewal. The town board member stated his property had been devalued by $100,000 since the bar opened, and he was elected to the board based largely on his opposition to the bar. The court stated, “A more direct, admitted, financial interest is hard to imagine.”

A state rule prohibits a councilmember from voting on a liquor license for a spouse or relative. The rule does not define who is included as a “relative,” so cities may need to consult with their city attorney for guidance in specific situations.

3. Consequences

Courts may uphold actions taken where a councilmember with a disqualifying interest participated if the result would have been the same without the interested official’s vote. For example, the Minnesota Supreme Court considered a decision by a three-member civil service commission to terminate a police officer for failing to pay his financial debts. The court held that it would have been a “better practice” for the commission member who had been a creditor of the officer to have disqualified himself and abstained from voting; however, that commission member’s participation in a unanimous decision did not invalidate the commission’s decision.

Councilmembers who have a disqualifying interest in a matter generally are excluded when counting the number of councilmembers necessary for a quorum, or for the number necessary to approve an action by a four-fifths vote, such as approving a special assessment.

C. Recommendation

City officials concerned about conflicts of interest in contractual or non-contractual situations should:

- Consult the city attorney.
- Disclose the interest as early as possible (orally and in writing).
- Not attempt to influence others.
- Not participate in any discussions (when possible, leave the room when the governing body is discussing the matter).
- Follow the statutory procedures provided for the contracting exceptions.
2. Conflicts of Interest

Local officials (including city employees with authority to make, recommend, or vote on major decisions regarding the expenditure or investment of public funds) must disclose certain information if they will be involved in decisions or take actions that substantially affect their financial interests or those of a business with which they are associated. However, disclosure is not required if the effect on the official is no greater than on others in that business classification, profession, or occupation more generally.

a. Disclosure

When conflicts arise, the interested official or employee must:

- Prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest.
- Deliver a copy of the notice to his or her superiors.
  - If the official is an employee, notice should be provided to his or her immediate supervisor.
  - If the official reports directly to the city council, notice should be given to the council.
  - If the official is appointed, notice should go to the chair of that board, commission, or committee. If the chair has the conflict, notice should go to the appointing authority—the city council.
  - If the official is elected, the written statement should go to the presiding officer (typically the mayor).
  - If the potential conflict involves the mayor, notice should be provided to the acting presiding officer.

If a potential conflict arises and there is not time to provide written notice, the official must orally inform his or her supervisor or the city council.

b. Delegation or abstention

The official’s supervisor must assign the matter to another employee who does not have a potential conflict of interest. If there is no immediate supervisor (as is the case with the city council), the official must abstain from voting or otherwise influencing the decision-making process.

c. Inability to abstain

If the city official is not permitted to abstain or cannot abstain, he or she must file a statement describing the potential conflict and the action taken. The official must file this statement with the city council within a week of the action.